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CITY OF BARRAN, LOUISIANA

General Purpose Financial Statements and Schedule

December 31, 1995

(with comparative totals for December 31, 1994)

With Independent Auditors' Report Thereon

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, 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 8/21/96

CITY OF HARBOUR, LOUISIANA

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December 31, 1995

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KPMG Peat Marwick LLP

One P.O. Box 10000
New Orleans, LA 70108-0000

Independent Auditors' Report

The Honorable Mayor and Aldermen
City of New Orleans, Louisiana

We have audited the general purpose financial statements of the City of New Orleans, Louisiana, as of and for the year ended December 31, 1993, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the City's management. 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 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. An audit includes evaluating, 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 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 City of New Orleans, Louisiana, as of December 31, 1993, and the results of the operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report, dated April 28, 1994, on our consideration of the City's internal control structure and a report, dated April 28, 1994, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The summary financial statements included in Schedules 1 and 2 and Schedule 3 listed as supplementary information in the accompanying table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of New Orleans, Louisiana. Such information has been subjected to the auditing 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.

KPMG Peat Marwick LLP

April 28, 1994

1974 OF MEMBERS, LOCATIONS

(Combined Balance Sheet - M.I. Fund Types and General Funds)

(December 31, 1984)

with comparative totals for December 31, 1983

TABLE

MAN AND NON-APPLICABLE TYPES (1)
Investment (types 3 and 4)

Residuals

Residuals

Non-Applicable

New (See also Table 10)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

Transfer (types 3 and 4)

GENERAL FUND TYPES	GENERAL FUND TYPES			GENERAL FUND TYPES			GENERAL FUND TYPES		
	Assets	Liabilities	Equity	Assets	Liabilities	Equity	Assets	Liabilities	Equity
1	144,470	25,324	119,146	144,470	25,324	119,146	144,470	25,324	119,146
2	11,377	-	11,377	11,377	-	11,377	11,377	-	11,377
3	14,489	14,489	-	14,489	14,489	-	14,489	14,489	-
4	14,489	-	14,489	14,489	-	14,489	14,489	-	14,489
5	-	-	-	-	-	-	-	-	-
6	-	-	-	-	-	-	-	-	-
7	-	-	-	-	-	-	-	-	-
8	-	-	-	-	-	-	-	-	-
9	-	-	-	-	-	-	-	-	-
10	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-
17	-	-	-	-	-	-	-	-	-
18	-	-	-	-	-	-	-	-	-
19	-	-	-	-	-	-	-	-	-
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21	-	-	-	-	-	-	-	-	-
22	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-
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25	-	-	-	-	-	-	-	-	-
26	-	-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-	-	-
28	-	-	-	-	-	-	-	-	-
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30	-	-	-	-	-	-	-	-	-
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39	-	-	-	-	-	-	-	-	-
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43	-	-	-	-	-	-	-	-	-
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93	-	-	-	-	-	-	-	-	-
94	-	-	-	-	-	-	-	-	-
95	-	-	-	-	-	-	-	-	-
96	-	-	-	-	-	-	-	-	-
97	-	-	-	-	-	-	-	-	-
98	-	-	-	-	-	-	-	-	-
99	-	-	-	-	-	-	-	-	-
100	-	-	-	-	-	-	-	-	-

Continued

CASH OF DONORS, ACTIVITIES
FINANCIAL STATEMENT PART - All Fund Types and General (Single - continued)

Administration

Description	Administrative Fund Types			PROJECTS FROM OTHER FUNDS	GENERAL FUNDING		TOTALS
	General Fund	Capital Projects	Special Programs		General Fund Admin	General Comp/Spec	
Transfers							
From other	98,116	-	-	-	-	-	98,116
To other	(98,116)	-	-	-	-	-	(98,116)
Income							
Interest	49,500	-	-	49,500	-	-	99,000
Dividend	28,500	-	-	28,500	-	-	57,000
Grant	15,000	45,000	15,000	-	-	-	75,000
Miscellaneous	-	-	-	-	-	-	-
Total	181,616	45,000	15,000	78,000	-	-	309,616
Transfers							
To other	-	-	-	-	-	-	-
From other	-	-	-	-	-	-	-
Change	181,616	45,000	15,000	78,000	-	-	309,616
Transfers							
To other	-	-	-	-	-	-	-
From other	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-
Total	181,616	45,000	15,000	78,000	-	-	309,616
Transfers							
To other	-	-	-	-	-	-	-
From other	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-
Total	181,616	45,000	15,000	78,000	-	-	309,616
Transfers							
To other	-	-	-	-	-	-	-
From other	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-
Total	181,616	45,000	15,000	78,000	-	-	309,616
Transfers							
To other	-	-	-	-	-	-	-
From other	-	-	-	-	-	-	-
Change	-	-	-	-	-	-	-
Total	181,616	45,000	15,000	78,000	-	-	309,616

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

STATE OF MASSACHUSETTS

Consolidated Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types

Year ended December 31, 2000
 1995 comparative totals for the year ended December 31, 1999

