

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

adhere to the monthly payment bond reserve payment schedule until such
time as the reserve account is fully funded.

We would like to express our appreciation to you and your staff for the
courtesies and assistance rendered to us during the performance of our audit.
Should you have any questions or need assistance in implementing any of our
recommendations, please feel free to contact us.

Maraist & Maraist

Maraist and Maraist
Certified Public Accountants

December 30, 1996

MARAIST & MARAIST

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MANAGEMENT LETTER

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

Dear Sirs:

Our audit of the financial statements of the Village of Parks, Louisiana as of and for the year ended June 30, 1996 revealed certain areas in which improvements in the accounting system and financial practices of the Village may be desirable. Therefore, the following improvements are submitted for your consideration.

1. While a completely adequate segregation of duties within the administrative office may not be entirely achievable, due to limited staffing, the Village should strive to the maximum extent possible to separate and segregate the tasks involving custodianship of assets, recordation of transactions, and reconciliation of financial records to the underlying asset amounts. In particular, segregation of the functions of billing of water/sewer charges to customers, collection and depositing of utility receipts, and maintenance of subsidiary utility receivable records should be segregated to the greatest degree possible, in order to insure adequate internal control of receipts and revenues.

While this finding was included in our management letter for the previous year, delays in completion of the sewer system have hampered the Village's planned implementation of additional enhanced internal control procedures in the cash receipts/accounts receivable area of the utilities accounting system.

2. Quarterly financial status reports to the Department of Justice associated with the grant funds received through the "Cops Fast" program were not timely filed during the initial stages of the program, although currently the aforementioned reports have been brought up to date. Management should insure that in the future, all reports are submitted on a timely basis.
3. The Village has been deficient in transferring funds to the LPFA Revenue Refunding Bond Reserve Fund. Although overall bond reserve and contingency accounts are adequately funded, management should make every effort possible to insure that funds are transferred to this account to bring it into compliance with the bond agreement, and to

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

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

In connection with our audit of the general purpose financial statements of the Village of Parks, Louisiana, and with our consideration of the Village's internal control structure used to administer federal award programs, as required by Office of Management and Budget(OMB) Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996.

As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed, eligibility, and special tests and provisions(if any) that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village of Parks' compliance with those requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of our procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Parks, Louisiana had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in a separate letter to the management of the Village of Parks, Louisiana dated December 30, 1996.

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INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH THE GENERAL REQUIREMENTS APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

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

We have applied procedures to test the Village of Parks' compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the accompanying schedule of federal financial assistance, for the year ended June 30, 1996.

General Requirements

Political Activity	Federal Financial Reports
Civil Rights	Allowable Costs/Cost Principles
Cash Management	Drug-Free Workplace Act

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Supplement for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Village or Parks' compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Village of Parks, Louisiana had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed immaterial instances of noncompliance with those requirements, which are described in a separate letter to the management of the Village of Parks, Louisiana dated December 30, 1996.

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

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

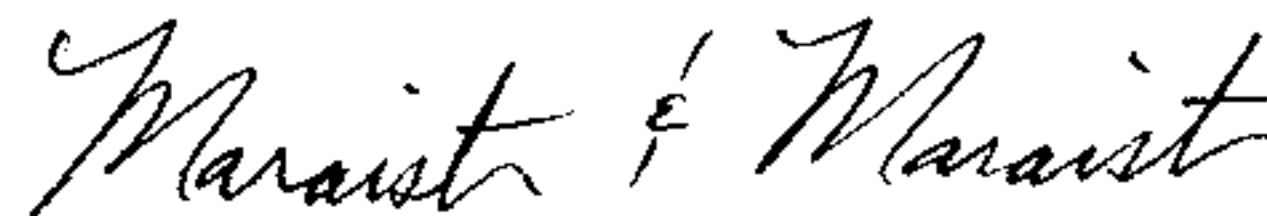
We have audited the general purpose financial statements of the Village of Parks, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 30, 1996.

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 general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Parks, Louisiana is the responsibility of the management of the Village of Parks. As part of obtaining reasonable assurance about whether the general purpose financial statements are free of material misstatement, we performed tests of the Village of Parks' compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements 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 under Government Auditing Standards.

This report is intended solely for the information of management and the Mayor and Board of Aldermen of the Village of Parks, Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



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December 30, 1996

To the Mayor and the Board
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of Parks, Louisiana

During the year ended June 30, 1996, the Village of Parks, Louisiana expended -0- percent of its total federal awards under major federal financial assistance programs and the following nonmajor program:

US Dept. of Agriculture-Farmers Home Administration-Water and
Waste Disposal Systems for Rural Communities(CFDA #10.418)

We performed tests of controls, as required by OMB Circular A-128, 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, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Village's major programs, which are identified in the accompanying schedule of federal financial assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs 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 one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 a 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 Parks, Louisiana in a separate letter dated December 30, 1996.

