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STATE OF LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1987

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

Release Date... FEB 26 1988

C O N T E N T S

	Statement	Schedule	Page(s)
INDEPENDENT AUDITOR'S REPORT			1-2
GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)			3
Combined balance sheet - all fund types and account group	A		4
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	B		5
Combined statement of revenues, expenditures, and changes in fund balances - budget (GARP basis) and actual - all governmental fund types	C		6
Combined statement of revenues, expenses, and changes in retained earnings - proprietary fund type	D		7
Combined statement of cash flows - proprietary fund type	E		8-9
Notes to financial statements			10-24
SUPPLEMENTAL INFORMATION SCHEDULES			25
General Fund:			26
Balance sheet		1	27
Schedule of revenues, expenditures, and changes in fund balance - budget (GARP basis) and actual		2	28
Schedule of revenues compared to budget (GARP basis)		3	29
Schedule of expenditures compared to budget (GARP basis)		4	30-31
Special Revenue Fund:			32
Sales tax fund - Balance sheet		5	33
Schedule of revenues, expenditures, and changes in fund balance - budget (GARP basis) and actual		6	34

C O N T E N T S

	Exhibit	Schedule	Page(s)
Enterprise Funds:			
Combining balance sheet		7	35
Combining schedule of revenues, expenses, and changes in retained earnings (deficit)		8	36
Combining schedule of cash flows		9	39-40
General Fixed Assets Account Group:			
Schedule of general fixed assets		10	42
Schedule of changes in general fixed assets		11	43
Schedule of Compensation Paid Aldermen		12	44
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"			
			45-47
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"			
			48-49

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INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Norbeck, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Norbeck, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Norbeck, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Norbeck, Louisiana, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated December 11, 1997 as my consideration of the Town of Norbeck's internal control structure and a report dated December 11, 1997 on its compliance with laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Bossier, Louisiana
Page 2

required part of the general purpose financial statements of the Town of Bossier, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

John D. Winkler, CPA
Bossier, Louisiana
December 11, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TOWN OF HIRSHOCK

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
June 30, 1997

ASSETS	Governmental Fund Types	
	General	Special Services
Cash and cash equivalents	\$ 44,293	\$ 18,138
Receivables (net) -		
Accounts	---	---
Sales taxes	---	2,047
Franchise taxes	1,318	---
Due from other funds	2,188	---
Due from other governmental units	571	---
Prepaid expenditures/expenses	6,843	---
Restricted assets -		
Cash and cash equivalents	---	---
Customers' deposits	---	---
Property, plant, and equipment, net	---	---
total assets	\$ 77,531	\$ 21,186
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,340	\$ 420
Payroll taxes payable	87	---
Payable from restricted assets -		
Customers' deposits	---	---
Due to other funds	---	---
Total liabilities	\$ 1,327	\$ 420
Fund equity:		
Contributed capital	\$ ---	\$ ---
Investment in general fixed assets	---	---
Retained earnings (deficit) -		
Reserved	---	---
Unreserved	---	---
Fund balances -		
Unreserved - undesignated	16,133	20,666
total fund equity	\$ 16,133	\$ 20,666
total liabilities and fund equity	\$ 77,531	\$ 21,186

Statement A

Proprietary Fund Type Enterprises	Account GROUP General Fixed Assets	Totals (Memorandum Only)
\$ 79,704	\$ ---	\$ 165,336
28,885	---	28,885
---	---	2,847
---	---	1,319
---	---	3,300
---	---	577
1,917	---	11,850
283,884	---	283,884
19,018	---	19,018
<u>2,813,741</u>	<u>312,350</u>	<u>2,825,931</u>
<u>\$2,895,241</u>	<u>\$ 2,312,350</u>	<u>\$2,316,298</u>
\$ 7,323	\$ ---	\$ 6,785
6,850	---	6,440
38,850	---	38,850
<u>3,300</u>	<u>---</u>	<u>3,180</u>
<u>\$ 38,822</u>	<u>\$ ---</u>	<u>\$ 38,741</u>
\$3,178,128	\$ ---	\$3,178,128
---	312,350	312,350
246,188	---	246,188
(375,869)	---	(578,869)
---	---	56,728
<u>\$2,848,825</u>	<u>\$ 312,350</u>	<u>\$2,337,481</u>
<u>\$2,905,241</u>	<u>\$ 2,312,350</u>	<u>\$2,316,298</u>

The accompanying notes are an integral part of this statement.

TOWN OF BOSTWICK

Statement B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1997

	General Fund	Special Revenues	Totals (Memorandum Only)
Revenues:			
Taxes	\$ 19,778	\$ 13,169	\$ 32,947
Licenses and permit	19,333	---	19,333
Intergovernmental	4,823	---	4,823
Fines and forfeits	14,701	---	14,701
Use of money and property	24,493	463	24,956
Miscellaneous	374	---	374
Total revenues	<u>\$ 78,401</u>	<u>\$ 13,632</u>	<u>\$ 92,033</u>
Expenditures:			
General government	\$ 36,836	\$ 92	\$ 36,928
Public safety	25,123	---	25,123
Public works	---	24,582	24,582
Culture and recreation	4,542	---	4,542
Total expenditures	<u>\$ 66,501</u>	<u>\$ 24,674</u>	<u>\$ 91,175</u>
Excess (deficiency) of revenues over expenditures	\$ 11,900	\$ (1,042)	\$ 10,858
Other financing sources (uses):			
Transfers out	<u>\$ (3,166)</u>	<u>\$ ---</u>	<u>\$ (3,166)</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ 8,734	\$ (1,042)	\$ 7,692
Fund balances, beginning	<u>22,592</u>	<u>27,228</u>	<u>49,820</u>
Fund balances, ending	<u>\$ 31,326</u>	<u>\$ 26,186</u>	<u>\$ 57,512</u>

The accompanying notes are an integral part of this statement.

