

STATEMENT OF CASH FLOWS - DISBURSEMENT FUND TYPE ACCOUNTS

FOR the Years Ended June 30, 1995 and 1996

	<u>1995</u>	<u>1996</u>
Increase (Decrease) in Cash	\$ 26,718	\$ 23,800
Cash at Beginning of Year	150,884	128,371
Cash at End of Year	<u>\$ 177,602</u>	<u>\$ 152,171</u>
Reconciliation of Cash Accounts:		
Unrestricted Cash	\$ 128,813	\$ 71,761
Restricted Cash	48,789	80,410
Total Cash	<u>\$ 177,602</u>	<u>\$ 152,171</u>

The accompanying notes are an integral part of this statement.

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June 30, 1987

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**TOWN OF INDEPENDENCE**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 1987

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Town of Independence, Louisiana (the "Town") was incorporated under the provisions of the Louisiana Act. The Town operates under a Mayor-Council of Advisors form of government. The Town provides the following services: public safety (police and fire), streets, drainage, sanitation, culture-recreation, public improvements, planning and zoning, and general and administrative services. Other services include water and sewer services.

The accounting and reporting policies of the Town of Independence conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes (R.S.) and to the industry audit guide, *Manual of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

**A. FINANCIAL REPORTING ENTITY**

As the governing authority of the Town, for reporting purposes, the Town of Independence is the financial reporting entity for Independence, Louisiana. The financial reporting entity consists of the primary government (Council), all organizations for which the primary government is financially accountable, and for 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.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Independence for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GSNB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Town Council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Town Council.
2. Organizations for which the Town Council does not appoint a voting majority but are fiscally dependent on the Council.
3. Organizations for which the reporting entity financial statements would be misleading if such of the organization is not included because of the nature or significance of the relationship.

## TYPE OF INDEPENDENCE

### SCOPE OF FINANCIAL STATEMENTS COVERED

Based on the application of the above criteria, it was determined the Type of Independence has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen), created by or dependent on the Town and determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

### **3. FUND ACCOUNTING**

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

#### **GOVERNMENTAL FUNDS**

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

**Special Revenue Funds** - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

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

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

#### **PROPRIETARY FUNDS**

**Enterprise Fund** - Enterprise Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation of providing goods or services to the general public or a continuing basis be financed or recovered primarily through user charges, or (2) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TYPE OF IMPROVEMENT

NOTE NO. FINANCIAL STATEMENTS (CONTINUED)

C. PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Balance Group, and are recorded as expenditures in the governmental fund types when purchased. Public works ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

Long-term liabilities reported to be financed from governmental funds are reported for in the General Long-Term Debt Account Group.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to include amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term assets are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "equival maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

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

Water Utility -	
Mains	20 Years
Storage Tanks	40 Years
Lines and Pipers	40 Years
Sewerage Utility -	
Pump Stations	20 Years

TIME OF INCURRED

NOTE TO FINANCIAL STATEMENTS CONTINUED

Lease	48 Years
Trucks and Equipment	5 Years
wastage collection system	18 Years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date shown.

The Town capitalizes the amount of interest paid during the construction of a project and then amortizes, over the useful life of the asset, the interest capitalized.

**3. BASIS OF ACCOUNTING**

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as set current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. All major revenues are receivable to annual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued (GASB 1128); (2) principal and interest on long-term debt, which is recognized when due; and (3) expendable operating supplies which are included as expenditures at the time of purchase under the "purchase method" (GASB 1128).

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility services receivable for the Water and Sewer Enterprise Fund are not recorded in year due as the amount is not material. The Town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before December 31, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

**4. BUDGETS AND BUDGETARY ACCOUNTING**

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and

## FORM OF INDEPENDENCE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget for the year ended June 30, 1997, was submitted to the Board of Aldermen on May 14, 1996.

1. 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. The proposed budget for the year ended June 30, 1997, was published in the official journal on May 20, 1996.
2. A public hearing is held on the proposed budget at least ten days after publication of the bill for the hearing. A public hearing on the proposed budget for the year ended June 30, 1997, was held on June 11, 1996.
3. After holding the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance. The proposed budget for the year ended June 30, 1996, was adopted by ordinance on June 13, 1995.
4. 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. The budget for the year ended June 30, 1997, was amended on May 14, 1997.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). A budget was also adopted for the Water and Sewer Enterprise Fund. Formal budgetary integration is not employed for water service funds because efficient budgetary control is alternatively achieved through general obligation bond indenture provisions.

#### F. BANK AND INVESTMENTS

Cash includes accounts in demand deposits, interest-bearing demand deposits, and money market accounts. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

As reflected on exhibit A, the Town of Independence has cash totaling \$44,016 and investments totaling \$177,500 at June 30, 1997. Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the

TOON OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

some of the financial assets have been pledged to the Toon. The following is a summary of cash and investments bank balances as June 30, 1997, with the related federal deposit insurance and pledged securities:

	CAPSIFIED		
	CASH BALANCES (JUNE 30, 1997)	FEDERAL INSURANCE	BLANKET GUARANTEE
<b>Cash:</b>			
Demand Deposits	\$ 34	\$ -	\$ -
Interest Bearing Demand Deposits	542,075	500,000	480,000
Time Deposits	22,000	—	22,000
<b>Total Cash</b>	<b>564,109</b>	<b>500,000</b>	<b>502,000</b>
<b>INVESTMENTS:</b>			
Certificates of Deposit	201,285	200,000	180,000
<b>TOTAL</b>	<b>765,394</b>	<b>700,000</b>	<b>682,000</b>
<b>Unaffiliated -</b>			
Securities in the Name of and held by the Financial Agent Pledged to the Toon			2,380,000
<b>EXCESS OF FDIC Insurance and Pledged Securities over Cash and Investment Bank Balances</b>			<b>4,358,000</b>

Even though the pledged securities are considered unaffiliated because of under the provisions of these statements, securities received pursuant to the Toon's request a statement required on the custodial bank to advertise and disclose the pledged securities within 10 days of being notified by the Toon that the financial agent has failed to pay deposited funds upon demand.

**B. INVENTORY**

The Toon utilizes the "purchase method" of accounting for supplies. Its governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Toon did not record any inventory at June 30, 1997, as the amount is not material.

**C. ACCUMULATED COMPENSATED ABSENCE**

The Toon's policy is to allow employees' vacation pay based on employee classifications and length of service. Vacation pay is non-accumulative with any unpaid amounts paid to employees upon separation from Toon's service. In governmental funds, the cost of vacation pay is recognized when payments are made to employees. No liability has been recorded in the Motor and Space Operations fund for accrued vacation pay at June 30, 1997, as the amount is not material.

The Toon's employees earn sick pay benefits based on length of service. Employees may accumulate sick leave benefits up to a maximum of 240 days. Sick pay benefits have not been accrued as the employee's right to sick pay benefits



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although cumulative, do not vest.

3. PENSION PLANS

The Town has two pension plans which cover all of the Town's employees. Both pension plans are joint contributory defined contribution plans administered by the Statewide Louisiana Municipal Employees' Retirement System and the Atchafalaya/Louisiana Municipal Police Employees Retirement System. Both pension plans are funded by contributions from employees through payroll withholding deductions and matching contributions from the town (Notes 12 and 13).

4. RESERVE AND DEDICATIONS OF FUND EQUITY

The Town reserves and dedications to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves and dedications used by the Town:

BALANCE AT  
JUNE 30, 2002

Reserves of Fund Balance/Fund Equity:

a. Debt Service Funds	
(1) Reserved for General Obligation Bond Debt Service	\$ 12,321
b. Water and Sewer Enterprise Fund	
(1) Reserved for Revenue Bond Debt Service	\$ 22,648

Dedications of Fund Balance:

a. Special Revenue Funds	
(1) Dedicated for Economic Development	\$218,148
(2) Dedicated for Historical District Reservations	223,325
	<u>\$441,473</u>

5. PAYABLE FROM RESTRICTED ASSETS

Certain assets of the Independence Water and Sewer System have been restricted for payment of the following:

BALANCE AT  
JUNE 30, 2002

Utility Customer Deposits	\$ 21,880
Revenue Bonds Payable	22,680
Accrued Bond Interest Payable	1,620
	<u>\$ 46,180</u>

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**1. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS**

Uncollectible accounts due for ad valorem taxes, customers' utility receivables and innovative housing program notes receivables are recognized as bad debts through the establishment of an Allowance account at the time information becomes available which would indicate the collectibility of the particular receivable. The following details the descriptions and amount of the allowance for uncollectible accounts as of June 30, 1997.