This report is intended solely for the information of the management, and the Mayor and Board of Aldermen of the Village of Parks, Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



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December 30, 1996

To the Mayor and the Board
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of Parks, Louisiana

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, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance 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.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

Accounting Controls

Cash and Petty Cash
Investments
Payroll and Related Expenses
Property and Equipment
Donated Materials, Facilities and Services
Debt and Other Liabilities
Fund Balances
Support, Program Service Fees, Revenues
and Receivables
Expenditures for Goods, Services and Payables

Administrative Controls

General Requirements:
Political Activity
Drug Free Workplace Act
Civil Rights
Cash Management
Federal Financial Reports
Allowable Costs/Cost Principles
Administrative Requirements

Specific Requirements:
Allowable Services
Eligibility
Cost Allocation
Reporting

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

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INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE USED IN ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

We have audited the general purpose financial statements of the Village of Parks, Louisiana as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 30, 1996. We have also audited the Village's compliance with requirements applicable to major federal financial assistance programs and have issued our report thereon dated December 30, 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, "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 of material misstatement, and whether the Village complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit of the general purpose financial statements of the Village of Parks, Louisiana as of and 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 opinions on the general purpose financial statements and on the Village's compliance with requirements applicable to major programs, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated December 30, 1996.

The management of the Village of Parks, 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

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

Accounting Controls

Cash and Petty Cash
Investments
Payroll and Related Expenses
Property and Equipment
Donated Materials, Facilities and Services
Debt and Other Liabilities
Fund Balances
Support, Program Service Fees, Revenues
and Receivables
Expenditures for Goods, Services
and Payables

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined 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 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control 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 Parks, Louisiana in a separate letter dated December 30, 1996.

This report is intended solely for the information of the management, and the Mayor and Board of Aldermen of the Village of Parks, Louisiana. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

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December 30, 1996

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Parks, Louisiana as of June 30, 1996 and for the year then ended, and have issued our report thereon dated December 30, 1996.

We conducted our audit in accordance with generally accepted auditing standards, 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 general purpose financial statements are free of material misstatement.

In planning and performing our audit of the general purpose financial statements of the Village of Parks, Louisiana as of and 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 an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

The management of the Village of Parks, 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 financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors, irregularities or instances of noncompliance 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.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule 4

SCHEDULE OF COMPENSATION PAID TO ALDERMEN
YEAR ENDED JUNE 30, 1996

During the year ended June 30, 1996, each of the three aldermen were paid \$100 per meeting attended, both general and special, from July of 1995 thru June 30 of 1996, as follows:

FYE 6/30/96

<u>ALDERMAN</u>	<u>COMPENSATION</u> <u>PAID</u>
Daniel Dupont	\$1,200
Rodney Potier	1,200
Horace Charles	1,200

	\$3,600
	=====

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
SPECIAL REVENUE FUNDS

Schedule 2

Combining Schedule of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended June 30, 1996

	<u>Sales</u> <u>Tax</u>	<u>Park</u> <u>Commission</u>	<u>COPS</u> <u>Fast</u>	<u>Total</u>
<u>REVENUES:</u>				
Taxes	\$50,755			\$50,755
Federal Grants			\$12,500	12,500
Fees/Charges for Services		\$1,045		1,045
Miscellaneous	620			620
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	\$51,375	\$1,045	\$12,500	\$64,920
	-----	-----	-----	-----
<u>EXPENDITURES:</u>				
Current Operating-				
General & Administrative			\$ 88	\$ 88
Public Safety(Police Dept.)	\$61,656			61,656
Recreation		\$1,827		1,827
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	\$61,656	\$1,827	\$ 88	\$63,571
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	(10,281)	\$ (782)	\$12,412	\$ 1,349
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers In	\$13,600	\$ 5		\$13,605
Operating Transfers Out			(12,412)	(12,412)
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	\$13,600	\$ 5	(12,412)	\$ 1,193
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	\$ 3,319	\$ (777)	\$ -0-	\$ 2,542
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING</u>	7,425	5,060	-0-	12,485
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING</u>	\$10,744	\$4,283	\$ -0-	\$15,027
	=====	=====	=====	=====