TOWN OF BOWNECK

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1997

	General Fund		Variance - Favorable Unfavorable
	Budget	Actual	
Revenues:			
Taxes	\$ 16,430	\$ 15,778	\$ (652)
Licenses and permits	15,376	15,133	(243)
Intergovernmental	4,710	4,822	(888)
Fines and forfeits	13,900	14,781	1,199
Use of money and property	24,478	24,493	15
Miscellaneous	265	274	9
Total revenues	<u>\$ 74,759</u>	<u>\$ 74,481</u>	<u>\$ (278)</u>
Expenditures:			
General government	\$ 19,792	\$ 20,036	\$ 244
Public safety	25,088	25,122	34
Public works	---	---	---
Culture and recreation	6,528	4,542	(1,986)
Total expenditures	<u>\$ 51,408</u>	<u>\$ 49,700</u>	<u>\$ 1,708</u>
Excess (deficiency) of revenues over expenditures	\$ 23,351	\$ 24,781	\$ 1,430
Other financing sources (uses):			
Transfer out	<u>\$ (13,962)</u>	<u>\$ (15,166)</u>	<u>\$ (1,204)</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ 9,389	\$ 9,615	\$ 226
Fund balances, beginning	<u>72,887</u>	<u>72,887</u>	<u>---</u>
Fund balances, ending	<u>\$ 82,276</u>	<u>\$ 82,502</u>	<u>\$ 226</u>

Statement C

Special Revenue Fund Type			Totals (Memorandum) Only		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 13,441	\$ 13,107	\$ (334)	\$ 28,888	\$ 28,888	\$ (385)
----	----	----	15,378	15,133	(245)
----	----	----	4,718	4,922	(204)
----	----	----	13,502	14,783	1,281
488	483	?	34,933	34,986	53
----	----	----	283	274	(9)
<u>\$ 13,829</u>	<u>\$ 13,590</u>	<u>\$ (239)</u>	<u>\$ 68,821</u>	<u>\$ 67,271</u>	<u>\$ (1,550)</u>
\$ 860	\$ 93	\$ 868	\$ 27,363	\$ 26,128	\$ 1,234
----	----	----	28,888	28,122	766
29,673	29,982	(309)	29,973	29,982	(909)
----	----	----	5,518	4,543	975
<u>\$ 31,603</u>	<u>\$ 30,674</u>	<u>\$ 929</u>	<u>\$ 68,753</u>	<u>\$ 68,734</u>	<u>\$ 199</u>
\$ (7,184)	\$ (7,184)	\$ 0	\$ (84)	\$ 1,597	\$ 1,681
-----	-----	-----	\$ 13,283	\$ 15,166	\$ 1,883
\$ (7,184)	\$ (7,184)	\$ 0	\$ (3,989)	\$ (3,569)	\$ 420
22,788	27,738	-----	100,361	100,367	-----
<u>\$ 22,604</u>	<u>\$ 20,554</u>	<u>\$ 2,050</u>	<u>\$ 96,372</u>	<u>\$ 96,798</u>	<u>\$ 426</u>

The accompanying notes are an integral part of this statement.

TOWN OF BOHNECK

Statement D

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
 Year Ended June 30, 1997

	Balances
Operating revenues:	
Charges for services	\$ 411,336
Operating expenses:	
Personal services	\$ 340,886
Supplies	196,798
Other services and charges	51,934
Rent, light, and power	15,818
Depreciation	130,323
Total operating expenses	<u>\$ 835,869</u>
Operating income (loss)	\$ (424,533)
Non-operating revenues (expenses):	
Interest income	\$ 15,131
Rental income and other	610
Rental expense and other	(12,004)
Sale of assets	3,500
Insurance reimbursement	<u>3,409</u>
Total non-operating revenues (expenses)	\$ 7,646
Net income (loss) before operating transfers	\$ (416,887)
Operating transfers in	<u>3,168</u>
Net income (loss)	\$ (413,719)
Retained earnings, (deficit), beginning	<u>422,332</u>
Retained earnings, (deficit), ending	<u>\$ (31,387)</u>

The accompanying notes are an integral part of this statement.

TOWN OF ROXBOROUGH

Statement 2

CLEANED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
 Year Ended June 30, 1997

	Enterprises
Cash flows from operating activities:	
Cash received from customers	\$ 409,317
Cash payments to suppliers for goods and services	(264,946)
Cash payments for employee services and employee related fringe benefits	(140,388)
Net cash provided by operating activities	<u>\$ 3,865</u>
Cash flows from noncapital financing activities:	
Rental income and other	\$ 611
Rental expense and other	(17,044)
Operating transfers in (out)	5,188
Reimbursement from insurance	5,482
Net cash (used) for noncapital financing activities	<u>\$ (15,863)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 2,318
Acquisition and construction of capital assets	(13,384)
Gain on asset dispositions	3,288
Net cash used for capital and related financing activities	<u>\$ (7,778)</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ 15,131
Net (decrease) in cash and cash equivalents	\$ 8,475
Cash and cash equivalents, beginning of year	<u>352,111</u>
Cash and cash equivalents, end of year	<u>\$ 360,586</u>

(Continued)

The accompanying notes are an integral part of this statement.