	<b>BALANCE AT JUNE 30, 1997</b>
<b>a. General Fund</b>	
(1) Allowance for Uncollectible Ad Valorem Tax Receivables	<u>\$ 22,648</u>
<b>b. Special Revenue Funds</b>	
(1) Allowance for Uncollectible Innovative Housing Program Notes Receivables	<u>\$ 21,600</u>
<b>c. Water and Sewer Enterprise Fund</b>	
(1) Allowance for Uncollectible Water and Sewer Fees	<u>\$ 2,828</u>

**2. COMPARATIVE DATA**

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the town's financial position and operations.

**3. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW**

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

**4. STATEMENT OF CASH FLOW**

In accordance with Governmental Accounting Standards Board Statement No. 5, the town is presenting a statement of cash flow. For purposes of the statement of cash flow, the Water and Sewer enterprise fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

**5. AD VALOREM TAXES**

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each

FORM OF INFORMATION

RELATIVE TO FINANCIAL STATEMENTS (CONTINUED)

year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenue from ad valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Tappanahoc Parish.

For the year ended June 30, 1997, taxes of 16.64 mills were levied on property with taxable assessed valuations totaling \$1,509,741 and were obligated in the following payments:

General Corporate Purposes	8.26 Mills
Police Department	5.91 Mills
Fire Department	2.48 Mills
	<u>16.64 Mills</u>

Total taxes levied were \$25,812. Taxes receivable were \$16,536 at June 30, 1997. The allowance for uncollectible ad valorem taxes totaled \$12,435 at June 30, 1997.

3. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and due to other funds as of June 30, 1997:

	1997 1998	1997 97
General funds		
Special Revenue Funds	\$ 3	\$ 45,398
Enterprise Fund	<u>12,818</u>	<u>          </u>
Total General Fund	\$ 12,821	\$ 45,398
Special Revenue Funds:		
General Fund	\$ 45,398	\$ 3
Enterprise Fund	<u>          </u>	<u>          </u>
Total Special Revenue Funds	\$ 45,398	\$ 3
Enterprise Fund:		
Special Revenue Funds	\$ -	\$ -
General Fund	<u>          </u>	<u>12,826</u>
Total Enterprise Fund	\$ 0	\$ 12,826
Total All Funds	\$ 12,815	\$ 58,224

4. INTERFUND TRANSFERS

The following is a summary of the operating transfers between funds during the fiscal year ended June 30, 1997:

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# Durnin & James

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Baton Rouge, Louisiana

Office  
Baton Rouge, Louisiana  
Central Baton Rouge

September 25, 1997

## Independent Auditor's Report

Honorable Phillip F. Romano, Mayor  
and the Members of the Board of Directors  
Town of Independence, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Independence, Louisiana, as of June 30, 1997, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Independence, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated September 25, 1997, on our consideration of the Town of Independence's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents are supplementary information including the accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular A-133, Revisions, Status, Local Government, and Non-Profit Organizations, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the

TOWN OF INDEPENDENCE, LOUISIANA.

Town of Independence, Louisiana. Each information, except for that portion noted "unaudited" on which we express no opinion, 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 respective general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Town of Independence, Louisiana.

Respectfully submitted,

  
DEVIN E. JAMES, CPA

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)







FORM OF DISBURSEMENT

EXH. 11. D

COMBINED STATEMENT OF REVENUES, DISBURSEMENTS, AND CARRIES  
IN SAN FRANCISCO - ALL DEPARTMENTAL FUND TYPES

For the Year Ended June 30, 1967

Section:	DEPARTMENTAL FUND TYPES			TOTAL	
	GENERAL	SPECIAL SERVICES	PORT SERVICES	1967	1966
<b>Revenues:</b>					
Taxes	\$ 98,761	\$ 218,884	\$ -	\$ 317,645	\$ 304,171
Licenses and Permits	218,576	-	-	218,576	229,541
Intergovernmental	48,400	879,783	-	928,183	94,175
Fines and Penalties	24,480	-	-	24,480	19,171
Solid Waste	16,181	-	-	16,181	43,174
Interest	2,183	10,817	2,100	15,100	86,176
Miscellaneous	18,486	-	-	18,486	212,171
<b>Total Revenues</b>	<b>\$ 348,967</b>	<b>\$ 1,109,704</b>	<b>\$ 2,100</b>	<b>\$ 1,460,800</b>	<b>\$ 1,059,174</b>
<b>Expenditures:</b>					
<b>CURRENT:</b>					
General Government	\$ 268,124	\$ 18,894	\$ -	\$ 287,018	\$ 338,177
Public Safety	268,127	-	-	268,127	318,168
Streets and Parks	88,979	-	-	88,979	88,165
Solid Waste	25,708	-	-	25,708	27,157
Health and Safety	-	-	-	-	12,161
Water	6,888	282,188	-	289,076	24,157
Capital Outlay	28,180	-	-	28,180	13,161
DEBT SERVICE	22,081	-	21,000	43,081	20,151
<b>Total Expenditures</b>	<b>\$ 628,122</b>	<b>\$ 282,082</b>	<b>\$ 21,000</b>	<b>\$ 931,204</b>	<b>\$ 746,151</b>
<b>Excess Deficiency of Revenues over Expenditures</b>	<b>\$ 720,845</b>	<b>827,622</b>	<b>194,100</b>	<b>1,522,567</b>	<b>313,023</b>
<b>Other Financing Sources (Uses):</b>					
Operating Transfers In	\$ 278,155	\$ -	\$ 28,748	\$ 306,903	\$ 388,161
Operating Transfers Out	-	(877,344)	-	(877,344)	(292,161)
Loan Proceeds	-	-	-	-	18,167
Proceeds from Refunding Bonds	-	-	-	-	284,161
Payments to Other Funds	-	-	-	-	(248,161)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 278,155</b>	<b>\$ (877,344)</b>	<b>\$ 28,748</b>	<b>\$ (570,441)</b>	<b>\$ 130,167</b>
<b>Excess Deficiency of Revenues and Other Sources over Expenditures and Other Uses</b>	<b>\$ 442,690</b>	<b>(44,462)</b>	<b>\$ 222,848</b>	<b>\$ 420,076</b>	<b>\$ 443,190</b>
and balance at beginning of year	12,000	271,000	24,000	1,007,000	1,000,000
<b>Fund Balance at End of Year</b>	<b>\$ 12,000</b>	<b>\$ 271,000</b>	<b>\$ 24,000</b>	<b>\$ 1,007,000</b>	<b>\$ 1,000,000</b>

The accompanying notes are an integral part of this statement.

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1991-1992

GENERAL STATEMENT OF FINANCIAL OPERATIONS AND FINANCIAL STATEMENTS OF THE UNIVERSITY OF CALIFORNIA - BERKELEY

For the Year Ended June 30, 1992

	GENERAL STATEMENT		SPECIAL REPORT FROM		TOTAL	
	OPERATING	NON-OPERATING	ACTING	ACTING	ACTING	ACTING
	REVENUE	EXPENSE	REVENUE	EXPENSE	REVENUE	EXPENSE
Operating Revenue	\$ 10,447	\$ 76,345	\$ 1,136	\$ 224,455	\$ 1,136	\$ 224,455
Operating Expenses	29,439	105,776	41,476	-	136,605	111,776
Non-Operating Revenue	44,350	40,420	5,378	891,910	897,288	111,121
Non-Operating Expenses	15,000	24,400	5,488	-	10,588	11,400
Total Revenue	44,797	116,765	6,514	1,116,365	1,122,879	122,879
Total Expenses	44,439	130,176	46,964	-	130,176	123,176
Total Surplus	\$ 358	\$ 85,989	\$ 1,850	\$ 1,116,365	\$ 1,912,703	\$ 9,703
Operating Revenue	\$ 14,720	\$ 398,234	\$ 1,481,014	\$ 95,480	\$ 1,481,014	\$ 176,548
Operating Expenses	14,962	394,231	2,024	-	160,084	144,448
Non-Operating Revenue	76,566	62,474	2,567	-	72,344	45,798
Non-Operating Expenses	19,050	17,710	-	-	4,711	17,710
Total Revenue	101,346	463,182	1,483,585	95,480	1,625,702	280,144
Total Expenses	33,912	411,465	2,024	-	164,795	162,158
Total Surplus	\$ 67,434	\$ 51,717	\$ 4,561	\$ 95,480	\$ 1,460,907	\$ 117,986
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Non-Operating Revenue	76,566	62,474	2,567	-	72,344	45,798
Non-Operating Expenses	19,050	17,710	-	-	4,711	17,710
Total Revenue	101,346	463,182	1,483,585	95,480	1,625,702	280,144
Total Expenses	33,912	411,465	2,024	-	164,795	162,158
Total Surplus	\$ 67,434	\$ 51,717	\$ 4,561	\$ 95,480	\$ 1,460,907	\$ 117,986