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
SPECIAL REVENUE FUNDS

Schedule 1

Combining Balance Sheet, June 30, 1996

	<u>Sales Tax</u>	<u>Park Commission</u>	<u>COPS Fast</u>	<u>Total</u>
<u>ASSETS AND OTHER DEBITS</u>				
Cash	\$ 7,676	\$4,283		\$11,959
Accounts Receivable	4,547			4,547
	-----	-----	-----	-----
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$12,223</u>	<u>\$4,283</u>	<u>-0-</u>	<u>\$16,506</u>
	=====	=====	=====	=====
 <u>LIABILITIES AND FUND EQUITY</u>				
<u>LIABILITIES:</u>				
Accounts Payable				
Other Accrued Liabilities	\$ 1,479			\$ 1,479
	-----	-----	-----	-----
<u>TOTAL LIABILITIES</u>	<u>\$ 1,479</u>	<u>-0-</u>	<u>-0-</u>	<u>\$ 1,479</u>
	-----	-----	-----	-----
<u>FUND EQUITY:</u>				
Fund Balance-Unreserved	\$10,744	\$4,283	-0-	\$15,027
	-----	-----	-----	-----
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$12,223</u>	<u>\$4,283</u>	<u>-0-</u>	<u>\$16,506</u>
	=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(15) Segment Information for the Enterprise Fund

The Village of Parks maintains one enterprise fund which currently provides water service. A sewer system is currently in the final construction and tie-in stages, and was not operational at June 30, 1996. Therefore, segmental operating information for the enterprise fund is not presented.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Historical trend information showing each systems' progress in accumulating sufficient assets to pay benefits when due is presented in the MPERS's June 30, 1994 comprehensive annual financial report. The Village of Parks does not guarantee the benefits granted by the system.

(11) Retained Earnings - Reserved

Retained Earnings are reserved as follows:

	June 30, <u>1996</u>
Reserved for Debt Retirement	\$280,450
Reserved for Customers' Meter Deposits	57,308

	\$337,758
	=====

(12) Interfund Transfers

	FYE 6/30/96	
	Transfers In	Transfers Out
General Fund	\$ 6,000	\$ 22
Special Revenue Fund		
(Sales Tax Fund)	13,600	-0-
(COPS Fast Fund)	-0-	12,412
(Parks Park Fund)	5	
Enterprise Fund		
(Water/Sewer Fund)	22	7,193
	-----	-----
Totals	\$19,627	\$19,627
	=====	=====

(13) Pending Litigation and Contingent Liabilities

The Village is a participant in various lawsuits. Management and legal counsel for the Village believe there is adequate insurance coverage on all cases where monetary damages are sought, and that the suits will not have an adverse effect on the Village's financial position.

(14) Lease Obligation

During the year ended June 30, 1993, the Village entered into a capital lease for a vehicle for the police department. As of June 30, 1996, this lease was paid in full.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

days. If an employee quits he forfeits all accumulated days. Because of these policies, there are no accruals made in either the proprietary fund or the governmental funds.

(10) Retirement Commitments

All employees of the Village of Parks are members of the Social Security System, with the exception of the Chief of Police, who is a member of the police retirement system of the State of Louisiana.

The chief of police is a participant in the Municipal Police Employee's Retirement System (MPERS) of Louisiana, a multiple-employer public employee retirement system. The payroll for the chief of police for the year ended June 30, 1996 was \$18,200. The total village payroll was \$224,500.

Members of the Municipal Police Employee's Retirement System may retire with 20 years of service at age 50 and with 12 years of service at age 55. The retirement allowance is equal to 3 1/3 percent of the member's annual average final compensation multiplied by his years of creditable service. Their retirement allowance may not exceed the greater of 100 percent of a member's final salary or compensation. The system also provides disability and survivor benefits. Benefits are established by State statute.

Covered employees are required to contribute 7.5 percent of their earnings to the plan; the Village contributed 9 percent. The total contribution for the year was \$3,515 which consisted of \$1,908 from the Village and \$1,607 from covered employees. Contributions are also established by State statute.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the system's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among pension benefit plans and employers. The System does not make separate measurements of assets and pension benefit obligation for individual employers.

The pension benefit obligation at June 30, 1994, for the MPERS as a whole, determined through actuarial valuation performed as of that date, was \$699,747,668. The MPERS net assets available for benefits on that date (valued at market) were \$729,682,350, leaving assets in excess of pension benefit obligation of \$29,934,682.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

Under the terms of the revenue bond indentures dated April 1, 1989 on outstanding Water System Revenue Refunding Bonds, there shall be set aside monthly into a sinking fund an amount equal to 1/6 of the next maturing interest payment, and 1/12 of the next maturing principal payment on the outstanding bonds. Such funds shall be used for the prompt payment of maturing interest and principal due on said bonds.