TONE OF NORWEGEK

Statement 8

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
Year Ended June 30, 1997

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Enterprise
Operating income (loss)	\$ <u>(123,113)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	\$ 130,325
Changes in assets & liabilities	
Decrease in accounts receivable	(1,743)
Decrease in prepaid expenses	3,392
Decrease in due from other funds	2,454
Decrease in accounts payable	(8,255)
Decrease in customer deposits	(464)
Decrease allowance for bad debts	(401)
Decrease in due to other funds	(154)
Decrease in payroll taxes payable	(203)
Total adjustments	\$ <u>128,575</u>
Net cash provided by operating activities	\$ <u>5,462</u>

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF HORRBECK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 1997

INTRODUCTION

The Town of Horrbeck was incorporated in 1923 under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Horrbeck conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:511 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the Industry audit guide, Audits of State and Local Governmental Units.

The Town maintains a general fund that provides police protection for its citizens and repairs and maintenance of approximately 7 miles of roads and streets. The Town also maintains three enterprise funds that provide gas, water and sewer services to approximately 934 residents.

The Town is located within Verdon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 481 residents. The governing board is composed of five elected aldermen that are compensated for the regular and special board meetings they attend. There are five employees which maintain the gas, water and sewer systems and provide police protection for the Town.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Horrbeck is considered a separate financial reporting entity. The Town of Horrbeck which is the primary government does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete, therefore the Town is also the financial reporting entity.

B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations.

TOWN OF HERRICK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the municipality are classified into two categories: governmental, and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund

The governmental funds are used to account for all or most of the municipality's general activities, including the acquisition or construction of general fixed assets. The governmental funds include:

1. General Fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Fund - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds

Proprietary Funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The Proprietary Funds differ from the governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. Proprietary Funds include:

1. Enterprise funds - account for operations (a) 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 periodic determination of revenues earned,

TYPE OF ACCOUNT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts 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.

All valorem taxes are assessed for the calendar year on November 15 of each year and become delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures

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 is recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of

TOWN OF NORWICH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGET

The primary government municipality uses the following budget practices:

1. The Town Clerk prepares a proposed Budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed Budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. ENCUMBRANCES

The Town of Norwich does not use encumbrance accounting.

TOWN OF HORRBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

Under state law, the municipality may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. SHORT-TERM INTERFUND
RECEIVABLES/PAYABLES

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

H. INVENTORIES

The Town of Horrbeck does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

J. RESTRICTED ASSETS

Certain resources set aside for the replacement and extension of the gas system along with deposits made by customers for the gas, water and sewer systems are classified as restricted assets on the balance sheet because their use is limited.

TOWN OF HARBORCK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method and useful lives as follows:

Gas Utility - Distribution system	48 years
Building	28 years
Autom and trucks	3 years
Other equipment	10 years
Water Utility - Well, storage tanks, lines, and meters	18 years
Purification plant	18 years
Building	20 years
Other equipment	5-10 years
Power Utility - Distribution system	20 years
Other equipment	10 years

L. COMPENSATED ABSENCE

The Town allows employees to accumulate up to thirty days of sick leave. Upon termination employee's sick leave, will be paid up to the thirty day maximum. Due to the immateriality of accumulated sick leave no accrual of benefits has been provided for in the financial statements. The Town has no obligation to pay any other employee benefits.

M. LONG-TERM OBLIGATIONS

The Town of Harborck has no long-term obligations as of June 30, 1997.

TOWN OF BURRECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or contributed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

G. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurrent or nonrecurring permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

F. SALES TAXES

The Town of Burreck receives a one-percent sales tax which is dedicated to the general maintenance of streets.

FORM OF DISCLOSURE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

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, 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.

R. BAD DEBTS

Uncollectible amounts due for customers' utility receivables will be 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.

S. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at June 30, 1998:

Fund	Deficit Amount
Water Utility Fund	\$ 315,517
Sewer Utility Fund	209,815
Total	<u>\$ 525,332</u>

The retained deficits in the enterprise funds, arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation a non-cash expense, contributes to the deficit. Even though the retained deficit exists, the water utility fund and sewer utility fund had overall fund equities of \$147,139 and \$264,008 respectively at June 30, 1997. The Board of Commissioners will raise user fees to reduce the retained deficit, when needed.

TOWN OF BOSSIERE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Mills	Levied Mills	Expiration Date
Town Taxes:			
General street maintenance	6.40	6.40	Annual Renewal

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 1997:

	Primary Government
Louisiana Asset Management Pool	\$ 285,884
Interest-bearing demand deposits	143,993
Petty cash	122

Total	\$ 429,999

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

At June 30, 1997, the primary government has \$187,657 in deposits (pledged bank balances) and \$265,884 invested in the Louisiana Asset Management Pool (LAMP). These deposits are secured from risk by \$187,657 of Federal deposit insurance, \$87,657 of pledged securities held by the custodial bank in the name of the fiscal agent bank and \$265,884 invested in government securities in the LAMP program (GNSS Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GNSS Statement No. 3, Louisiana Revised Statute 19:1229 imposes a

TOWN OF BORNBACK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

3. INVESTMENTS

The Town of Bornback had no investments as of June 30, 1997.