Account	Accounting Fund Type			Total	1995 Comparative Total
	General	Special Revenue	Project		
REVENUES					
Taxes	104,000	89,579	-	1,936,817	1,936,817
State and federal grants	89,000	-	-	106,949	111,794
Intergovernmental	33,300	-	-	279,148	281,478
Charges for services	476,000	-	-	276,144	111,471
Fees and Dues/Chgs	40,000	-	-	256,134	211,741
Interest income	47,000	-	-	17,000	19,000
License income	25,000	5,700	1,000	17,000	19,000
Other income	10,000	-	-	10,000	10,000
Total Revenues	1,634,300	95,279	1,000	2,208,148	2,211,232
EXPENDITURES					
General					
Police department	141,452	-	-	265,481	241,014
Police safety patrol	44,327	-	-	287,116	271,719
Police training	11,000	-	-	156,187	134,481
Police and PDP&S	191,388	-	-	207,108	201,000
Police	14,000	-	-	100,141	98,141
Police	140,000	-	-	100,141	111,141
Police (state 01)	-	-	126,724	126,724	126,724
Police (state 02)	-	-	126,724	126,724	126,724
Police and State charges	-	-	-	47,113	47,113
Police (state 03)	-	-	-	47,113	47,113
Total Expenditures	441,167	-	253,448	6,205,145	6,211,688
Change (Decrease) of Assets	1,193,133	95,279	746,552	(4,000,000)	(4,000,456)
Other financing sources (uses):					
Proceeds of capital bonds (state 0)	-	-	-	-	-
Proceeds of capital bonds (state 1)	110,713	-	-	-	-
Special accounts 11	(110,713)	(28,724)	-	-	-
Special accounts 12	-	-	-	-	-
Total Other Financing Sources (Uses)	-	(28,724)	-	253,448	253,448
Change (Decrease) of Liabilities	1,193,133	66,555	746,552	(4,000,000)	(4,000,456)
Net change (decrease) of revenues and other sources plus appropriations and other items	64,166	-	5,102	67,100	(67,456)
Fund balance at beginning of year	67,456	-	265,140	(43,400)	(21,141)
Fund balance at end of year	131,622	-	270,242	(276,300)	(88,597)

See accompanying notes to financial statements

CITY OF BARABSA, WISCONSIN

Condensed Statement of Revenues, Expenditures and Changes in
Fund Balances - Budget and Actual -
General Fund - GAAP Basis

Year ended December 31, 1995

		General Fund		Variance - Favorable (Disadvantage)
		Budget	Actual	
REVENUES:				
Taxes	4	618,000	604,508	(13,492)
Licenses and permits		508,000	554,898	46,898
Intergovernmental		350,000	313,338	(36,662)
Charges for services		450,000	476,396	26,396
Fines and forfeits		380,000	390,758	10,758
Interest, gaming revenue and miscellaneous income		82,000	133,218	51,218
Total revenues		2,388,000	2,473,118	85,118
EXPENDITURES:				
General government		328,318	343,621	15,303
Public safety - police		815,000	859,627	44,627
Public safety - fire		408,133	413,838	5,705
Highways and streets		154,145	255,873	101,728
Sanitation		381,000	497,598	116,598
Recreation		136,800	190,250	53,450
Total expenditures		2,423,400	2,660,817	237,417
Deficiency of revenues over expenditures		<u>435,400</u>	<u>187,699</u>	<u>247,701</u>
Other financing sources:				
Operating transfers in		500,000	810,330	310,330
Operating transfers out		<u>(32,000)</u>	<u>(40,000)</u>	<u>(8,000)</u>
Total other financing sources		468,000	770,330	302,330
Excess (deficiency) of revenues and other sources over expenditures and other uses		(1,900)	98,264	100,164
Fund balances at beginning of year		88,120	88,120	-
Fund balances at end of year	1	<u>86,220</u>	<u>186,384</u>	<u>100,164</u>

See accompanying notes to general purpose financial statements.

CITY OF MONROE, LOUISIANA

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
Proprietary Fund Type - Sewerage Fund

Years ended December 31, 1995 and 1994

	1995	1994
Operating revenues:		
Charges for services	\$ 344,713	343,569
Property taxes	30,518	20,728
Miscellaneous	—	289
Total operating revenues	375,231	364,586
Operating expenses:		
Personnel services	241,900	279,898
Contractual services	55,905	55,894
Supplies, maintenance and repairs	80,248	78,819
Power and light	34,317	42,993
Depreciation	84,872	83,650
Total operating expenses	497,262	521,254
Operating income (loss)	2,969	(156,668)
Nonoperating revenues -		
Interest income	1,384	624
Net income (loss)	3,353	(156,044)
Add depreciation on contributed fixed assets (NOTE 3)	42,383	42,382
Increase in retained earnings	45,736	863
Retained earnings at beginning of year	288,188	279,214
Retained earnings at end of year	\$ 333,924	280,187

See accompanying notes to general purpose financial statements.