There shall also be set aside into a bond reserve fund an amount equal to 20% of the monthly amount transferred to the sinking fund, until a maximum reserve fund amount of \$52,900 is reached. Thereafter, an amount equal to 5% of the monthly amount transferred to the sinking fund shall be set aside into the reserve fund, until such time as an amount equal to the maximum maturing interest and principal payment falling due on all bonds in any one year. Such funds shall be used for the payment of bond interest and principal for which sufficient funds are not on deposit in the bond sinking fund.

In addition, there shall also be set aside monthly into a replacement fund an amount equal to 5% of the monthly amount transferred into the sinking fund. Money in this fund shall be used for the making of extraordinary repairs, or for the payment of interest and principal falling due on these bonds for which there is not sufficient money for payment in any of the other bond funds.

Under the terms of the Sewer Revenue Bonds dated July 19, 1994, there shall be set aside monthly into a sinking fund the amount of \$996.03 for payment of monthly maturities of interest and principal on said bonds. Additionally, there shall be set aside monthly the sum of \$50 into a bond reserve fund, until the maximum reserve fund amount of \$11,952.36 is reached. Simultaneously, a monthly payment of \$54 is to be set aside into a bond contingency fund to be used for extraordinary repairs to the sewer system and to pay any principal and interest payments coming due for which sufficient funds are not available in any of the other sewer revenue bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose. As of June 30, 1996 the Village of Parks, Louisiana was in compliance with the stipulations of the aforementioned bond indentures with regard to bond fund sinking and reserve requirements.

(9) Accumulated Unpaid Vacation and Sick Pay

Employees of the Village earn sick leave and vacation days depending on length of employment. The vacation days and sick pay days cannot be carried over from year to year. Neither can be received in cash in lieu of taking the

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The annual requirements to amortize all debt outstanding as of June 30, 1996, including interest payments of \$1,352,431 are as follows:

Year Ending <u>June 30</u>	Revenue <u>Bonds</u>	Certificates of <u>Indebtedness</u>	<u>Total</u>
1997	128,342	33,260	161,602
1998	119,788	34,000	153,788
1999	118,345	32,680	151,025
2000	117,826	33,300	151,126
2001	116,292	32,830	149,122
2002-2034	1,817,947	132,760	1,950,707
	-----	-----	-----
	\$2,418,540	\$298,830	\$2,717,370
	=====	=====	=====

(8) Flow of Funds; Restrictions on Use - Water/Sewer Dept. Revenues

Under the terms of the bond indentures on outstanding Water System Revenue Bonds dated February 1, 1967, August 1, 1972, and April 1, 1989, all income and revenues of every nature, earned or derived from operation of the Water System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers 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.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to the maximum principal and interest requirements in any one maturity year. 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 "Bond and Interest Sinking Fund" and as to which there would otherwise be default.

There will also be set aside into a "Contingency Fund" a minimum of \$9,700. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

These revenue bonds are payable from the water/sewer department proprietary fund, and are comprised of the following individual issues at June 30, 1996:

Revenue Bonds

\$610,000 Water System Revenue Bonds dated 8-1-72;
due in annual installments of \$3,000-24,000
through August 1, 2012; interest at 5.625% and
secured by water system revenues. \$373,000

\$143,000 Water System Revenue Bonds dated 2/1/67;
due in annual installments of \$1,000-8,000
through February 1, 2007; interest at 3.75% and
secured by water system revenues. 67,000

\$500,000 Water System Revenue Bonds dated 4/1/89;
due in annual installments of \$2,300-54,200
through April 1, 2019; interest at 11.00% and
secured by water system revenues. 477,100

\$217,000 Sewer System Revenue Bonds dated 7/19/94;
with interest only due annually on 7/19/95 and
7/19/96 in the amount of \$9,765.00 and thereafter
due in monthly installments of \$996.03 through
July 19, 2034; interest at 4.5% and secured
by sewer system revenues. 216,839

Subtotal \$1,133,939

Certificates of Indebtedness

\$250,000 Certificates of Indebtedness dated 7/1/94;
due in annual installments of \$33,340-34,000
through July 1, 2004; interest at 6.0% and secured
by revenues of the General Fund and Enterprise Fund. 231,000

Total \$1,364,939
=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A summary of proprietary fund type property, plant, and equipment at June 30, 1996 follows:

Water Department:

Land	\$ 14,599
Water System Plant	1,684,485
Water System Equipment	88,661
Transportation Equipment	40,645
Office Equipment	21,186

Subtotal	\$1,849,576
Sewer Construction in Progress	1,612,222

Total	\$3,461,798
Less: Accumulated Depreciation	(974,914)

Net	\$2,486,884
	=====

(6) Construction in Progress

The Village has undertaken the construction of a sewer collection and wastewater treatment system to service the residents of the Village. This project is to be funded in part by a Louisiana Community Development Block Grant of approximately \$749,600. The remaining funds will be provided by Farmers Home Administration Grants of \$193,400 and \$225,000, and an issue of sewer revenue bonds in the amount of \$217,000 coupled with the issuance of certificates of indebtedness in the amount of \$250,000. At June 30, 1996 the project was approximately 99% complete, and as of the date of issuance of this report, the sewer system was online and in operation.