4. RECEIVABLES

The following is a summary of receivables for June 30, 1997:

Class of Receivable	General Fund	Special Revenue Fund	Proprietary Fund
Taxes:			
Franchise taxes	\$ 1,318	\$ ---	\$ ---
Sales taxes	---	2,087	---
Utility billings: Accounts	---	---	28,895
Total	\$ 1,318	\$ 2,087	\$ 28,895

7. FIXED ASSETS

The changes in general fixed assets follow:

	Balance June 30, 1996	Additions	Deductions	Balance June 30, 1997
Land	\$ 16,180	\$ ---	\$ ---	\$ 16,180
Buildings & Improvements	51,383	---	---	51,383
Street Improvements	199,846	28,895	---	228,741
Equipment	28,884	3,055	---	31,939
Total	\$ 296,613	\$ 28,895	\$ ---	\$ 325,508

TOWN OF BORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A summary of proprietary property, plant and equipment follows:

	Enterprises
	<u>Costs</u>
Gas Utility	
Distribution system and plant	\$ 2,198,941
Other equipment	176,163
Autos and trucks	48,312
Building	38,636
Water Utility:	
Buildings	988
Distribution system and plant	777,742
Other equipment	773
Sewer Utility:	
Land	37,123
Distribution system and plant	849,814
Other equipment	11,828
Total	<u>\$ 4,310,830</u>
Less accumulated depreciation	(1,196,181)
Net	<u>\$ 3,114,649</u>

B. PENSION PLAN

Substantially all employees of the Town of Bornbeck, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 22 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at

TOWN OF MORNING

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2280, or by calling (504) 923-1411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Morning is required to contribute at an actuarially determined rate. The current rate is 9.8 percent of annual covered payroll. The contribution requirements of plan members and the Town of Morning are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:883, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Morning contributions to the System for the year ended June 30, 1997, 1996 and 1995 were \$810, \$883, and \$710, respectively equal to the required contributions for each year.

B. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 16 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 55 with at least 18 years of creditable service, at or after age 58 with at least 21 years of creditable service, or at any age with at least 18 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 1 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 16 consecutive or joined

TOWN OF HORRBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7917 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 938-4818.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Horbeck is required to contribute at an actuarially determined rate. The current rate is 8.15 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirement of plan members and the Town of Horbeck are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:1803, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Horbeck contributions to the System under Plan A for the years ending June 30, 1997, 1996, 1995, were \$6,354, \$7,163, \$9,948, respectively, equal to the required contributions for each year.

9. ACCRUALS AND OTHER PAYABLES

The following is a summary of payables at June 30, 1997:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>
Withholdings	\$ 57	\$ ---	\$ 6,603
Accounts	3,342	520	7,933
Customer deposits	---	---	10,988
Total	\$ 3,399	\$ 520	\$ 25,524

TOWNS OF BIRMINGHAM

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. LEASES

The Towns of Birmingham had no leases as of June 30, 1997.

11. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at June 30, 1997, are as follows:

Fund	due from other funds	due to other funds
General Fund	\$ 3,300	\$ ---
Proprietary Funds:		
Water utility fund	---	1,880
Gas utility fund	---	2,380
Total	<u>\$ 3,300</u>	<u>\$ 4,260</u>

12. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1997, consisted of the following:

Tobacco taxes due from the State of Louisiana \$ 511

13. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at June 30, 1997:

Replacement and extension account	\$ 245,864
customers' deposits	18,018
Total	<u>\$ 263,882</u>

14. RESERVE/RETAINED EARNINGS

The Proprietary Fund - Gas Utility Fund has reserved retained earnings available as follows:

Restricted assets:	
Replacement and extension account	\$ 245,864
Customers' deposits	18,018
Total	<u>\$ 263,882</u>

TOWN OF BOSSIERE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. RESERVED RETAINED EARNINGS (continued)

Less:

liabilities payable from
restricted assets:
Customers' deposits

\$ 18,345

Reserved retained earnings

\$ 246,288

15. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	Gas Utility Fund	Water Utility Fund	Sewer Utility Fund	Total
Balance at June 30, 1996	\$ 1,647,580	\$ 862,882	\$ 868,840	\$3,379,302
Additions:				
Louisiana department of Transportation and Development	2,318	---	---	2,318
Balance at June 30, 1997	\$ 1,649,898	\$ 862,882	\$ 868,840	\$3,379,320

SUPPLEMENTAL INFORMATION SCHEDULE

GENERAL FUND

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

TOWN OF HONNECK
GENERAL FUND

Schedule 3

BALANCE SHEET
June 30, 1997

ASSETS	<u>1997</u>
Cash and cash equivalents	\$ 60,293
Franchise tax receivable	1,319
Due from water utility fund	1,080
Due from gas utility fund	3,880
Due from other governmental units - Tobacco taxes	577
Prepaid insurance	<u>6,942</u>
Total assets	\$ 73,531
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,340
Payroll taxes payable	57
Total liabilities	<u>1,397</u>
Fund balance:	
Unreserved - undesignated	\$ 76,132
Total liabilities and fund balance	\$ 77,531