Notes to Financial Statements  
 1. Summary of Significant Accounting Policies  
 2. Operating Expenses  
 3. Capital Assets  
 4. Pensions and Other Postretirement Benefits  
 5. Deferred Compensation  
 6. Contingent Liabilities  
 7. Leases  
 8. Financial Instruments  
 9. Related Party Transactions  
 10. Fair Value Measurements  
 11. Revenue Recognition  
 12. Government Grants  
 13. Research and Development  
 14. Goodwill and Intangible Assets  
 15. Income Taxes  
 16. Equity Instruments  
 17. Derivative Financial Instruments  
 18. Risk Management  
 19. Subsequent Events

TYPE OF ENTERPRISE

EXHIBIT D

STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGE IN RETAINED EARNINGS - PRODUCTIONS FROM TYPE

For the Years Ended June 30, 1997 and 1996

	1997	1996
Operating Revenues:		
Charges for services:		
Water and other services	\$248,404	\$128,201
Delinquency Charges	4,997	8,894
Connection Fees	1,806	1,427
Miscellaneous		
Total Operating Revenues	\$255,207	\$138,522
Operating Expenses:		
Salaries	\$ 41,248	\$ 32,812
Employee Retirement and Medicare	5,627	5,627
Office Expense	5,214	5,760
Repairs and Maintenance	27,957	25,344
Fuel for Equipment	4,498	3,994
Operating Supplies	4,780	12,112
Utilities	22,218	22,212
Insurance	22,810	24,797
Professional Fees	21,426	8,747
Miscellaneous Expense	360	3,377
Sales Tax Collector Fee Expense	343	357
Power Plant Expense	8,842	15,012
Depreciation	28,282	24,426
Total Operating Expenses	\$182,213	\$188,604
Operating Income (Loss)	\$ 72,994	\$ 49,918
Nonoperating Income (Expense):		
Interest Earned	2,222	2,222
Revised Sales Tax Revenue (1/28 1996 Tax)	22,222	24,222
Interest Paid	( 8,222)	112,222
State Grant	-	-
Income (Loss) Before Operating Transfers	\$ 89,216	\$1 222
Operating Transfers In	22,222	22,222
Operating Transfers Out	(22,222)	(22,222)
Net Income (Loss)	\$ 89,216	\$ 22,222
Retained Earnings (Deficit) at beginning of Year	122,222	112,222
Retained Earnings (Deficit) at End of Year	\$211,438	\$134,444

The accompanying notes are an integral part of this statement.

## FORM OF STATEMENT

EXHIBIT B

## STATEMENT OF CASH FLOWS - SUPPLEMENTARY PAGE TWO

FOR THE YEARS ENDED JUNE 30, 1997 and 1996

	1997	1996
<b>Cash Flows From Operating Activities:</b>		
Operating loss	\$ 13,440	\$ 151,800
ADJUSTMENTS TO RECONCILE OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES:		
Depreciation	38,780	45,480
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	1 4,040	0,000
(Increase) Decrease in Accrued Interest Receivable	-	-
(Increase) Decrease in Sales Tax Receivable	1 580	1 100
Increase (Decrease) in Accounts Payable	1 3,040	17,700
Increase (Decrease) in Customer Deposits Payable	1 3,200	3,100
Increase (Decrease) in Accrued Expenses	1 100	1 100
Increase (Decrease) in Construction Payable	368,180	-
Total Adjustments	4,258,820	1,185,280
Net Cash Used in Operating Activities	\$ 510,280	\$ 17,800
<b>Cash Flows From Noncapital Financing Activities:</b>		
(Increase) Decrease in Due from other funds	0	\$ 10,100
Increase (Decrease) in Due to Other Funds	8,880	14,800
(Increase) Decrease in Due from Other Governments	100,800	110,000
Operating Transfers In	38,880	26,000
Operating Transfers Out	1,58,000	125,500
Net Cash Provided by (Used in) Noncapital Financing Activities	\$118,160	\$ 13,800
<b>Cash Flows from Capital and Related Financing Activities:</b>		
Construction of Capital Assets	144,000	100,000
Operating Grants Received	-	-
Purchase of Equipment	1 8,300	110,000
Proceeds from Sale of Sewer System Bonds	129,500	-
Capital Issues Obligation Principal Paid	1 3,900	1 0,000
Dedicated Sales Tax Revenue 12/31 1990 Tax	82,800	84,000
Revenue Bond Principal Paid	1 18,000	118,000
Interest Paid	1 9,100	100,000
Purchase of Land	-	-
Capital Grants Received	348,800	36,000
Net Cash Provided by Capital and Related Financing Activities	\$140,900	\$ 113,800
<b>Cash Flows From Investing Activities:</b>		
Interest Earned on Investments	\$ 8,500	\$ 6,000
Purchase of Investments	1 80,000	100,000
Proceeds from Maturities of Investments	80,000	82,000
Net Cash Provided by Investing Activities	\$ 8,500	\$ 6,000

(CONTINUED)

STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

	TRANSFERS IN FROM	TRANSFERS OUT TO
<b>General Fund:</b>		
1990 Sales Tax Fund	\$ 100,000	\$ -
1992 Sales Tax Fund	14,479	-
Enterprise Fund	50,483	-
Total General Fund	\$ 164,962	\$ -
<b>Special Revenue Funds:</b>		
General Fund	\$ -	\$ 112,474
Debt Service Funds	-	18,790
Enterprise Fund	-	328,583
Total Special Revenue Funds	\$ -	\$ 559,847
<b>Debt Service Funds:</b>		
Special Revenue Funds	\$ 18,790	\$ -
Total Debt Service Funds	\$ 18,790	\$ -
<b>Enterprise Fund:</b>		
General Fund	\$ -	\$ 50,483
Special Revenue Funds	328,583	-
Total Enterprise Fund	\$ 328,583	\$ 50,483
<b>Total All Funds</b>	<b>\$ 493,545</b>	<b>\$ 610,330</b>

3. **ONE FROM OTHER GOVERNMENTAL UNITS**

Amounts due from other governmental units at June 30, 1993, consisted of the following:

	Enterprise Fund	General Fund
MOET Tax Due from the State of Louisiana	\$ -	\$ 700
COLEMAN Tax Due from the State of Louisiana	-	2,100
WIDE WATER POWER Tax Due from the State of Louisiana	-	2,100
LAZAR Lewis Improvement Grant from the State of Louisiana	120,000	-
<b>TOTAL</b>	<b>\$120,000</b>	<b>\$5,000</b>

4. **RESTRICTED ASSETS - PROPRIETARY FUND TYPE**

Restricted assets were applicable to the following at June 30, 1993:

\$100,000 Revenue Bond Debt Service - Cash	\$40,000
\$100,000 Revenue Bond Debt Service - Cash	39,711
\$100,000 Revenue Bond Debt Service - Investments	10,000
Customers' Deposits - Cash	10,000
Total Restricted Assets	\$100,000

TOWN OF INDEPENDENCE

NOTE TO FINANCIAL STATEMENTS (CONTINUED)

**7. GENERAL FUND ASSETS ACCOUNT GROUP**

A summary of changes in general fund assets follows:

	BALANCE	CURRENT YEAR		BALANCE
	1987 1.	ADDITIONS	DEDUCTIONS	1987 2.
Land	\$ 24,500	1 -	1 -	\$ 24,500
Buildings	312,500	-	-	312,500
Machinery, Equipment and Vehicles	282,780	28,220	-	311,000
<b>Total General Fund Assets</b>	<b>\$819,780</b>	<b>29,220</b>	<b>1 -</b>	<b>\$848,999</b>

**8. PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT**

A summary of proprietary fund type property, plant and equipment at June 30, 1987, follows:

Wells	\$ 300,000
Pumping Stations and Equipment	80,000
Storage Tanks	50,000
Sewerage Lift Stations	100,000
Water and Sewer Lines, etc.	1,370,000
Vehicles and Equipment	20,520
<b>Total Fixed Assets</b>	<b>\$1,920,520</b>
Less: accumulated depreciation	1,828,000
	<b>\$ 92,520</b>
Land	40,000
Constructions in Progress	500,000
<b>Net Fixed Assets</b>	<b>\$1,860,520</b>

All items of plant and equipment acquired prior to 1987, except land, have been stated at estimated historical cost. The depreciation accumulated in 1987 has also been estimated. Acquisitions after 1987 are stated at historical cost. Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1987, totaled \$18,780.