CITY OF SARASOTA, LOUISIANA

Statement of Cash Flows -
Proprietary Fund Type - Electricities Fund

Years ended December 31, 1995 and 1994

	1995	1994
Cash flows from operating activities:		
Cash received from customers	\$ 342,767	322,844
Taxes received	55,518	55,739
Cash paid to suppliers of goods or services	(174,802)	(173,494)
Cash paid to employees for services	(512,844)	(388,556)
Other operating activities	-----	284
Net cash provided by operating activities	82,879	21,687
Cash flows from investing activities -		
Interest received	1,824	823
Net increase in cash	84,703	22,510
Cash and cash equivalents at beginning of year	32,510	1,000
Cash and cash equivalents at end of year	\$ 117,213	23,510

The reconciliation of operating income (loss) to net cash provided by operating activities for the years ended December 31, 1995 and 1994 is as follows:

	1995	1994
Operating income (loss)	\$ 2,843	(61,881)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	62,478	62,488
Increase in accounts receivable	(2,802)	(8,409)
(Increase) decrease in accounts payable and accrued expenses	(4,766)	3,688
Increase in due to other funds	22,188	22,488
Net cash provided by operating activities	\$ 82,879	21,687

See accompanying notes to general purpose financial statements.

CITY OF MONROE, LOUISIANA

Notes to General Purpose Financial Statements

December 31, 1995

(2) Summary of Significant Accounting Policies

The City of Monroe, Louisiana (the City) was incorporated under the provisions of the State of Louisiana Laws Act in 1890 as a village with a population then of 800 people and an area of 2.3 square miles. It was classified as a city in 1983 with a population of over 35,000 people. The City's current population is approximately 10,000 people. The City operates under a Mayor - Board of Aldermen form of government.

The City's financial statements include the accounts of all City operations. The City's operations include police and fire protection, waste collection, parks, recreation, public works and general administrative services. In addition, the City owns and operates a local sewer system.

The accounting policies of the City conform to generally accepted accounting principles as applicable to governmental units. The following is a summary of the more significant policies:

(a) Reporting Entity

The City's general purpose financial statements include operations of all activities over which the City exercises oversight responsibility. Oversight responsibility is demonstrated through financial interdependency, selection of governing authority, ability to significantly influence operations, and accountability for fiscal matters and, as such, the City is a reporting entity.

For financial reporting purposes, the City includes all funds and account groups that are controlled by or dependent on the Mayor and the City's Board of Aldermen.

(b) Basis of Presentation - Fund Accounting

The accounts of the City are organized on the basis of funds or 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 compile 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 conducted.

The operations of the City are recorded in the following fund types and account groups:

Governmental Fund Types

Governmental funds are used to account for the City's expendable financial resources and related liabilities except those accounted

(Continued)

CITY OF HARAHAN, LOUISIANA

Notes to General Purpose Financial Statements

for its proprietary funds). The measurement focus is upon the determination of changes in financial position. The following are the City's governmental fund types.

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

Special Revenue Fund - This fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specified purposes. Generally, sales tax proceeds flow through the special revenue fund, first to meet debt service requirements and then to the general fund.

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

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

Proprietary Fund Type

Proprietary funds are used to account for activities that are similar to those found in the private sector. The measurement focus is upon the determination of net income and capital maintenance. The City's only proprietary fund is Sewerage District No. 1 (See Note 1), an enterprise fund.

Enterprise Fund - This fund is used to account for operations of the district where: (a) it is financed and operated in a manner similar to a private business enterprise, and (b) the periodic determination of net income is appropriate.

Account Group

General Fixed Assets Account Group - This account group is used to account for all fixed assets of the City, other than those accounted for in the City's proprietary fund, the District.

General Long-Term Debt Account Group - This account group is used to account for all long-term obligations of the City except those accounted for in the City's proprietary fund, the District.

00 Basis of Accounting

Basis of accounting refers to the timing of when revenues and expenditures or expenses are recognized in the accounts and reported in the accompanying general purpose financial statements.

(Cont. Next)

CITY OF SARASOTA, FLORIDA

Notes to General Purpose Financial Statements

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the general purpose balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

Specifically, 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. Expenditures are generally recognized as a liability when incurred. Principal and interest on general long-term debt is recognized when due.

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

The City's proprietary fund, the District, is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when incurred. Based on historical collection experience, an allowance for estimated uncollectible receivables is recorded.

The City's proprietary fund applies all applicable debt covenants issued on or before November 30, 1988 in accounting for its operations unless those provisions conflict with or contradict debt covenants.

Property taxes are recognized as revenue in the year for which taxes have been levied and collected. Licenses and permits, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned.

10) Accruals

Accrual accounting, under which purchase orders, contracts, and other commitments are recorded, is employed by the General Fund and Capital Projects Fund. Accruals outstanding at year end are reported as reservations of fund balances because they do not constitute expenditures or liabilities. As materials are subsequently received and construction contracts are awarded, liabilities are recorded and the related accruals are liquidated.

Continued

CITY OF MONROE, LOUISIANA

NOTES TO GENERAL PURPOSE FINANCIAL STATEMENTS

(6) **Cash and Investments**

Cash includes amounts on hand and on deposit at financial institutions. The City maintains all highly liquid investments with original maturities of three months or less to be cash equivalents.

Investments are stated at cost and consist of maturities of deposits and U.S. Treasury bills with original maturities greater than three months.

For purposes of the statement of cash flows, all highly liquid investments with an original maturity of three months or less at date of acquisition are considered to be cash equivalents.