TOWN OF NORWEECK
GENERAL FUND

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 18,419	\$ 15,778	\$ (2,641)
Licenses and permits	12,376	12,133	(243)
Intergovernmental	4,710	4,022	(688)
Fines and forfeits	17,503	14,781	(2,722)
Use of money and property	24,476	24,483	7
Miscellaneous	253	224	(29)
Total revenues	\$ 78,387	\$ 74,821	\$ (3,566)
Expenditures:			
General government	\$ 36,393	\$ 36,038	\$ 355
Public safety	25,888	25,122	766
Culture and recreation	3,828	4,842	(1,014)
Total expenditures	\$ 67,109	\$ 65,998	\$ 1,111
Excess (deficiency) of revenues over expenditures	\$ 11,278	\$ 8,823	\$ 2,455
Other financing sources (uses):			
Transfers out	\$ (3,503)	\$ (3,388)	\$ (115)
Excess (deficiency) of revenues over expenditures and other uses	\$ 7,775	\$ 5,435	\$ 2,340
Fund balance, beginning	72,597	72,581	16
Fund balance, ending	\$ 80,372	\$ 77,996	\$ 2,376

TOWN OF BOHNSBORO
GENERAL FUND

Schedule 1

SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
Taxes:			
Franchise	\$ 11,300	\$ 10,837	\$ (463)
Ad valorem taxes	<u>3,129</u>	<u>3,141</u>	<u>12</u>
Total taxes	\$ 14,429	\$ 13,978	\$ (451)
Licenses and permits:			
Occupational	\$ 13,378	\$ 13,132	\$ (246)
Intergovernmental:			
Tobacco taxes	\$ 2,309	\$ 2,309	\$ ---
State grant in aid	<u>3,401</u>	<u>3,713</u>	<u>312</u>
Total inter- governmental	\$ 5,710	\$ 6,022	\$ 312
Fines and forfeits:			
Traffic fines	\$ 13,500	\$ 14,391	\$ 891
Use of money and property:			
Interest earned	\$ 1,472	\$ 1,489	\$ 17
Office rent	17,804	17,804	---
Operation fee	<u>4,800</u>	<u>4,800</u>	<u>---</u>
Total use of money and property	\$ 24,076	\$ 24,093	\$ 17
Miscellaneous:			
Other revenues	\$ 265	\$ 274	\$ 9
Total revenues	\$ 74,160	\$ 74,401	\$ 241

TOWN OF BORSBEEK
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1997

	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Personal services	\$ 12,844	\$ 12,488	\$ 356
Dues	160	160	---
Utilities	10,150	10,848	698
Office expenditures	267	1,371	(1,104)
Legal and auditing	1,250	780	470
Insurance	7,166	6,386	780
Convention and travel	822	837	(15)
Miscellaneous	1,100	2,275	(1,175)
Travel	447	447	---
Miscellaneous	2,028	502	1,526
Total general government	\$ 36,392	\$ 36,036	\$ 356
Public safety:			
Police -			
Personal services	\$ 12,364	\$ 12,187	\$ 177
Supplies	2,519	2,252	267
Insurance	3,414	3,980	(566)
Telephone	160	589	429
Auto expenses	4,350	3,880	470
Collection fees	1,447	1,393	55
Capital outlay	613	813	---
Total police	\$ 28,867	\$ 29,702	\$ 835
Fire -			
Utilities	\$ 412	\$ 422	\$ 10
Total public safety	\$ 29,279	\$ 30,124	\$ 845
Culture and recreation:			
Participant recreation	\$ 100	\$ 100	\$ ---
Capital outlay	5,528	4,542	986
Total culture and recreation	\$ 5,628	\$ 4,642	\$ 986
Total expenditures	\$ 67,718	\$ 67,792	\$ 74

(Continued)

TOWN OF ROSSBORO
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess (deficiency) of revenue over expenditures	\$ 3,000	\$ 9,361	\$ 6,361
Other financing sources (uses): Transfers out	\$ (1,303)	\$ 15,366	\$ 14,063
Excess (deficiency) of revenue over expenditures and other uses	\$ 1,697	\$ 4,005	\$ 2,308
Fund balance, beginning	72,891	72,891	000
Fund balance, ending	\$ 74,588	\$ 76,896	\$ 2,308

(Concluded)

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to expenditures for the improvement of roads, streets, water treatment, and general improvements and maintenance of public facilities of the Town.