Construction in progress includes costs incurred to date on the wastewater treatment plant improvement project. Total costs are estimated at \$1,720,000. Funding for this project is provided by proceeds from a \$7,100 Louisiana Community Development Block Grant in the amount of \$780,000 and proceeds from various 1984 Bonds to be sold bonds in the amount of \$940,000. The scheduled completion date is during the fiscal year ending June 30, 1987.

**9. CHANGES IN LONG-TERM DEBT**

The following is a summary of debt transactions of the town of Independence for the



## TOWN OF INDEPENDENCE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

year ended June 30, 1997:

	DEBT PAYABLE JUNE 30, 1996	INCREASE IN DEBT	DEBT _PAID_	DEBT PAYABLE JUNE 30, 1997
Certificate of Obligations	\$ 42,811	\$ -	\$ 28,328	\$ 28,447
Notes Payable, 1997	-	508,363	-	508,363
Notes Payable, 1998	5,820	-	4,167	5,820
General Obligations Bonds	-	-	-	-
Sales Tax Refunding Bonds	228,890	-	28,000	208,890
Revenue Bonds	181,000	-	28,000	148,000
Capital Lease Obligations	2,324	-	2,324	-
<b>Total</b>	<b>\$460,845</b>	<b>\$508,363</b>	<b>\$78,819</b>	<b>\$990,389</b>

Long-term debt payable at June 30, 1997, is comprised of the following:

## Certificate of Obligations:

\$128,000 Note Payable to Hancock Bank,  
Independence, Louisiana, dated  
September 29, 1996, payable in  
Eighty-four (84) monthly installments  
of \$1,789.82 with interest at 9.00%.  
Insured by a pledge and dedication of  
excess revenues of the Town above ordinary,  
necessary and usual charges! \$ 28,328

A schedule of the outstanding certificate of obligation and the principal and interest requirements are as follows:

YEAR DUE	AMOUNT	1994	
		PRINCIPAL	INTEREST
1998	\$ 28,328	\$ 2,483	\$ 21,228
1999	4,167	121	4,024
	<u>\$ 28,328</u>	<u>\$ 2,604</u>	<u>\$ 25,252</u>

## Notes Payable 1997:

\$128,827 Note Payable to Hancock Bank,  
Independence, Louisiana, dated  
May 2, 1997, payable March 2, 1998,  
in one installment of \$128,827 with  
interest at 4.84%. Insured by  
\$775,000 Bond Anticipation Note(s).

\$508,363

A schedule of the remaining notes payable and the principal and interest

FORM OF INDEPENDENCE

RELATIVE TO FINANCIAL STATEMENTS CONTAINED

requirements are as follows:

YEAR WHEN PAID IN...	NOTE PAYABLE		TOTAL
	PRINCIPAL	INTEREST	
1999	\$122,221	2,314	\$124,535

Note payable 1999:

\$14,264 Note Payable to Hancock Bank, Independence, Louisiana, dated October 29, 1994, payable in three annual installments of \$5,421 with interest at 7.100%. Secured by a pledge and dedication of certain revenues of the Town above mentioned. Necessary and usual charges: \$ 2,314

A schedule of the outstanding note payable and the principal and interest requirements are as follows:

YEAR WHEN PAID IN...	NOTE PAYABLE		TOTAL
	PRINCIPAL	INTEREST	
1999	\$ 2,314	1,212	\$ 3,526

General Obligation Bonds:

\$242,000 Sales Tax Refunding Bonds Dated 10/20/94, Due in Bi-annual Installments of \$12,000 + \$26,000 Through 4/1/2008; Interest at 8.12 (payable from a Pledge of the Town's 1993 1/2 Sales and Use Tax) \$242,000

A schedule of the outstanding general obligation bonds and the principal and interest requirements are as follows:

YEAR DATED	GENERAL OBLIGATION BONDS		
	PRINCIPAL	INTEREST	TOTAL
1998	\$ 25,000	\$ 12,500	\$ 37,500
1999	25,000	11,500	36,500
2000	26,000	10,475	36,475
2001	27,000	9,400	36,400
2002	27,000	8,302	35,302
2003	28,000	7,228	35,228
2004	28,000	6,127	34,127
2005	29,000	5,048	34,048
2006	29,000	3,950	32,950

STATE OF INDEPENDENCE

STATE OF FINANCIAL STATEMENTS (CONTINUED)

1987	21,000	2,000	23,000
1988	25,000	2,500	27,500
	<u>465,000</u>	<u>4,50,000</u>	<u>915,000</u>

Revenue Bonds:

\$100,000 Revenue Bonds Dated 4/21/80;  
Due in Annual Installments of \$3,000 -  
\$3,000 Through 4/21/2000; Interest at 8% \$ 30,000

\$200,000 Public Improvement Bonds  
Dated 4/21/80; Due in Annual Install-  
ments of \$8,000 - 128,000 Through  
4/21/2000; Interest at 8% (Variable  
from a Floor of the town's Special  
SA Rate and Two Two)

168,000

468,000

A schedule of the outstanding Enterprise Fund Revenue Bonds and the principal and interest requirements are as follows:

	\$100,000 REVENUE BONDS		\$200,000 REVENUE BONDS		TOTAL
	PRINCIPAL	INTEREST	PRINCIPAL	INTEREST	
04/21/1980	\$ 5,000	\$ 2,200	\$ 10,000	\$ 4,000	\$ 21,200
04/21/1981	5,000	2,200	10,000	4,000	21,200
04/21/1982	5,000	1,700	10,000	4,000	20,700
04/21/1983	5,000	1,200	10,000	3,700	20,200
04/21/1984	5,000	1,200	10,000	3,400	19,700
04/21/1985	5,000	500	10,000	3,000	18,500
04/21/1986	5,000	500	10,000	2,000	17,500
04/21/1987	5,000	100	10,000	1,000	16,100
	<u>465,000</u>	<u>4,50,000</u>	<u>915,000</u>	<u>4,50,000</u>	<u>1,830,000</u>

Group of Revenue Bonds Outstanding:

	PRINCIPAL	INTEREST	TOTAL
\$100,000 Revenue Bonds	\$ 45,000	\$ 10,700	\$ 55,700
\$200,000 Revenue Bonds	423,000	343,300	766,300
	<u>468,000</u>	<u>4,54,000</u>	<u>922,000</u>

10. DISPOSITION OF PROCEEDS OF SALE OF BONDS - SALES AND USE TAX

A. 1988 2% SALES AND USE TAX SPECIAL REVENUE FUND

The proceeds of the 1988 2% sales and use tax levied by the State of Independence on  
increased collections were \$181,812 for the year ended June 30, 1988.

TOWN OF INDEPENDENCE

BOOKS IN FINANCIAL STATEMENTS CONTINUED

dedicated as follows:

The Town, through its governing authority, adopted a resolution on March 14, 1967, authorizing the issuance of \$285,000 of Public Improvement Bonds and entering into certain covenants in connection with the security and payment of said bonds. In that resolution the proceeds of the sales and use tax were irrevocably and indisputably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The bond resolution requires that the proceeds of the special use parcel, 15% sales and use tax now being levied and collected by the Town, be in part deposited with the Town's fiscal agent bank in a Sales Tax Fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax \$21,000.00 is to be retained in the sales tax fund for operating expenses. Certain monthly payments must be made from the Sales Tax Fund to the Sales Tax Bond Sinking Fund and the Sales Tax Bond Reserve Fund, which must be established with the Town's fiscal agent bank. The payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until March 1981. Unless funds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund. Payments into the Reserve Fund will exceed after the amount of \$18,485 has been accumulated therein. No payments into the Reserve Fund will be due if the bonds would require withdrawals from this fund for the purpose of paying maturing principal and interest on the bonds.