(7) **General Fixed Assets**

General fixed assets are recorded as expenditures in the governmental funds and capitalized at cost in the general fixed assets account group. Certain improvements such as roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized. Such assets are normally amortizable and of value only to the City. Contributed fixed assets are recorded at their estimated fair values at the time received.

Depreciation is not provided on general fixed assets.

(8) **Property, Plant and Equipment - Proprietary Fund**

Property, plant and equipment used by the proprietary fund is stated at cost. Contributed assets are recorded at fair market value at the time received. Net interest costs are capitalized on projects during the construction period. Depreciation is provided using the straight-line method over the estimated useful lives. Depreciation on assets acquired through contributions is charged to contributed capital.

(9) **Accrued Vacation**

The City's policy permits employees to accumulate a limited amount of earned but unused vacation benefits. Benefits are accrued in the period they are earned. Accumulation of vacation time is dependent upon the number of pay periods an employee works, and their length of employment. For all employees below 3 years of employment, the City allows a 1/2 day of vacation time per pay period (2 weeks). For employees between 3 and 10 years of employment, the City allows 3/8 day of vacation time per pay period. For employees with over 10 years of employment, 1/4 day of vacation time per pay period is earned. Earned vacation time may be carried forward by employees with over 10 years of employment, not to exceed 90 days of accrued vacation time. Accrued vacation pay is recorded in the general fund and enterprise fund.

(Cont'd. Next)

CITY OF MEMPHIS, TENNESSEE

Notes to General Purpose Financial Statements

(4) **Fund Equity**

Reserved fund balance and retained earnings indicate that a portion of fund equity legally is segregated for specific purposes. Designated fund balance indicates that portion of fund equity for which the City has made tentative plans.

(5) **Total Columns**

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

(6) **Comparative Data**

Comparative total data for the prior year have been presented in the general purpose financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read. Certain reclassifications of prior year data has been made to present the 1984 amounts consistently with the 1985 presentation.

(7) **Budgetary Procedures and Budgetary Accounting**

The City's procedures in establishing the budgetary data included in the general purpose financial statements are as follows:

- (1) Prior to December 1, the Mayor submits to the City's Board of Aldermen a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
- (2) Public hearings are conducted in the City to obtain taxpayer comments.
- (3) Prior to January 1, the budget is legally adopted through passage of an appropriation ordinance by the Board of Aldermen.
- (4) The Mayor is authorized to transfer budgeted amounts between line items within a department; however, any revisions that alter the total expenditures of any fund or department must be approved by the City's Board of Aldermen.
- (5) Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds.

(Continued)

CITY OF BARRAS, LOUISIANA

NOTES TO General Purpose Financial Statements

Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through general obligations bond indenture provisions. Project-length financial plans are adopted for the Capital Project Funds and are used as an expenditure control device.

- (6) The budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). All unencumbered and unexpended appropriations lapse at year end.
- (7) As required by state law, when actual revenues within a fund are failing to meet estimated annual budgeted revenues by five percent or more, and/or actual expenditures within a fund are exceeding estimated budgeted expenditures by five percent or more, a budget amendment to reflect such changes is adopted in an open meeting.

For the year ended December 31, 1995, a special revenue fund budget was not adopted prior to year end. The Special Revenue Fund accounts for sales taxes received and records the transfers of collections to the respective recipient funds: general fund and debt service funds. The General Fund budget amendments were not adopted in 1995 to comply with the St budgetary requirements as outlined in Note 2.

(8) Cash and Investments

As December 31, 1995, the City has the following cash and cash equivalents:

demand deposits	\$ 402,772
Money market	118,080
Time certificates of deposit	132,227
Total cash and cash equivalents	<u>\$ 653,079</u>

As December 31, 1995, cash and time certificates of deposit are entirely insured or collateralized with securities held by a mutually acceptable third-party financial institution in the City's name, which is the lowest credit risk as defined by the Governmental Accounting Standards Board. The bank balances and collateralization at December 31, 1995 are as follows:

Total bank balances	\$ 597,899
Total certificates of deposits	132,227
Total deposits	730,126
Federal deposit insurance	232,873
pledged securities	2,826,323
Total collateral	3,059,196
Excess collateral	<u>\$ 2,329,070</u>

(Over Insured)

CITY OF SARASOTA, LOUISIANA

Notes to General Purpose Financial Statements

Louisiana Revised Statutes authorize the City to invest in United States Bonds, Treasury Notes, certificated as other obligations of the United States of America, or like certificates of deposit of state banks organized under Louisiana law and national banks having principal offices in the State.

(4) **PROPERTY TAX**

Property taxes on real and personal property are levied by the City as an enforceable lien on the property as of January 1, 1993. All taxes are payable on January 1, and are delinquent on March 1.

The assessed value of the property is determined by the Jefferson Parish assessor's office. The assessed value at January 1, 1993, upon which the 1993 levies were based, was \$19,028,887. The combined 1994 tax rate was \$12.58 per \$1,000 of assessed valuation. Of this amount, \$11.95 was available for general operations and \$1.15 was available for average operations and maintenance.