(7) Changes in Long-Term Debt

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

	Revenue <u>Bonds</u>	Certificates of <u>Indebtedness</u>	<u>Total</u>
Bonds Payable-July 1, 1995	\$1,164,500	\$250,000	\$1,414,500
Bonds Retired	(30,561)	(19,000)	(49,561)
Bonds Issued	-0-	-0-	-0-
	-----	-----	-----
Bonds Payable-June 30, 1996	\$1,133,939	\$231,000	\$1,364,939
	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Martin Parish. For the year ended June 30, 1996, taxes of 3.19 mills were levied and dedicated for general corporate purposes.

There were no uncollected balances of ad valorem taxes as of June 30, 1996.

(4) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

	<u>1996</u>
Cash:	
Bond Sinking Funds	\$ 23,323
Bond Reserve Accounts	122,651
Bond Contingency Accounts	36,952
1995 Sewer Construction Fund	178,976

Total Restricted Assets	\$361,902
	=====

The customers' meter deposit funds have been combined with bond reserve and contingency funds subsequent to the refunding of \$972,500 of revenue bonds originally held by the Farmers Home Administration, pursuant to FMHA's 1989 Discount Purchase Program. A segregation of customers' meter deposit funds will be reinstated as projected surplus funds from operations become available.

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Buildings</u>	Office <u>Equipment</u>	Transportation <u>Equipment</u>	<u>Totals</u>
Balance-July 1, 1995	\$72,594	\$10,077	\$14,318	\$ 96,989
Additions	-0-	-0-	-0-	-0-
Deletions	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Balance-June 30, 1996	\$72,594	\$10,077	\$14,318	\$ 96,989
	=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(2) Cash and Interest Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1996, the Village has cash and interest-bearing deposits (book balances) totaling \$489,548 which are comprised entirely of demand deposits in fiscal agent banks. These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. Deposit balances at June 30, 1996 are secured as follows:

Bank Balances	\$489,548
	=====

At June 30, 1996 the deposits are secured as follows:

Federal Deposit Insurance	\$100,000
Pledged Securities (Category 3)	535,000

Total Federal Insurance and Pledged Securities	\$635,000
	=====
Excess of Secured Deposits Over Bank Balances	\$145,452
	=====

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Village's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

(3) 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 Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt are recognized when due and accumulated unpaid vacation and sick pay are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year end.

Budgets and Budgetary Accounting. Annually, the Village of Parks adopts a comprehensive operating budget on a basis consistent with generally accepted accounting principles. The budget is legally adopted or amended through the passage of a formal resolution.

Formal budgetary integration and interim budget reporting practices are not employed by the Village. Budgeted amounts reported in the accompanying financial statements include original budget amounts and all subsequent amendments. Budgets were not prepared and adopted for the proprietary fund types (Water/Sewer Department). The Village does not utilize a system which involves encumbrances.

All budgetary appropriations lapse at the end of each fiscal year.

Interest-bearing Deposits. Interest bearing deposits, consisting of certificates of deposit, are stated at cost, which approximates market.

Cash and Cash Equivalents. For purposes of cash flows, the Village considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Bad Debts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 1996, an allowance for utility receivables and ad valorem taxes was considered unnecessary due to the immateriality of the amounts considered uncollectible.

"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 does 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.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, and not in the governmental funds.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

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 these fixed assets using the straight-line method. Depreciation expense was \$ 66,213 for fiscal year ended June 30, 1996. The estimated useful lives of fixed assets are as follows:

Water/Sewer Utilities

Wells	25 years
Storage Tanks	25 years
Elevated Tank	30 years
Purification Plant	25 years
Lines and Meters	25 years
Transportation Equipment	5 years
Office Equipment	10 years
Maintenance Equipment	10 years

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated.

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. Sales taxes, fines and forfeitures, and licenses 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. Ad valorem taxes are considered "measurable" and are recognized as revenue at the time that they are assessed.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds

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

Special Revenue Fund-The Special Revenue Fund is used to account for the proceeds of specific revenue sources (sales and use tax receipts, user fees, etc.), that are legally restricted to expenditures for specific purposes (police protection, recreation, etc.).

Proprietary Fund

Enterprise Fund (Water/Sewer)-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 costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that 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.