Any monies remaining in the Sales Tax Fund on the 31st day of each month in excess of \$1,000 retained for operating expenses and after making the required payments into the Bond Sinking Fund and the Bond Reserve Fund for the current month and for prior months during which the required payments may not have been made, is considered as surplus.

Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retaining funds herein authorized in advance of their utilization.

As of April 1, 1969, these March 14, 1967 Public Improvement Bonds were paid in full and the sales tax is no longer dedicated for payment of these bonds. Balances in the Sales Tax and Debt Service Fund were transferred to the new Sales Tax Fund by a residual equity transfer.

**B. 1968 SALES AND USE TAX CERTIFICATE FUNDS**

The proceeds of the 1968 SA sales and use tax levied by the Town of Independence (current collections were \$2,580, for the year ended June 30, 1970) are used only for the following purposes:

constructing, acquiring, extending, improving, operating and/or maintaining streets and drainage disposal works for the Town.

TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS CONTINUED

The Town, through its governing authority, adopted a resolution on February 25, 1988, authorizing the issuance of \$200,000 Public Improvement Bonds and entering into certain covenants in connection with the security and payment of said bonds. It that resolution the proceeds of the sale and use tax were irrevocably and irremediably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other payments.

The 5% sales and use tax levied and collected by the Town is to be deposited in a separate Sales Tax 1988 Fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, certain monthly payments must be made from the sales tax 1988 Fund to the Sales Tax 1980 Bond Sinking Fund and the Sales Tax 1980 Bond Reserve Fund, which have been established with the Town's fiscal agent bank. The payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until March 1994, unless bonds are called in advance of their maturity date, in which event it is possible to reduce the required payments into the sinking fund.

Payments in the Reserve Fund will cease after the amount of \$21,950 has been accumulated therein. No payments into the Reserve Fund will be due until accumulation of \$21,950, unless there is a default in connection with the payment of the bonds which requires withdrawal from this Fund for the purpose of paying maturing principal and interest on the bonds. Any monies remaining in the sales tax 1988 fund on the first day of each month after making the required payments into the bond sinking fund 1980 and the bond reserve fund 1980 for the current month and for prior months during which the required payments may not have been made, is considered as surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bonds herein authorized in advance of their maturities.

Reserves in the sales tax 1980 sinking fund and sales tax 1980 reserve fund were in accordance with the bond covenants.

**C. 1982 5% SALES AND USE TAX SPECIAL REVENUE FUND:**

The proceeds of the 1982 5% sales and use tax levied by the Town of Independence (current collections were \$181,614 for the year ended June 30, 1993) are dedicated as follows:

construction, acquiring, operating, improving, operating and/or maintaining sewers and sewerage disposal works for the Town, construction, paving, widening, and improving streets in the town and for construction, acquiring, extending, improving, operating and/or maintaining waterworks facilities.

The Town, through its governing authority, adopted a resolution on September 14, 1981, authorizing the issuance of \$201,000 Sales Tax Refunding Bonds, Series 1981, and entering into certain covenants in connection with the security and payment of said bonds. In that resolution the proceeds of the

## TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1992 in sales and use tax were irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The 1% sales and use tax authorized at a special election held on November 29, 1981, must be deposited as collected into a separate Sales Tax Fund - 1982. Proceeds in the Sales Tax Fund - 1982 shall be first used for the payment of all reasonable and necessary costs and expenses of collecting said tax. After payment of all reasonable and necessary costs of collection of the tax, certain monthly payments must be made from the Sales Tax Fund - 1982 to the Sales Tax Bond Sinking Fund - 1994, and the Sales Tax Bond Reserve Fund - 1994, which have been established with the town's financial agent bank.

These funds are maintained in two separate interest-bearing accounts. The required monthly payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until June, 1994, unless bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payment into the sinking fund. The required monthly payments into the Reserve Fund are five percent 1% of the amount required to be deposited into the Sinking Fund and will cease after the amount of \$24,408 has been accumulated therein. No payments into the Reserve Fund will be due after accumulation of \$24,407, unless there is a default in connection with the payment of the bonds which requires withdrawal from this fund for the purpose of paying maturing principal and interest on the bonds. Any monies remaining in the Sales Tax 1982 Fund on the 31st day of each month after making the required payments into the Sales Tax Bond Sinking Fund - 1994 and the Sales Tax Bond Reserve Fund - 1994 for the current month and for prior months during which the required payments may not have been made, is considered as surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring the bonds authorized in advance of their maturities.

Balances in the Sales Tax Sinking Fund - 1994 and the Sales Tax Reserve Fund - 1994 were in accordance with the bond covenants.

#### 11. FLOW OF FUNDS: RESTRICTIONS ON USE - SEWER REVENUES

The Town, through its governing authority, adopted a resolution on February 25, 1986, authorizing the issuance of \$10,000 of Revenue bonds and entering into certain covenants in connection with the security and payment of said bonds. The proceeds of these bonds are to be used to expand the town's sewer system. In that resolution the additional revenues resulting from the collection of water and sewer service to additional customers were irrevocably and irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The bond resolution requires that revenues earned from the operation of the sewer system be deposited with the Town's fiscal agent bank in a Sewer Revenue Fund. After the payment of all reasonable and necessary costs and expenses of operating

TERM OF INDEPENDENCE

DEBIT TO FINANCIAL STATEMENTS ACCOUNTS

and maintaining the system, certain monthly payments must be made from the Sewer Revenue Fund as follows:

Each month, there will be set aside into a fund called the "Sewer Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next scheduled installment of principal and interest on the outstanding bonds. The payments will continue monthly until March 1966, unless bonds are called in advance of their maturity date, in which event it is possible to reduce the required payments into the sinking fund.

There shall also be set aside into a "Sewer Reserve Fund" an amount equal to 1% of the principal and interest payments required during the current fiscal year until such fund reaches an amount equal to the maximum principal and interest requirements (\$8,188) in any one maturity year. Such amount may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and on to which there would otherwise be default.

Funds will also be set aside into a Sewer Depreciation and Contingency Fund at the rate of \$94 per month. Money in this fund may be used for the making of repairs or replacements to the system which are necessary to keep it in operating condition.

Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

Balances in the Sewer Revenue Sinking Fund, Sewer Reserve Fund, and Sewer Depreciation Fund were in accordance with the bond contracts.

**11. EMPLOYEE PENSION PLAN (OTHER THAN POLICE OFFICERS)**

All New Orleans Independence full-time employees, with the exception of police officers, participate in the Louisiana Municipal Retirement System - Plan A ("Spina"), a multiple-employer public employee retirement system. The payroll for employees covered by the Spina for the year ended June 30, 1970 was \$138,181. The Total's total payroll was \$223,214.

All New Orleans employees, with the exception of police officers, are eligible to participate in the system. Members are entitled to a retirement benefit, payable monthly for life, equal to 1 percent of their final compensation multiplied by years of creditable service provided he meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Employee is age 55 and has twenty-five (25) years or more of creditable service.

## TOWN OF INDEPENDENCE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Employee is age 48 with a minimum of ten (10) or more years of creditable service. However, benefits are reduced by three (3%) percent for each year below age 48.
4. Employee is under age 48 with less than 10 years of creditable service and is eligible for disability benefits.
5. Qualification to survivor's benefits require five (5) years of creditable service at the time of the death of a member.

Final compensation means the average monthly earnings during the highest thirty (30) months (24) or jointed months of service if interrupted. Benefits are established by state statute.

The contribution rate for employees is 8.25% of definable compensation and is established by state statute.

The employer contribution rate is 4.25% of members earnings. The System also receives 1/8 of 1% of all salaries taxes collected within the respective plan's exempt tax release. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives various sharing funds each year as appropriated by the legislature. Various additional sources of income are used as additional employer contributions. The remaining employer contributions are determined according to actuarial requirements and are not material.

The Town's total payroll in the fiscal year ended June 30, 1995, was \$622,814 and the Town's contributions were based on a payroll of \$128,000. Both the Town and the covered employees made the required contributions, amounting to \$17,688. There were no related party transactions.

#### Trend Information

Contributions required by state statute:

Fiscal Year June 30	Required Contribution	Percentage Contribution
1995	\$ 18,333	100%
1996	\$ 17,783	100%
1997	\$ 17,688	100%

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1994 comprehensive annual financial report. Copies of the report may be obtained from the Municipal Employees' Retirement System.