(5) **Property, Plant, and Equipment**

A summary of changes in general fixed assets is as follows:

	January 1, 1993	Additions	Deuctions	December 31, 1993
Land, land improve- ments and buildings	\$ 3,808,000	-	-	3,808,000
Transportation equipment	397,348	20,287	-	417,635
Other equipment	800,528	17,440	-	817,968
Furniture and fixtures	22,380	-	-	22,380
Computer equipment	101,128	-	-	101,128
	<u>\$ 5,129,384</u>	<u>37,727</u>	<u>-</u>	<u>5,167,111</u>

A summary of proprietary fund type property, plant, and equipment at December 31, 1993 is as follows:

		Estimated useful life in years
Land	\$ 3,221	-
Rights of way	6,688	-
Wastewater collection system	3,488,883	75
Wastewater treatment plant	883,887	50
Vehicles	41,388	5
Furniture	38,828	5
	4,442,897	
Less accumulated depreciation	6,324,885	
	<u>\$ 2,118,012</u>	

No interest was capitalized during 1993.

(Continued)

CITY OF MONROE, LOUISIANA

Notes to General Purpose Financial Statements

460 General Obligation Bonds

The following is a summary of long-term debt changes for the year ended December 31, 1995:

	January 1, 1995	Decreases	December 31, 1995
General Long-Term BOND account group	\$ 2,322,287	128,722	2,193,565

The City is subject to the Municipal Finance Law of the State of Louisiana which limits the amount of net bonded debt (exclusive of revenue and special assessment bonds) the City may have outstanding to 10 percent of the assessed valuation. At December 31, 1995, general obligation bonds outstanding were \$45,000. The statutory debt limit at that date was \$3,401,808 providing a legal debt margin of \$3,356,808.

General obligation bonds, including sales tax refunding and improvement bonds, payable at December 31, 1995, are comprised of the following:

\$200,000 1977 Public Improvement Bonds Series B due in annual installments of \$40,000 to \$45,000 through June 1, 1997, at 5.00% interest rate	\$	\$5,000
\$1,645,000 1989 Sales Tax Refunding and Improvement Bonds due in monthly installments of \$28,400 including interest through June 1, 2004, at various interest rates		1,640,565
	\$	1,645,565

The annual requirements to service all debt outstanding as of December 31, 1995, including interest payments of \$896,878, are as follows:

Year ending December 31	
1996	\$ 504,000
1997	268,828
1998	238,888
1999	538,888
2000	538,888
2001-2007	1,418,417
	\$ 3,498,901

Continued

CITY OF MONROE, LOUISIANA

Notes to General Purpose Financial Statements

The indentures under which these bonds were issued provide for the establishment of debt service funds as follows:

1. Debt service funds are required for the payment of interest and principal on the 1977 Public Improvement Bonds. Monthly deposits are required in amounts determined by the interest and principal falling due on the next payment date. During 1985, monthly deposits were not made because the debt service fund contained adequate funds to service the bonds through 1995. The debt service fund accumulated balance at December 31, 1985 was \$21.

The City, in March 1984, restructured the terms of 1989 Sales Tax Refunding and Improvement Bonds totaling \$1,845,000. The restructuring lowered the interest rates from 8.384 to a range of 5.374 to 7.524. The debt service reserve requirements were also reduced to \$118,000. The excess balance in the reserve fund over \$18,890 was applied to the bond principal balance at the time of restructuring.

2. Monthly deposits of \$18,408 for both interest and principal are required to be made from the Sales Tax Special Revenue. The debt service fund accumulated balance at December 31, 1985 was \$132,882.

The City is in compliance with its debt covenants at December 31, 1985.

175 Equity

Designated Fund Balance - Capital Projects - This amount has been designated for future capital improvements.

Restricted Capital - City of Monroe - This amount includes contributions by the City, proprietary concerns and Federal grants to the District that previously accumulated depreciation on the related improvements. There were no contributions made to the District during 1985.

180 Interfund Balances

Individual fund interfund receivable and payable balances as of December 31, 1985 were as follows:

	Due From Other Funds	Due to Other Funds
General Fund	\$ 174,965	-
Special Revenue Fund	345	37,368
Debt Service Fund	-	43,343
Capital Projects	-	48,288
Enterprise Fund - Beverage District	-	25,455
	\$ 175,310	175,310

(Continued)

CITY OF MONROE, LOUISIANA

Notes to General Purpose Financial Statements

181 Pension Plan

The City participates in the State of Louisiana Municipal Police Employees' Retirement System (the Plan), a statewide defined contribution retirement plan. The plan covers police employees. Employees contribute 7.5% of their salary (which includes State Supplemental pay but excludes overtime pay) to the Plan and the City contributes 2%. The City's contribution to the Plan in 1995 was \$41,327. Covered payroll for the Plan amounted to \$428,857 for 35 employees of the Police Department. Total payroll expense for the police department was \$480,890. Additional plan information is included in the annual report of the Plan. Other City employees are not included in any Plan.