TOWN OF HONOLULU
SPECIAL REVENUE FUND
SALES TAX FUND

Schedule 1

BALANCE SHEET
June 30, 1997

ASSETS

Cash and cash equivalents	\$ 19,179
Sales tax receivable	2,047
Total assets	<u>\$ 21,226</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 528
Fund balances:	
Unreserved - undesignated	\$ 20,698
Total liabilities and fund balance	<u>\$ 21,226</u>

TOWN OF BOSHESSEE
SPECIAL REVENUE FUND
SALES TAX FUND

Schedule 5

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (ORAS BASIS) AND ACTUAL
Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes - sales and use	\$ 13,443	\$ 13,193	\$ (250)
Use of money and property - interest on deposits	<u>458</u>	<u>483</u>	<u>25</u>
Total revenues	<u>\$ 13,901</u>	<u>\$ 13,676</u>	<u>\$ (225)</u>
Expenditures:			
General government - Other services and charges	\$ 980	\$ 92	\$ 888
Public works - Highways and streets - Capital outlay	<u>29,873</u>	<u>29,982</u>	<u>(109)</u>
Total expenditures	<u>\$ 30,853</u>	<u>\$ 30,074</u>	<u>\$ 779</u>
Excess (deficiency) of revenues over expenditures	\$ (7,336)	\$ (7,104)	\$ 232
Fund balance, beginning	<u>27,330</u>	<u>27,228</u>	<u>102</u>
Fund balance, ending	<u>\$ 20,024</u>	<u>\$ 20,088</u>	<u>\$ 64</u>

ENTERPRISE FUNDS

- Gas Utility Fund - To account for the provision of gas services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.
- Water Utility Fund - To account for the provision of water services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.
- Sewer Utility Fund - To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF BORDENCO
ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1997

ASSETS	Gas Utility	Water Utility
Current assets:		
Cash and cash equivalents	\$ 58,372	\$ 15,188
Accounts receivable, net	19,838	3,328
Prepaid expenses	<u>1,915</u>	<u>1,474</u>
Total current assets	<u>\$ 79,925</u>	<u>\$ 19,990</u>
Restricted assets:		
Replacement and extension account -		
Cash and cash equivalents	\$ 285,864	\$ ---
Customers' deposits -		
Cash and cash equivalents	<u>12,842</u>	<u>8,233</u>
Total restricted assets	<u>\$ 298,706</u>	<u>\$ 8,233</u>
Fixed assets:		
Property, plant, and equipment; at cost, net of accumulated depreciation	<u>11,527,404</u>	<u>1,328,605</u>
Total assets	<u>\$1,286,342</u>	<u>\$ 1,356,102</u>

<u>Sewer Utility</u>	<u>Total</u>
\$ 4,006	\$ 19,704
1,709	10,095
<u>508</u>	<u>8,912</u>
\$ 6,223	\$ 28,711
\$ ---	\$ 169,944
<u>112</u>	<u>19,818</u>
\$ 112	\$ 189,762
\$ 537,434	\$2,513,743
\$ 565,997	\$2,908,241

(Continued)

TOWN OF BOSHACK
 ENTERPRISE FUNDS

COMBINING BALANCE SHEET
 June 30, 1997

LIABILITIES AND FUND EQUITY	Gas Utility	Water Utility
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 8,397	\$ 652
Payroll taxes payable	8,603	---
Due to other funds	<u>3,308</u>	<u>1,988</u>
Total current liabilities (payable from current assets)	\$ <u>14,308</u>	\$ <u>1,653</u>
Current liabilities (payable from restricted assets):		
Customers' deposits	\$ <u>12,346</u>	\$ <u>6,215</u>
Total liabilities	\$ <u>26,654</u>	\$ <u>7,868</u>
Fund equity:		
Contributed capital -		
Municipality	\$ ---	\$ 31,000
Federal and state funds	<u>1,642,898</u>	<u>621,662</u>
Total contributed capital	\$ <u>1,642,898</u>	\$ <u>652,662</u>
Retained earnings (deficit) -		
Reserved for replacement and extension	\$ 246,160	\$ ---
Unreserved	<u>40,326</u>	<u>(313,927)</u>
Total retained earnings (deficit)	\$ <u>286,486</u>	\$ <u>(313,927)</u>
Total fund equity	\$ <u>1,929,384</u>	\$ <u>338,735</u>
Total liabilities and fund equity	\$ <u>28,583,242</u>	\$ <u>28,583,242</u>

Schedule 1

<u>Sewer Utility</u>	<u>Totals</u>
\$ 874	\$ 7,923
---	6,463
---	<u>2,300</u>
\$ 874	\$ 12,826
\$ 335	\$ 38,996
\$ 1,289	\$ 26,892
\$ ---	\$ 39,000
<u>863,360</u>	<u>3,183,129</u>
\$ 863,360	\$3,178,129
\$ ---	\$ 246,168
<u>1,309,872</u>	<u>1,573,863</u>
\$ 1,309,872	\$ 1,329,792
\$ 568,680	\$2,898,412
\$ 568,680	\$2,983,241

(Continued)

TOWN OF ROSSBACH
 ENTERPRISE FUNDS

COMBINING SCHEDULE OF REVENUES,
 EXPENSES, AND CHANGES IN RETAINED EARNINGS (Deficit)
 Year Ended June 30, 1997

	<u>Gas Utility</u>	<u>Water Utility</u>
Operating revenues:		
Charges for services	\$ 349,241	\$ 33,384
Operating expenses:		
Personal services	\$ 140,884	\$ ---
Supplies	189,483	4,489
Other services and charges	34,923	14,443
Heat, light, and power	5,549	9,837
Depreciation	<u>75,865</u>	<u>10,884</u>
Total operating expenses	\$ 446,307	\$ 39,653
Operating income (loss)	\$ 102,934	\$ 2,731
Non-operating revenues (expenses):		
Interest income	\$ 14,806	\$ 302
Rental income and other rental expenses and other	444	167
Sale of assets	(12,000)	(3,000)
Insurance reimbursement	3,500	---
	<u>5,402</u>	<u>---</u>
Total non-operating revenues (expenses)	\$ 12,152	\$ (2,531)
Income (loss) before operating transfers	\$ (84,207)	\$ 201
Operating transfers in (out)	<u>32,158</u>	<u>(10,042)</u>
Net income (loss)	\$ (82,049)	\$ (9,841)
Retained earnings (deficit), beginning	<u>388,747</u>	<u>(285,686)</u>
Retained earnings (deficit), ending	\$ 286,698	\$(295,527)