All employees of the Town of Independence, Louisiana are also members of the Social Security System.



## TOWN OF INDEPENDENCE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

## 15. EMPLOYER PENSION PLAN (POLICE OFFICERS)

Full-time police employees of the Town of Independence participate in the Municipal Police Employees Retirement System ("Police System"), a multiple-employer public employee retirement system. The payroll for employees covered by the Police System for the year ended June 30, 1997, was \$79,183; the Town's total payroll was \$217,221.

All Town police employees who participate in the plan shall be eligible for retirement if he has 28 years or more of creditable service and is at least age 50, or 12 years or more of creditable service and is at least age 55. Retirement benefits are equal to 3 1/2 percent of average final compensation multiplied by the number of years of creditable service and is payable monthly for life. Average final compensation is the average annual earned compensation of an employee for any period of thirty-six consecutive or joined months of service during which the earned compensation was the highest. Benefits are not considered fully vested until the employee has attained both the age and years of service requirements which are the same as regular retirement benefits. The Police System also provides death and disability benefits. Benefits are established by state statute.

The contribution rate for employees is 7.5% of taxable compensation and is established by state statute.

The employer contribution rate is 9.0% of members earnings.

The Town's total payroll in the fiscal year ended June 30, 1997, was \$219,228, and the Town's contributions were based on a payroll of \$124,283. Both the Town and the covered employees made the required contributions, amounting to \$17,886. There were no related party transactions.

## Trend Information

Contributions required by state statute:

Fiscal Year	Required Contribution	Percentage Contributions
1995	\$ 13,228	100%
1996	\$ 13,818	100%
1997	\$ 13,872	100%

Trend information showing the System's progress in accumulating sufficient assets to pay benefits when due is presented in the System's June 30, 1996 comprehensive annual financial report. Copies of the report may be obtained from the Municipal Police Employees' Retirement System.

All employees of the Town of Independence, including non-police, are also members of the Social Security System.

FORM OF INDEPENDENCE

NOTE TO FINANCIAL STATEMENTS (CONTINUED)

14. DEFERRED REVENUE AND OBLIGATION UNDER GRANT AGREEMENT

On September 21, 1987, the Town of Independence entered into a contract with the State of Louisiana - Division of Administration for a Louisiana Community Development Block Grant, funded by the Federal Government in the amount of \$400,000. The grant was used to provide a long-term permanent financing loan to Marco Polo Imports, Inc. (an import wholesale furniture distributor) for the purpose of purchasing land, building, equipment, and inventory and for relocating their corporate headquarters in the Town of Independence. The original loan is in the amount of \$400,000 at 8 1/2% interest, and is to be repaid by Marco Polo Imports, Inc. in 180 monthly installments of \$4,437.82. On September 11, 1988, the original mortgage note was amended to provide a moratorium and forbearance on the payment of principal and interest until April 3, 1990. The amount of each monthly installment increased to \$4,438.04 with the final installment due on September 3, 2005. Upon receipt of the monthly installments, the Town of Independence is required to divide each monthly payment equally between the State of Louisiana and the Town.

As June 30, 1997, the total amount funds drawn by the Town of Independence was \$488,700 of which \$188,581 had been loaned to Marco Polo Imports, Inc.

As June 30, 1997, the total loan payments received from Marco Polo Imports, Inc. was as follows:

INTEREST	PRINCIPAL	TOTAL
\$48,022	\$41,371	\$89,393

Of these amounts, \$88,400 has been remitted to the State of Louisiana - Division of Administration under the 50% matching requirement of this agreement.

As of June 30, 1997, the loan was paid off. As a result of the payoff, the Town of Independence realized revenue in the amount of \$79,783.

15. ENTERPRISE FUND DEFICIT

At June 30, 1997, the Enterprise Fund had a deficit in retained earnings - unrestricted - undesignated of \$88,188, less due to contributed capital, total fund equity was \$1,388,031 at June 30, 1997.

16. FUTURE CAPITAL IMPROVEMENT COMMITMENTS AND CONTINGENCIES

The following is a summary of the significant capital improvement commitments of the Town as of June 30, 1997.

Waste System and Oxidation Pond Renovation

During this fiscal year, the Town was notified by the Louisiana Division of Environmental Quality that the discharges from the Town's sewer system did not meet state environmental standards. As a result, the Town is required to make extensive improvements to the sewer system and oxidation pond. Preliminary estimates from the

TOWN OF INDEPENDENCE

NOTE TO FINANCIAL STATEMENTS CONTINUED

Town's engineer put the cost of this renovation project at approximately \$2,726,000. As of the date of this report, the Town also under a compliance order issued by the Department of Environmental Quality. On January 26, 1990, the Town was notified that it was selected as a recipient of FY 1990 Louisiana Community Development Block Grant in the amount of \$750,000 for improvements to the sewer system. The Town plans to issue sewer revenue bonds to fund the remaining \$1,976,000 in estimated project costs. Costs incurred on this sewer system renovation project at June 30, 1989, totaled \$276,704. As of June 30, 1989, the Town or its consulting engineers are not aware of any pending legal contingencies as a result of the compliance order issued by the Louisiana Department of Environmental Quality. As a result, no provision has been recorded in these financial statements for any contingencies as a result of this compliance order.

**13. SECURITY BONDS**

On December 28, 1991, the Mayor and Board of Aldermen of the Town of Independence adopted a resolution declaring its intention to issue \$275,000 of Sewer Revenue Bonds. The proceeds of these Sewer Revenue Bonds will be used to acquire and construct improvements to the sewerage system of the Town. As of June 30, 1992, the bonds have been sold, but not delivered, to the United State of America, being through Rural Development.

COMPLEMENTARY INFORMATION AND SCHEDULES

FINANCIAL STRATEGIES OF MEDICAL PRACTICE  
AND ACCOUNT CHANGES

RESERVE FUND

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

STATE OF MICHIGAN  
GENERAL FUND

EXHIBIT 2

LIABILITIES BALANCE SHEET

June 30, 1977 and 1976

ASSETS

	1977	1976
Cash	\$ 113,943	\$ 48,119
Investments	19,800	48,000
Ad Valorem Taxes Receivable, Net of Allowance	800	400
Public Utility Franchise Tax Receivable	2,078	19,444
Due from Other Governmental Units	3,404	8,200
Other Receivables	-	4,300
Due from Other Funds	<u>28,821</u>	<u>101,800</u>
<b>Total Assets</b>	<b>\$ 179,846</b>	<b>\$ 320,363</b>

LIABILITIES AND FUND BALANCE

<b>Liabilities:</b>		
Accounts Payable	\$ 24,149	\$ 28,619
Payroll Taxes Payable	8,051	8,000
Accrued Payroll	3,000	3,000
Accrued Employee Leave	3,000	3,000
Due to Other Funds	<u>43,388</u>	<u>48,770</u>
<b>Total Liabilities</b>	<b>\$ 77,588</b>	<b>\$ 87,489</b>
<b>Fund Balance (Deficit):</b>		
Unreserved - Undesignated	<u>102,258</u>	<u>232,874</u>
<b>Total Liabilities and Fund Balance</b>	<b>\$ 179,846</b>	<b>\$ 320,363</b>

See auditor's report.