The "pension benefit obligation" is a standardized disclosure method of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future on a basis of employee service to date. The latest actuarial valuation of the Plan is as of June 30, 1995. In the valuation, the pension benefit obligation was not disclosed. The valuation was made on the "Entry Age Normal" cost method. Under this method, the actuarial present value of projected benefits of each individual included in the valuation is allocated a level basis as percentage of payroll for each participant between entry age and assumed retirement age. The portion of this actuarial present value allocated to the valuation year is called normal cost. The actuarial present value of future benefits in excess of the actuarial present value of future normal cost is called the actuarial accrued liability. According to this valuation method and current assumptions, the Plan has an unfunded actuarial accrued liability of \$4,618,608 as of June 30, 1995. The City's contributions represent less than 1% of total contributions required of all participating entities of the Plan.

Membership is mandatory for any full-time police officers employed by a municipality of the State of Louisiana who engaged in law enforcement, empowered to make arrests, providing they do not have to pay social security and providing they meet the statutory criteria. Any member is eligible for normal retirement after he has been a member of the System for one year, if he has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 10 years creditable service and is age 55. Benefit rates are three and one-half percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 200% of final salary. A member is eligible to receive disability benefits if he was an active contributing member of the retirement system, or if he is no longer a member but has 20 years creditable service established in the System, and suffers a disability which has been certified by examination by a member of the State-wide Medical Disability Board. A service related disability requires no certain number of years of creditable service, however, a non-service connected disability requires five years of creditable service. The disability benefits are calculated as three percent of average final compensation multiplied by years of creditable

(Continued)

CITY OF OKLAHOMA, OKLAHOMA

Notes to General Purpose Financial Statements

service, but shall not be less than forty percent nor more than sixty percent of average final compensation. Upon reaching the age required for regular retirement, the disability pensioner receives the greater of disability benefit or accrued benefit earned to date of disability. Upon the death of an active contributing member, or disability retiree, the plan provides for surviving spouses and minor children. Other certain conditions outlined in the Statutes, the benefits range from forty to sixty percent of the member's average final compensation.

(12) Contributed Capital

An analysis of contributed capital follows:

Contributed by	Contributed capital			Contributed capital December 31, 2022
	January 1, 2022	ADDITIONS	DEDUCTIONS	
Property owners	\$ 478,423	-	10,186	468,237
City of Oklahoma	1,888,872	-	42,500	1,846,372
Federal grants	428,718	-	5,808	422,910
	\$ 2,800,013	-	58,494	2,741,519

(13) Commitments

The City is a defendant in several lawsuits and claims for which the ultimate liability and the amount of damage are unknown at this time.

CITY OF MONROE, LOUISIANA

Debt Service Funds

1877 Public Improvement Fund - To account for funds accumulated for and the payment of principal and interest requirements of the 1877 Public Improvement Bonds.

1888 Sales Tax Refunding and Improvement Fund - To account for funds accumulated for and the payment of principal and interest requirements of the 1888 Sales Tax Refunding and Improvement Bonds.

CITY OF BARBARA, LOUISIANA

Combining Balance Sheet - All Debt Service Funds

December 31, 1995

	1977 Public Improvement	1989 Sales Tax Refunding and Improvement	Total
Assets			
Cash	\$ 48,031	138,068	186,099
Accounts receivable	-	24,013	24,013
	<u>\$ 48,031</u>	<u>138,068</u>	<u>186,099</u>
Liabilities and Fund Balances			
Liabilities - due to other fund	48,000	3,343	51,343
Fund balances - reserved for debt service	-----01	138,828	138,828
	<u>\$ 48,031</u>	<u>138,143</u>	<u>186,174</u>

See accompanying independent auditors' report.

CITY OF SHREVEPORT, LOUISIANA

COMBINING STATEMENT of Revenues, Expenditures and Changes
in Fund Balances - All Debt Service Funds

Year ended December 31, 1995

	1995 Funds Revenues	1995 Funds Tax Refunding and Improvement	Total
Revenues - interest income	\$ 211	200	411
Expenditures -			
Debt service:			
Redemption of bonds	48,000	119,736	167,736
Interest and fiscal charges	3,788	104,004	107,792
Total expenditures	51,788	223,740	275,528
Deficiency of revenues over expenditures	49,577	123,740	173,317
Other financing sources -			
operating transfers out/in	41,500	212,800	254,300
Excess of revenues and other financing sources over expenditures	51	2,101	2,152
Fund balance at beginning of year	-	121,600	121,600
Fund balance at end of year	\$ 51	123,701	123,752

See accompanying independent auditors' report.

CITY OF MONROE, LOUISIANA

Schedule of Compensation Paid to Aldermen

For the year ended December 31, 1995

Martha Sims	\$ 4,100
Patrick Pomice	4,100
Carlo Ferraro	4,100
Paul Johnson	4,040
Byron H. Cyr	4,100
	\$ <u>16,440</u>

See accompanying independent auditors' report.