<u>Owner</u> <u>Utility</u>	<u>Total</u>
\$ 22,081	\$ 411,326
\$ ---	\$ 240,508
2,808	126,758
2,570	51,934
2,632	35,018
<u>87,473</u>	<u>139,208</u>
\$ 51,482	\$ 534,441
\$ 129,481	\$ 1122,115
\$ 33	\$ 18,181
---	811
(2,884)	(17,884)
---	3,500
<u>---</u>	<u>5,488</u>
\$ 41,981	\$ 9,647
\$ 11,442	\$ 115,468
<u>(5,252)</u>	<u>8,166</u>
\$ 18,412	\$ 118,302
<u>1282,462</u>	<u>1218,302</u>
\$ 808,872	\$ 1328,701

TOWN OF HENNEBICK
ENTERPRISE FUNDS

COMBINING SCHEDULE OF CASH FLOWS
Year Ended June 30, 1997

	<u>Gas Utility</u>	<u>Water Utility</u>
Cash flows from operating activities:		
Cash received from customers	\$ 347,138	\$ 39,772
Cash payments to suppliers for goods and services	(226,847)	(27,193)
Cash payments for employee services and employee related fringe benefits	(148,792)	---
Net cash provided (used) by operating activities	<u>\$ 171,499</u>	<u>\$ 12,579</u>
Cash flows from noncapital financing activities:		
Rental income and other	\$ 448	\$ 167
Rental expense and other	(12,000)	(3,008)
Operating transfers in (out)	21,158	(10,843)
Reimbursement from insurance	3,408	---
Net cash provided (used) for noncapital financing activities	<u>\$ 16,014</u>	<u>\$ (13,674)</u>
Cash flows from capital and related financing activities:		
Construction grants received	\$ 2,310	\$ ---
Acquisition and construction of capital assets	(9,847)	---
Gain on asset dispositions	3,500	---
Net cash used for capital and related financing activities	<u>\$ (4,037)</u>	<u>\$ ---</u>
Cash flows from investing activities:		
Interest on cash management activities	\$ 14,886	\$ 100
Net increase (decrease) in cash and cash equivalents	\$ 7,471	\$ 6
Cash and cash equivalents, beginning of year	<u>320,514</u>	<u>31,288</u>
Cash and cash equivalents, end of year	<u>\$ 327,985</u>	<u>\$ 31,294</u>

<u>Senior</u> <u>Debt</u>	<u>Totals</u>
\$ 22,288	\$ 409,117
(11,288)	(264,948)
<u> ---</u>	<u>144,169</u>
\$ 10,998	\$ 3,488
\$ ---	\$ 611
(2,004)	(17,008)
(8,994)	8,168
<u> ---</u>	<u>3,488</u>
<u>(8,994)</u>	<u>(5,918)</u>
\$ ---	\$ 2,318
(4,388)	(13,388)
<u> 288</u>	<u>3,280</u>
\$ 14,888	\$ 17,288
\$ 32	\$ 15,131
\$ (2,002)	\$ 8,478
<u> 8,138</u>	<u>388,111</u>
\$ 8,138	\$ 384,588

(Continued)

TOWN OF BOSTWICK
 ENTERPRISE FUNDS

COMBINING SCHEDULE OF CASH FLOWS
 Year Ended June 30, 1997

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Gas <u>Utility</u>	Water <u>Utility</u>
Operating income (loss)	\$ 106,388	\$ 2,232
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	\$ 75,845	\$ 10,884
Changes in assets & liabilities		
(Increase) decrease in accounts receivable	\$ (2,388)	\$ 538
(Increase) decrease in prepaid expenses	3,812	(212)
(Increase) decrease in due from other funds	2,454	---
Increase (decrease) in accounts payable	(5,853)	(939)
Increase (decrease) in allowance for bad debts	(227)	(213)
Increase (decrease) in due to other funds	2,360	---
Increase (decrease) in payroll taxes payable	(293)	---
Increase (decrease) in customer deposits	(454)	(150)
Total adjustments	\$ 74,342	\$ 9,847
Net cash provided (used) by operating activities	\$ (28,117)	\$ 12,579

Schedule 3

<u>Deer Utility</u>	<u>Totals</u>
\$ 129,481)	\$123,113)
\$ 43,478	\$ 130,328
\$ 115	\$ (1,745)
(448)	3,382
---	2,494
(343)	(6,355)
(48)	(485)
(2,454)	(194)
---	(202)
90	(458)
<u>\$ 43,478</u>	<u>\$ 128,375</u>
\$ 18,328	\$ 1,452

(Continued)