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 generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The Village of Parks is incorporated 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 Parks conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

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 are dependent on the Village of Parks executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain governmental organizations are not part of the Village and are thus excluded from the accompanying financial statements. One such organization is the Housing Authority, which is directed by an independent board and does not receive any funding, facilities, or direction from the Village of Parks.

Fund Accounting. The accounts of the Village of Parks are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise 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 two broad fund categories and further subdivided into three generic fund types as follows:

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT E
(Continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1996

	<u>SPECIAL REVENUE FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
Sales Taxes	\$52,000	\$50,755	\$(1,245)
Federal Grants	12,500	12,500	-
Miscellaneous	1,500	1,665	165
	-----	-----	-----
<u>TOTAL REVENUES:</u>	\$66,000	\$64,920	\$(1,080)
	-----	-----	-----
<u>EXPENDITURES:</u>			
Current Operating-			
General Government	\$ -	\$ 88	(88)
Public Safety(Police Dept.)	60,180	61,656	\$(1,476)
Recreation	1,800	1,827	(27)
	-----	-----	-----
<u>TOTAL EXPENDITURES:</u>	\$61,980	\$63,571	\$(1,591)
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES:</u>	\$ 4,020	\$ 1,349	\$(2,671)
	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>			
Operating Transfers(Net)	\$ 1,000	\$ 1,193	\$ 193
	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	\$ 1,000	\$ 1,193	\$ 193
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u> <u>OTHER SOURCES OVER EXPENDITURES</u> <u>AND OTHER USES:</u>	\$ 5,020	\$ 2,542	\$(2,478)
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING:</u>	12,485	12,485	-0-
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING:</u>	\$17,505	\$15,027	\$(2,478)
	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT E

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1996

	<u>GENERAL FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
Taxes	\$ 5,300	\$ 5,787	\$ 487
Licenses and Permits	31,150	32,368	1,218
Fines and Penalties	7,500	6,724	(776)
Federal Grants	-	-	-
State Revenue Sharing	2,200	2,189	(11)
Miscellaneous	150	316	166
	-----	-----	-----
<u>TOTAL REVENUES:</u>	\$46,300	\$47,384	\$ 1,084
	-----	-----	-----
<u>EXPENDITURES:</u>			
Current Operating-			
General Government	\$35,625	\$33,696	\$ 1,929
Public Works(Streets & Highways)	17,900	18,121	(221)
	-----	-----	-----
<u>TOTAL EXPENDITURES:</u>	\$53,525	\$51,817	\$ 1,708
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES OVER EXPENDITURES:</u>	\$ (7,225)	\$ (4,433)	\$ 2,792
	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>			
Operating Transfers(Net)	\$ 6,000	\$ 5,978	\$ (22)
	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	\$ 6,000	\$ 5,978	\$ (22)
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES:</u>	\$ (1,225)	\$ 1,545	\$ 2,770
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING:</u>	11,573	11,573	-0-
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING:</u>	\$10,348	\$13,118	\$ 2,770
	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT D

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>YEAR ENDED</u> <u>JUNE 30, 1996</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1995</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Operating Income	\$ 172,807	\$1,060,807
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	66,213	61,315
Changes in Assets and Liabilities:		
Increase in Accounts Receivable	(2,562)	(13,015)
Increase/(Decrease) in Accounts Payable	2,323	(6,624)
Increase/(Decrease) in Accrued Expenses	(1,907)	2,434
Increase in Customer Meter Deposits	2,460	6,733
	-----	-----
<u>NET CASH PROVIDED FROM OPERATING ACTIVITIES</u>	<u>\$ 239,334</u>	<u>\$1,111,650</u>
	-----	-----
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>		
Operating transfers out to other funds	\$ (7,188)	\$ (61,128)
Operating transfers in from other funds	22	78,995
	-----	-----
<u>NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES</u>	<u>\$ (7,166)</u>	<u>\$ 17,867</u>
	-----	-----
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from additional borrowing	\$ -0-	\$ 467,000
Principal paid on revenue bonds, certificates of indebtedness and installment loans	(49,561)	(29,000)
Interest paid on revenue bonds, certificates of indebtedness and installment loans	(104,668)	(93,282)
Increase in Accrued Interest Payable	8,461	6,765
Payments made for construction in progress	(161,341)	(1,334,931)
Payments made for capital purchases	(43,547)	(9,153)
	-----	-----
<u>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>\$ (350,656)</u>	<u>\$ (992,601)</u>
	-----	-----
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest earned on investments	\$ 18,156	\$ 23,250
	-----	-----
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>\$ (100,332)</u>	<u>\$ 160,166</u>
	-----	-----
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>564,628</u>	<u>404,462</u>
	-----	-----
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 464,296</u>	<u>\$ 564,628</u>
	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT C
(Continued)

STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS-PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>YEAR ENDED</u> <u>JUNE 30, 1996</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1995</u>
<u>OPERATING TRANSFERS:</u>		
Transfers In	\$ 22	\$ 78,995
Transfers Out	(7,188)	(61,128)
	-----	-----
<u>TOTAL OPERATING TRANSFERS</u>	\$ (7,166)	\$ 17,867
	-----	-----
<u>NET INCOME</u>	\$ 79,129	\$1,008,642
<u>RETAINED EARNINGS, BEGINNING</u>	1,465,788	457,146
	-----	-----
<u>RETAINED EARNINGS, ENDING</u>	\$1,544,917	\$1,465,788
	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT C

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS-PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1996 AND 1995

	<u>YEAR ENDED</u> <u>JUNE 30, 1996</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1995</u>
<u>OPERATING REVENUES:</u>		
Charges for Services:		
Water Sales	\$ 473,594	\$ 459,594
Meter Sales	14,822	14,289
Connection Fees	1,360	1,590
Extension & Addition Charges	3,105	10,131
Other Operating Income	645	7,365
Grant Revenue	118,156	979,321
	-----	-----
<u>TOTAL OPERATING REVENUES</u>	<u>\$ 611,682</u>	<u>\$1,472,290</u>
	-----	-----
<u>OPERATING EXPENSES:</u>		
Salaries	\$ 151,330	\$ 129,693
Payroll Taxes	11,957	10,396
Insurance Expense	32,600	32,224
Repair & Maintenance	3,150	51,098
Chemicals	3,283	3,542
Office Expense	12,843	13,607
Dues & Subscriptions	185	300
Utilities	44,508	32,311
Meter Readers	11,453	10,048
Miscellaneous Expense	905	449
Automotive Expense	9,784	7,800
Equipment Rental	1,036	-0-
Professional Fees	24,178	7,647
Telephone Expense	1,604	1,525
Depreciation Expense	66,213	61,315
Operating Supplies	29,592	49,135
Bank Charges	8	83
Training & Conferences	175	310
Sewer Maintenance Cost	34,071	-0-
	-----	-----
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 438,875</u>	<u>\$ 411,483</u>
	-----	-----
<u>OPERATING INCOME</u>	<u>\$ 172,807</u>	<u>\$1,060,807</u>
	-----	-----
<u>NON-OPERATING REVENUES/(EXPENSES):</u>		
Interest Income	\$ 18,156	\$ 23,250
Interest Expense	(104,668)	(93,282)
	-----	-----
<u>TOTAL NON-OPERATING REVENUES/(EXPENSES)</u>	<u>\$ (86,512)</u>	<u>\$ (70,032)</u>
	-----	-----
<u>INCOME BEFORE OPERATING TRANSFERS</u>	<u>\$ 86,295</u>	<u>\$ 990,775</u>
	-----	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1996

			Totals (Memorandum Only)	
<u>REVENUES:</u>	<u>General</u>	<u>Special</u>	<u>FYE 6/30/96</u>	<u>FYE 6/30/95</u>
Taxes	\$ 5,787	\$50,755	\$ 56,542	\$ 60,130
Licenses and Permits	32,368	-	32,368	25,858
Fines and Penalties	6,724	-	6,724	15,336
Federal Grants	-	12,500	12,500	178
State Grants	-0-	-0-	-0-	8,000
State Revenue Sharing	2,189	-	2,189	2,248
Fees/Charges for Services	-	1,045	1,045	-0-
Miscellaneous	316	620	936	2,412
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	<u>\$47,384</u>	<u>\$64,920</u>	<u>\$112,304</u>	<u>\$114,162</u>
	-----	-----	-----	-----
 <u>EXPENDITURES:</u>				
Current Operating-				
General Government	\$33,696	88	\$ 33,784	\$ 31,733
Public Safety(Police Dept.)		\$61,656	61,656	56,480
Public Works(Streets & Highways)	18,121	-	18,121	12,195
Recreation		1,827	1,827	-0-
Debt Service	-0-	-0-	-0-	4,765
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	<u>\$51,817</u>	<u>\$63,571</u>	<u>\$115,388</u>	<u>\$105,173</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>\$(4,433)</u>	<u>\$ 1,349</u>	<u>\$(3,084)</u>	<u>\$(8,989)</u>
	-----	-----	-----	-----
 <u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers In	\$ 6,000	\$13,605	\$ 19,605	\$ 65,711
Operating Transfers Out	(22)	(12,412)	(12,434)	(83,578)
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>\$ 5,978</u>	<u>\$ 1,193</u>	<u>\$ 7,171</u>	<u>\$(17,867)</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u> <u>OTHER SOURCES OVER EXPENDITURES</u> <u>AND OTHER USES</u>	<u>\$ 1,545</u>	<u>\$ 2,542</u>	<u>\$ 4,087</u>	<u>\$(8,878)</u>
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING</u>	<u>\$11,573</u>	<u>\$12,485</u>	<u>24,058</u>	<u>28,876</u>
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING</u>	<u>\$13,118</u>	<u>\$15,027</u>	<u>\$ 28,145</u>	<u>\$ 18,998</u>
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