KPMG

The Global Leader

City of Harahan Harahan, Louisiana

SINGLE AUDIT REPORTS

Year ended December 31, 1995

CITY OF HARAHAN

Single Audit Report

Year ended December 31, 1995

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**Independent Auditor's Report on Supplementary
Information Schedule of Federal Financial Assistance**

Members of the Board of Aldermen
City of Hammond, Louisiana

We have audited the general purpose financial statements of the City of Hammond, Louisiana (the City) as of and for the year ended December 31, 1995, and have issued our report thereon dated April 28, 1996. Those general purpose financial statements are the responsibility of the City's management. 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 and *Governments Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the assertions 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the City, 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. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

KPMG Peat Marwick LLP

April 28, 1996

CITY OF HARAHAN

Schedule of Federal Financial Assistance

For the year ended December 31, 1995

Federal Grantor	CFDA Program Number	Revenues/ Expenditures
Nonmajor Programs:		
Federal Emergency Management Agency - Disaster Assistance - Passed-through the State of Louisiana Office of Emergency Preparedness	83.516	\$ 28,268
United States Department of Education		
Drug-Free Schools and Communities - State Grants	84.185	13,495
D.A.R.E. Program 895-7-014	84.185	7,185
D.A.R.E. Program 895-8-028		
Total United States Department of Education		20,680
U.S. Department of Justice		
COPE PAST Program 99CPW33386	16.711	1,644
Total Federal Financial Assistance		\$ 50,592

CITY OF HARAHAN

Notes to Schedule of Federal Financial Assistance

December 31, 1995

1. General

The accompanying Schedule of Federal Financial Assistance presents the activity of all federal financial assistance programs of the City of Harahan. The City's reporting entity is defined in Note 1 to the general purpose financial statements for the year ended December 31, 1995. All federal financial assistance received directly from federal agencies is included on the schedule, as well as federal financial assistance passed through other government agencies. In 1995, the City only received passed-through Federal Emergency Management Agency, D.A.R.E. and COPS/FAST grants.

2. Basis of Accounting

The accompanying Schedule of Federal Financial Assistance is presented using the modified accrual basis of accounting, which is described in Note 1 to the City's general purpose financial statements for the year ended December 31, 1995.

3. Relationship to Financial Statements

Federal financial assistance revenues are reported in the City of Harahan's general purpose financial statements as follows:

Intergovernmental revenue	\$ 352,336
Less non-Federal revenue	<u>300,162</u>
Total Federal financial assistance	\$ <u>52,174</u>

4. Relationship to Federal Financial Reports

Amounts reported in the Schedule of Federal Financial Assistance agree with the amounts reported in the related federal financial reports, except for the amounts in reports submitted as of a date subsequent to December 31, 1995.

**Independent Auditor's Report on Compliance
at the Financial Statement Level**

**Members of the Board of Aldermen
City of Harahan, Louisiana**

We have audited the general purpose financial statements of the City of Harahan, Louisiana (the City), as of and for the year ended December 31, 1995, and have issued our report thereon dated April 29, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City is the responsibility of the City's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's 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 the following instances of noncompliance that are required to be reported herein under Government Auditing Standards:

Amendments to the General Fund budget, which are required when expenditures and other uses exceed budgeted amounts by 3% or more, were not adopted by the Board in 1995. In addition, approval by the Board of Aldermen was not obtained for expenditures in excess of appropriated departmental budgets.

No budget for the Special Revenue Fund, which is required by law, was adopted during 1995.

This report is intended for the information of management, the City, State of Louisiana Legislative Auditor's Office, and the Federal Emergency Management Agency. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

April 29, 1996

**Independent Auditors' Report on the Internal Control Structure
at the Financial Statement Level**

**Members of the Board of Aldermen
City of Harahan, Louisiana:**

We have audited the general purpose financial statements of the City of Harahan, Louisiana (the City), as of and for the year ended December 31, 1995, and have issued our report thereon dated April 28, 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements.

The management of the City 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 authorizations and recorded properly to permit the preparation of general purpose 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, projections 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.

In planning and performing our audit of the general purpose financial statements of the City for the year ended December 31, 1995, 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 general purpose financial statements and not to provide an opinion on the internal control structure. 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 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.

This report is intended for the information of management, the City, State of Louisiana Legislative Auditor's Office, and the Federal Emergency Management Agency. However, this report is a matter of public record and its distribution is not limited.

KPMG Audit Services LLP

April 29, 1996

**Independent Auditor's Report on Compliance with
General Requirements**

**Members of the Board of Aldermen
City of Harahan, Louisiana**

We have audited the general purpose financial statements of the City of Harahan, Louisiana (the City), as of and for the year ended December 31, 1995, and have issued our report thereon dated April 26, 1996.

We have applied procedures to test the City's compliance with the following general requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance for the year ended December 31, 1995: political activity, civil rights, cash management, federal financial reports, allowable cost/limit principles, drug-free workplace act, and administrative requirements.

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 City's 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 the items not tested, nothing came to our attention that caused us to believe that the City had not complied, in all material respects, with those requirements. However, the results of our procedures disclosed an immaterial instance of noncompliance with those requirements, which is described in the accompanying schedule of Findings and Questioned Costs.

This report is intended for the information of management, the City, State of Louisiana Legislative Auditor's Office, and the Federal Emergency Management Agency. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

April 26, 1996

**Independent Auditor's Report on Internal Control Structure
used in Administering the Federal Financial
Assistance Programs**

Members of the Board of Aldermen,
City of Harahan, Louisiana

We have audited the general purpose financial statements of the City of Harahan, Louisiana (the City), as of and for the year ended December 31, 1995, and have issued our report thereon dated April 28, 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 Office of Management and Budget Circular A-128, *Audit 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 misstatements.