TOWN OF WINDSOR  
GENERAL FUND

SCHEDULE 2.1

STATEMENT OF REVENUES, EXPENDITURES AND  
TRANSFERS TO FUND BALANCE - BUDGET (BASE-BUDGET) AND ACTUAL

For the Year Ended June 30, 1997  
With Comparative Actual Accounts for the Year Ended June 30, 1996

	1997		VARIANCE - FAVORABLE - UNFAVORABLE	1996 ACTUAL
	BUDGET REPORT	ACTUAL		
<b>Revenues:</b>				
Taxes - All Sources				
General Millage	\$ 27,858	\$ 29,588	\$ 1,730	\$ 29,171
Fire Department Millage	22,000	24,997	2,997	21,100
Police Department Millage	22,388	24,414	2,026	23,100
Licenses and Permits:				
Occupational	67,500	70,867	3,367	69,100
Public Utility				
Franchise Fees	18,000	61,823	43,823	60,700
Other Permits	800	3,187	2,387	100
Intergovernmental:				
Tobacco Taxes	6,400	6,400	1,000	6,400
Beer Taxes	4,000	2,814	(1,186)	3,100
Video Poker Taxes	20,000	22,000	2,000	22,140
Fire Insurance Rebate	3,100	3,410	310	3,100
Revenue Equalization - Rides	3,400	4,500	1,100	4,100
1995 Rural Development Grants	-	-	-	26,100
Louisiana Commission on Law Enforcement	-	-	-	100
Tourist Commission	-	3,800	3,800	-
Rural Fire Protection	4,000	3,000	(1,000)	-
Fines and Penalties	10,000	24,900	14,900	22,000
Other:				
Business	1,210	1,381	171	1,200
Special Income	28,000	28,000	-	28,000
Fire Protection Fees	-	-	-	28,000
Police Protection Fees	-	-	-	8,000
Insurance Proceeds	-	-	-	28,000
Solid Waste	42,780	44,591	1,811	42,850
Interest	-	3,540	3,540	3,400
Miscellaneous	380	3,880	3,500	300
<b>Total Revenues</b>	<b>\$ 182,827</b>	<b>\$ 248,987</b>	<b>\$ 66,160</b>	<b>\$ 285,100</b>
<b>Expenditures:</b>				
<b>CURRENT:</b>				
General Government	\$ 148,700	\$ 158,340	\$ 9,640	\$ 157,000

(CONTINUED)



TOWN OF INDEPENDENCE  
GENERAL FUND

BUDGET P.L.  
NO. 10/19/87

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

For the Year Ended June 30, 1987  
With Comparative Actual Records for the Year Ended June 30, 1986

	1987		1986	
	BUDGET	ACTUAL	VARIANCE - FAVORABLE	1986- ACTUAL
Public Safety -				
Police	108,000	108,150	( 1,000)	108,000
Fire	38,000	34,270	3,730	31,500
Streets and Parks	18,000	23,270	( 5,270)	21,000
Solid Waste	48,000	37,720	10,280	37,000
Other	8,000	8,000	0	7,500
Debt Service	20,000	20,700	( 700)	20,000
Capital Outlay	50,000	34,800	15,200	11,000
<b>Total Expenditures</b>	<b>\$,320,000</b>	<b>\$,267,150</b>	<b>\$,52,850</b>	<b>\$,280,000</b>
Deficiency of Revenues Over Expenditures	\$120,000	\$139,000	\$ 19,000	\$139,000
Other Financing Sources				
(Debt):				
Loan Proceeds	-	-	-	-
Operating Transfers				
In (Out):				
Debt Service Fund	( 20,000)	-	20,000	-
Water Tax Fund (1986)	100,000	100,000	-	100,000
Water Tax Fund (1987)	20,000	14,470	5,530	20,000
Water and Sewer Fund	40,000	28,480	11,520	25,000
Innovative Financing Fund	( 2,400)	-	2,400	-
LCRIS 1983 Street Improvements	-	-	-	1,000
<b>Total Other Financing Sources</b>	<b>\$,120,000</b>	<b>\$,128,470</b>	<b>\$,88,000</b>	<b>\$,128,000</b>
Deficiency of Revenues and Other Sources Over Expenditures and Other Fees	\$,120,000	\$,267,150	\$,52,850	\$,267,150
Fund Balance at Beginning of Year	100,000	85,240	14,760	100,000
Fund Balance at End of Year	\$,220,000	\$,352,390	\$,131,390	\$,352,390

See auditor's report.

BOARD OF SUPERVISORS  
GENERAL FUND

SERIALS 2.4

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (FROM BUDGET)

For the Year Ended June 30, 1967  
with Comparative Actual Amounts for the Year Ended June 30, 1966

	1967		VARIANCE -	
	BUDGET	ACTUAL	FAVORABLE	UNFAVORABLE
General Government:				
Mayor's Salary	\$ 7,200	\$ 7,200	\$ -	\$ 7,200
Aldermen's Salary	7,800	7,800	-	7,800
Vote Clerk	18,248	18,228	20	18,228
Retirement and Payroll Tax	4,184	4,883	(1,809)	5,692
Rent and Renting	18,000	18,200	200	18,000
Legal Fees	25,000	25,324	324	25,000
Insurance	57,250	58,451	2,001	57,250
News and Advertising	3,478	3,829	351	3,478
Office Supplies and Expense	8,228	8,586	358	8,228
Utilities	8,828	9,287	459	8,828
Telephone	3,328	3,228	100	3,328
Tax Collector Fees	-	-	-	-
Tax Roll Preparation	1,440	3,125	1,685	3,125
Meetings and Conventions	4,800	4,000	800	4,800
Repairs and Maintenance	3,478	488	2,990	3,478
Lease	200	488	288	200
Miscellaneous	-	475	475	-
Contract Fees	2,580	2,148	432	2,580
Lab. Comm. Law Enforcement	800	267	533	800
Election Expenditures	-	-	-	1,114
Survey Fees	-	-	-	2,270
	\$183,728	\$188,224	\$ 4,496	\$183,728
Public Safety - Police:				
Police Salaries	\$ 78,100	\$ 75,888	\$ 22,212	\$ 78,100
Police Equipment/Use	4,125	3,388	837	4,125
Auto Fuel	7,000	6,363	637	7,000
Supplies, Repairs and Maintenance	3,800	4,229	429	3,800
Telephone	3,880	3,880	11,210	3,880
Utilities	4,750	4,882	882	4,750
Office Expense	500	548	48	500
Uniforms	1,800	1,081	699	1,800
Prisoner Meals	400	3,125	13,482	3,482
Miscellaneous	-	209	1,389	-
Training	-	-	-	-
Meetings and Contract Costs	380	322	58	380
	\$102,684	\$100,523	\$ 22,081	\$102,684

(CONTINUED)

YORK OF INDEPENDENCE  
GENERAL FUND

SHRINK, J. J.  
COMPTROLLER

STATEMENT OF EXPENDITURES - CHARGES TO BUDGET - GRANT-BASED - CONTINUED

FOR THE YEAR ENDED JUNE 30, 1997  
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			1996
	BUDGET	ACTUAL	VARIANCE - FAVORABLE UNFAVORABLE	ACTUAL
<b>Public Safety - Fire:</b>				
Salaries	\$ 46,864	\$ 46,877	\$ 2,085	\$ 38,891
Retirement and Payroll Tax	6,842	6,283	2,458	5,114
Fuel	-	25	( 25)	68
Utilities and Telephone	3,466	3,370	96	2,711
Supplies and Repairs	880	1,228	( 408)	8,175
Miscellaneous	-	373	( 373)	84
Business	180	185	( 5)	100
Business Plan Department	3,082	3,082	-	3,702
	<u>\$ 58,314</u>	<u>\$ 58,123</u>	<u>\$ 4,532</u>	<u>\$ 58,118</u>
<b>Total Public Safety</b>	<b>\$58,314</b>	<b>\$58,123</b>	<b>\$ 4,534</b>	<b>\$58,216</b>
<b>Streets and Parks:</b>				
Salaries	\$ 21,704	\$ 22,128	\$ 8,888	\$ 22,244
Retirement and Payroll Tax	3,907	3,551	( 844)	718
Fuel	3,878	1,961	714	2,214
Supplies and Repairs	1,240	1,594	346	7,511
Street Lights	24,330	27,125	( 884)	27,862
Roadway Improvements	-	-	-	28,311
	<u>\$ 54,062</u>	<u>\$ 57,379</u>	<u>\$ 9,545</u>	<u>\$ 88,451</u>
<b>Solid Waste</b>	<b>48,825</b>	<b>51,738</b>	<b>2,817</b>	<b>27,410</b>
<b>Other:</b>				
Deport	3,218	4,808	4,218	2,511
	<u>\$ 3,218</u>	<u>\$ 4,808</u>	<u>\$ 4,218</u>	<u>\$ 2,511</u>
<b>Debt Service:</b>				
Seed Start Building	\$ 21,214	\$ 21,214	\$ -	\$ 22,114
Police Car	-	5,485	13,485	18,011
	<u>\$ 21,214</u>	<u>\$ 26,700</u>	<u>\$ 13,485</u>	<u>\$ 40,125</u>
<b>Capital Outlay:</b>				
Public Safety-Police	-	-	-	16,011
General Government	6,740	3,122	3,578	14
Public Safety-Fire	25,043	25,424	( 428)	711
Streets and Parks	22,082	4,388	18,428	130
	<u>\$ 53,947</u>	<u>\$ 33,034</u>	<u>\$ 18,408</u>	<u>\$ 24,856</u>
<b>Total Expenditures</b>	<b>\$211,352</b>	<b>\$220,133</b>	<b>\$ 20,831</b>	<b>\$222,422</b>

See Auditor's Report.