EXHIBIT A

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
<u>Fixed Assets</u>	<u>Long-Term</u>	<u>June 30, 1996</u>	<u>June 30, 1995</u>
	<u>Debt</u>		
		\$ 127,646	\$ 46,793
		66,583	68,811
		361,902	529,583
\$ 96,989		1,976,565	1,903,018
		(974,914)	(908,701)
		1,582,222	1,450,881
	-0-	-0-	-0-
-----	-----	-----	-----
\$ 96,989	-0-	\$3,140,004	\$3,090,385
=====	=====	=====	=====
		\$ 2,483	\$ 563
		9,616	-0-
		6,055	7,992
		31,900	30,400
		20,000	19,000
		29,552	30,707
		57,308	54,848
		885,200	917,100
		211,000	231,000
	-0-	216,839	217,000
-----	-----	-----	-----
\$ -0-	-0-	\$1,469,953	\$1,508,610
-----	-----	-----	-----
\$ 96,989		\$ -0-	\$ -0-
		96,989	96,989
		337,758	504,324
		1,207,159	961,464
		28,145	18,998
-----	-----	-----	-----
\$ -0-	-0-	\$1,573,062	\$1,484,786
-----	-----	-----	-----
\$ 96,989	-0-	\$1,670,051	\$1,581,775
-----	-----	-----	-----
\$ 96,989	-0-	\$3,140,004	\$3,090,385
=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

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

	<u>Governmental Fund Types</u>		<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fund Type Enterprise</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash	\$13,293	\$11,959	\$ 102,394
Accounts Receivable		4,547	62,036
Restricted Assets			361,902
Fixed Assets			1,879,576
Accumulated Depreciation			(974,914)
Construction in Progress			1,582,222
Amount To Be Provided For Retirement of General Long-Term Debt			
	-----	-----	-----
<u>TOTAL ASSETS AND OTHER DEBITS</u>	\$13,293	\$16,506	\$3,013,216
	=====	=====	=====
<u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES:</u>			
Accounts Payable/Cash Overdraft	\$ 160		\$ 2,323
Accrued Interest Payable			9,616
Other Accrued Liabilities	15	\$ 1,479	\$ 4,561
Payable from Restricted Assets			
Water Revenue Bonds			31,900
Certificates of Indebtedness			20,000
Accrued Interest			29,552
Customer's Deposits			57,308
Water Revenue Bonds Payable			885,200
Certificates of Indebtedness			211,000
Sewer Revenue Bonds Payable			216,839
	-----	-----	-----
<u>TOTAL LIABILITIES</u>	\$ 175	\$ 1,479	\$1,468,299
	-----	-----	-----
<u>FUND EQUITY:</u>			
Contributed Capital			\$ -0-
Investment in General Fixed Assets			
Retained Earnings-Reserved			337,758
Retained Earnings-Unreserved			1,207,159
Fund Balance-Unreserved/Undesignated	\$13,118	\$15,027	-
	-----	-----	-----
<u>TOTAL RETAINED EARNINGS/FUND BALANCE</u>	\$13,118	\$15,027	\$1,544,917
	-----	-----	-----
<u>TOTAL FUND EQUITY</u>	\$13,118	\$15,027	\$1,544,917
	-----	-----	-----
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$13,293	\$16,506	\$3,013,216
	=====	=====	=====

The accompanying notes are an integral part of this statement.

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Maraist & Maraist

MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1996

MARAIST & MARAIST

CERTIFIED PUBLIC ACCOUNTANTS

(A PARTNERSHIP OF PROFESSIONAL ACCOUNTING CORPORATIONS)

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INDEPENDENT AUDITORS' COMBINED REPORT ON THE BASIC FINANCIAL STATEMENTS AND THE SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Parks, Louisiana as of June 30, 1996 and for the year then ended. These general purpose financial statements are the responsibility of the Village's elected officials. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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, "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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Parks, Louisiana as of June 30, 1996, 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 made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of federal financial assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Parks, Louisiana. The information in that schedule has been subjected to the auditing

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VILLAGE OF PARKS

st. Martin Parish, Louisiana

FINANCIAL REPORT

Year Ended 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 4-2-97