In planning and performing our audit of the general purpose financial statements as of and for the year ended December 31, 1995, we considered the internal control structure of the City in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements 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 April 28, 1996.

The management of the City 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, transactions are recorded in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and 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, perception of any evaluation of the structure in 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 the federal financial assistance program in the following categories:

- Accounting controls
 - Purchases/Reimbursements
 - Payroll

- Administrative controls
 - General requirements:
 - Political activity
 - Civil rights
 - Cash management
 - Federal financial reports
 - Allowable costs/cost principles
 - Drug-free workplace
 - Administrative requirements

 - Specific requirements:
 - Types of services allowed or unallowed
 - Matching
 - Reporting
 - Special Requirements

 - Claims for Reimbursements

For all of the internal control structure 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.

During the year ended December 31, 1995, the City had no major federal financial assistance programs and expended 56 percent of its total federal financial assistance under the Federal Emergency Management Agency Disaster Assistance Program.

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 reimbursements that are applicable to the aforementioned program. 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 would not necessarily disclose all matters in the internal control structure that might constitute 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 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 material weaknesses as defined above.

This report is intended for the information of management, the City, State of Louisiana Legislative Auditor's Office, and the Federal Emergency Management Agency. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

April 29, 1996

**Independent Auditor's Report on Compliance
with Specific Requirements Applicable to
Nonmajor Federal Financial Assistance Program Transactions**

**The Members of the
Board of Aldermen
Bossier, Louisiana**

We have audited the general purpose financial statements of the City of Bossier, Louisiana (the City), as of and for the year ended December 31, 1995, and have issued our report thereon dated April 28, 1996.

In connection with our audit of the general purpose financial statements of the City, and with our consideration of the City's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audit of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. 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 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 City's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these 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 City had not complied, in all material respects, with these requirements.

This report is intended for the information of management, the City, State of Louisiana Legislative Auditor's Office, and the Federal Emergency Management Agency. However, this report is a matter of public record and its distribution is not limited.

KPMG Peat Marwick LLP

April 29, 1996

CITY OF HARAHAN

Schedule of Findings and Questioned Costs

December 31, 1995

Program	Findings/Noncompliance	Questioned Costs
Federal Emergency Management Agency - Disaster Assistance	<p>Office of Management and Budget Circular A-128, General Requirements, states that all recipients receiving grants from any federal agency must certify that they will provide a drug-free workplace according to the Drug-Free Workplace Act.</p> <p>Based on our review and discussion with the client, City of Harahan does not have a drug-free workplace policy.</p> <p><u>Management's Response</u></p> <p>Management is aware of its noncompliance relating to a drug-free workplace policy and intends to initiate a policy adhering to the Drug-Free Workplace Act.</p>	\$ -0-

KPMG Peat Marwick LLP

Suite 1500 One Shell Square
New Orleans, LA 70112-3558

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CITY OF NEW ORLEANS
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April 18, 1996

The Board of Aldermen
City of New Orleans, Louisiana

We have audited the general purpose financial statements of City of New Orleans, Louisiana as of and for the year ended December 31, 1995, and have issued a report thereon dated April 23, 1996. Under generally accepted auditing standards and as a member firm of the American Institute of Certified Public Accountants Division of CPA Firm, we are providing you with the attached information related to the conduct of the audit.

This information is intended solely for the use of the Board of Aldermen and the Mayor and should not be used for any other purpose.

Very truly yours,

KPMG Peat Marwick LLP

DECEMBER 31, 1995

Our Responsibility Under Generally Accepted Auditing Standards

Our responsibility under generally accepted auditing standards is to express an opinion on the general purpose financial statements of the City of Monroe, Louisiana (City) as of and for the year ended December 31, 1995 based on our audit. In carrying out this responsibility, we assumed the risk that the financial statements may contain a material misstatement, either intentional or unintentional, and designed and conducted our audit to provide reasonable, not absolute, assurance of detecting misstatements that are material to the financial statements. In addition, we considered the internal control structure of the City to gain a basic understanding of the accounting system in order to design an effective and efficient audit approach, although not for the purpose of providing specific assurance on the internal control structure.

Significant Accounting Policies

The significant accounting policies used by the City are described in the "Summary of Significant Accounting Policies" note to the financial statements.

We noted no transactions entered into by the City during the period that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based upon management's current judgments. These judgments are usually based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of the significance of the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. There were no areas which required significant management judgment.

Significant Audit Adjustments

We prepared no significant audit adjustments to the financial statements that could, in our judgment, either individually or in the aggregate, have a significant effect on the City's financial reporting process, except those areas in which the City normally expects us to record adjustments.

Disagreements With Management

There were no disagreements with management on financial accounting and reporting matters which, if not satisfactorily resolved, would have caused a modification of our report on the City's 1995 financial statements.

Consultation With Other Accountants

To the best of our knowledge, management has not consulted with or obtained an opinion, written or oral, from other independent accountants during the past year which were subject to the requirements of Statement on Auditing Standards No. 88, "Reporting on the Application of Accounting Principles."

Major Issues Discussed With Management Prior to Retention

There have been no major issues discussed with management prior to our retention as your auditors.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.