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF BARNESBORO

Schedule 10

SCHEDULE OF GENERAL FIXED ASSETS
June 30, 1997

General fixed assets, at cost:	
Land	\$ 16,360
Buildings	51,300
Street improvements	211,228
Equipment	<u>30,652</u>
Total general fixed assets	<u>\$ 312,250</u>
Investment in general fixed assets:	
General fund revenues	\$ 18,283
Sales tax fund revenues	82,989
Federal grants	98,708
State grants	18,718
State revenue sharing funds	723
Gift	<u>18,008</u>
Total investment in general fixed assets	<u>\$ 332,308</u>

TOWN OF SCARBOROUGH

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1997

	<u>Land</u>	<u>Buildings</u>
General fixed assets, beginning	\$ 18,188	\$ 51,283
additions	---	---
Deletion	<u>---</u>	<u>---</u>
General fixed assets, ending	\$ <u>18,188</u>	\$ <u>51,283</u>

<u>Street</u> <u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
\$ 198,644	\$ 20,604	\$ 219,248
20,982	9,669	30,651
<u>---</u>	<u>---</u>	<u>---</u>
\$ 219,626	\$ 30,273	\$ 249,899

TOWN OF BOSTWICK

Schedule 12

SCHEDULE OF COMPENSATION PAID ALDERMEN
Year Ended June 30, 1977

ALDERMEN	Compensation Paid
Doyle Carpenter	\$ 1,400
Joan Chavez	1,400
Arthur S. Cole, Mayor	4,900
Michael Behan	1,300
Steve Holley	1,400
Lawrence Trotti	<u>1,500</u>
	\$ <u>11,900</u>

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN BASIS OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH "GOVERNMENT AUDITING STANDARDS"

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Bossier, Louisiana

I have audited the general purpose financial statements of the Town of Bossier, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 15, 1997.

I conducted my audit in accordance with generally accepted auditing standards, GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town of Bossier, 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 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, 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.

In planning and performing my audit of the general purpose financial statements of the Town of Bossier, Louisiana, for the year ended June 30, 1997, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Hornsbeck, Louisiana
Page 2

policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Utility Billing Delinquencies

Finding:

Procedures applied to utility billings and subsequent collections turned up a larger than normal amount of delinquencies. Delinquencies for the past two years have been higher than normal averaging 11.33% which is up from an average of approximately 6% in years prior. This comment was presented in a separate letter to management in the June 30, 1996 audit report.

Recommendation:

I recommend that the Town's management investigate these delinquencies and adopt a policy for dealing with them. Management should also closely monitor the delinquency list on a monthly basis.

Management's response:

Management has stated that they will investigate the reasons for the increase in delinquencies and adopt and enforce a policy that will be adhered to in order to bring the delinquencies down to an acceptable minimum.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses as defined above. However, I believe none of the reportable conditions described above is a material weakness.

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
"GOVERNMENT AUDITING STANDARDS"**

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Hornbeck, Louisiana

I have audited the general purpose financial statements of the Town of Hornbeck, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated December 11, 1997.

I conducted my 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 I 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 Town of Hornbeck, Louisiana, is the responsibility of the Town of Hornbeck, Louisiana, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of my audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

I noted certain immaterial instances of noncompliance that I have reported to the management of the Town of Hornbeck in a separate letter dated December 11, 1997.

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Norbeck, Louisiana
Page 2

This report is intended for the information of management, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

John A. Windham, CPA

DeRidder, Louisiana
December 11, 1993

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John A. Windham, CPA

December 11, 1997

The Honorable Arthur E. Cole, Mayor
and the Members of The Board of Aldermen
Town of Norbeck, Louisiana

In planning and performing my audit of the general purpose financial statements of the Town of Norbeck, Louisiana, for the year ended June 30, 1997, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that in my judgement, could adversely affect the Town of Norbeck, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Other Comments and Recommendations

Use of Reserved Funds

Findings:

Thirty thousand dollars was transferred out of a restricted asset cash account to the operation and maintenance account in the gas utility fund without board approval. The restricted asset cash account is reserved for replacement and extension of the existing gas system. The money was used for operations in the operations and maintenance account after the transfer was made.

Recommendation:

I recommend that any transfers or use of the reserved restricted asset cash account be brought before the board before being implemented.

Management's response:

Management did not realize that this money was legally reserved by the board and any use of it would need board approval. In the future any use of the reserved funds

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Hornsbeck, Louisiana
Page 1

will be brought before the board before the money is used.

Customer Deposits

Findings:

The three utility funds restricted asset cash accounts for customer deposits did not have balances large enough to cover the customer deposit liabilities. This comment was presented in a separate letter to management in the June 30, 1988 audit report.

Recommendation:

I recommend that the restricted asset cash account balances be brought up to an amount that would cover the customer deposit liabilities.

Management's response:

Management has large enough cash reserves in other accounts that can be moved to the customer deposit restricted asset cash account. Management will move the cash necessary from their other cash accounts into the restricted asset customer deposit cash accounts.

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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the June 30, 1987 general purpose financial statements, and this report does not affect my report on these general purpose financial statements dated December 11, 1987. I have not considered the internal control structure since the date of my report.

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Hornbeck, Louisiana
Page 2

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

John D. Windham CPA
Bossier, Louisiana
December 11, 1993