SPECIAL REVENUE FUNDS

1984 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's original 1% sales and use tax effective August 1, 1984. The proceeds of the tax are to be dedicated and used for the purpose of constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewerage disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, including fire engines and payment of salaries for fire department personnel, and maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment therefor; acquiring industrial plant sites and purchasing or constructing within the municipality or adjoining areas or areas outside of the corporate limits of the municipality, but within the Parish of Tangipahoa, industrial plant buildings and other necessary property, apparatuses or equipment, therefor, or for any one or more of said purposes.

1988 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's additional 1% sales and use tax adopted on January 19, 1988. The proceeds of the tax are to be dedicated and used for the purpose of constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works for the Town; constructing, paving, widening and improving streets in and for the Town; and constructing, acquiring, extending, improving, operating and/or maintaining waterline facilities.

The proceeds from this sales tax have been pledged and dedicated to the retirement of the 2004, \$28 Sales Tax Refunding Bonds, Series 1994, issued on October 28, 1994. Final payment on this bond issue is due June 1, 2008.

LCDFD - Economic Development - 5% Fund - To account for the receipt of grant proceeds and subsequent expenditures of an economic development loan to Marco Polo Imports, Inc. The source of the funding is a FY 1994 LCDFD Economic Development Contract in the amount of \$49,000 between the Town of Independence and the Division of Administration of the State of Louisiana. The proceeds from the repayment of the loan are dedicated for payment to the grantor and not to be used for economic development within the Town.

Innovative Housing Fund - To account for the receipt and subsequent expenditures in the form of loans to property owners for the Historical District renovation. The proceeds are dedicated to the renovation of property, when adequate funds are available to disburse to property owners.

Health and Safety Rehabilitation Fund - To account for the receipt and use of grant proceeds in the amount of \$128,500 awarded to the Town by the Louisiana Housing Finance Agency. These Health and Safety Rehabilitation Grants are awarded to qualifying elderly, disabled and low income individuals to rehabilitate substandard housing in the Town.

STATE OF TEXAS  
GENERAL FUNDS

REVENUES

COMBINED FINANCE BOARD

June 30, 1997  
with comparative totals for the Year June 30, 1996

AMOUNT

CLASS	1997		1996		REVENUE		TOTAL	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Transmittals	89,858	28.85	113,838	48.874	-	-	89,858	28.85
Money Received, Net of Allowance	-	-	-	-	485,804	-	485,804	157.818
For Probable Accounts	842	2.72	887	3.70	-	-	1,729	5.63
Interest Received	8,778	28.19	-	-	-	-	8,778	28.19
State from Various Sources	-	-	-	-	43,318	-	43,318	14.188
Sum from General Fund	-	-	-	-	-	-	-	-
Sum from Transmittals	90,699	29.11	114,725	48.122	485,804	157.818	671,228	218.808
Sum from Transmittals	90,699	29.11	114,725	48.122	485,804	157.818	671,228	218.808

CONTRIBUTIONS AND FROM BALANCE

CLASS	1997		1996		REVENUE		TOTAL	
	AMOUNT	%	AMOUNT	%	AMOUNT	%	AMOUNT	%
Transmittals	89,858	28.85	113,838	48.874	-	-	89,858	28.85
Money Received, Net of Allowance	-	-	-	-	485,804	-	485,804	157.818
For Probable Accounts	842	2.72	887	3.70	-	-	1,729	5.63
Interest Received	8,778	28.19	-	-	-	-	8,778	28.19
State from Various Sources	-	-	-	-	43,318	-	43,318	14.188
Sum from General Fund	-	-	-	-	-	-	-	-
Sum from Transmittals	90,699	29.11	114,725	48.122	485,804	157.818	671,228	218.808
Sum from Transmittals	90,699	29.11	114,725	48.122	485,804	157.818	671,228	218.808

See accompanying report.

TOTAL OF DISBURSMENTS  
SPECIAL SERVICE FUNDS

EXHIBIT 5.1

COMPARISON STATEMENT OF REVENUES, EXPENDITURES, AND  
BALANCES - BY FUND, BY MONTH

For the Year Ended June 30, 1985  
With Comparative Totals for the Year Ended 6/30, 1984

	1984 (\$,000)	1985 (\$,000)	1985		REVENUE EXCESSIVE REVENUE	DEBITS AND CARRY FORWARD	BALANCE
			REVENUE	EXPENSE			
Revenues:							
State	\$ 108,812	\$ 105,812	\$ -	\$ -	\$ -	\$ -	\$ 218,024
Unappropriated	-	-	879,783	-	-	-	879,783
Subtotal	108,812	105,812	879,783	-	-	-	1,097,807
And Debt Service	6,478	6,818	6,821	12,889	-	-	14,810
Total Revenues	\$ 115,290	\$ 112,630	\$ 886,604	\$ 12,889	\$ -	\$ -	\$ 1,112,617
Expenditures:							
General Government	\$ 2,492	\$ 2,223	\$ 13,247	\$ 3,283	\$ -	\$ -	\$ 16,530
Other	-	-	23,223	-	-	-	23,223
Total Expenditures	\$ 2,492	\$ 2,223	\$ 36,470	\$ 3,283	\$ -	\$ -	\$ 39,753
Balance (Deficiency) of							
Revenues Over Expenditures	\$ 112,800	\$ 110,407	\$ 850,134	\$ 9,606	\$ -	\$ -	\$ 859,740
Other Revenues (Debits)							
Operating Transfers	(106,000)	(23,223)	(228,223)	-	-	-	(357,446)
Balance (Deficiency) of							
Revenues Over Expenditures	\$ 6,800	\$ 87,184	\$ 621,911	\$ 9,606	\$ -	\$ -	\$ 638,495
and Other (Debits)	(106,000)	(23,223)	(228,223)	-	-	-	(357,446)
Total Balance at Beginning of Year	\$ 218,024	\$ 218,024	\$ 1,097,807	\$ 12,889	\$ -	\$ -	\$ 1,110,696
Total Balance at End of Year	\$ 224,824	\$ 241,201	\$ 1,326,018	\$ 22,495	\$ -	\$ -	\$ 1,348,513

See auditor's report.

STATE OF MISSISSIPPI  
 SPECIAL REVENUE FUND  
 19 SALES TAX FUND (1944)

EXHIBIT 2

STATEMENT OF REVENUE, EXPENDITURES, AND  
 CHANGE IN FUND BALANCE - BUDGET, AVAILABLE AND ACTUAL

For the Year Ended June 30, 1947  
 With Comparative Actual Accounts for the Year Ended June 30, 1946

	1947		VARIANCE - FAVORABLE	1946 ACTUAL
	BUDGET	ACTUAL		
<b>REVENUES:</b>				
<b>Taxes:</b>				
Sales Taxes	\$ 387,168	\$ 389,813	\$ 2,645	\$ 387,813
<b>Miscellaneous:</b>				
Interest Revenue	3,208	3,678	470	3,547
<b>Total Revenues</b>	\$ 390,376	\$ 393,491	\$ 3,115	\$ 391,360
<b>EXPENDITURES:</b>				
<b>General Government:</b>	\$ 1,820	\$ 1,820	\$ 000	\$ 1,510
<b>Total Expenditures</b>	\$ 1,820	\$ 1,820	\$ 000	\$ 1,510
<b>Excess of Revenues     Over Expenditures</b>	\$ 388,556	\$ 391,671	\$ 3,115	\$ 389,850
<b>Other Financing Sources (Used):</b>				
<b>Operating Transfers Out:</b>				
General Fund	\$108,000	\$108,000	0	\$108,000
Total Other Uses	\$108,000	\$108,000	0	\$108,000
<b>Excess (Deficiency)     of Revenues Over     Expenditures and     Other Uses</b>	\$ 280,556	\$ 283,671	\$ 3,115	\$ 281,850
<b>Fund Balance at Beginning of Year</b>	128,023	128,818	795	124,110
<b>Fund Balance at End of Year</b>	\$ 408,579	\$ 412,489	\$ 3,910	\$ 406,960

See Auditor's Report.

STATE OF MISSISSIPPI  
SPECIAL REVENUE FUND  
19 STATE TAX FUND (1992)

EXHIBIT 2.4

STATEMENT OF REVENUES, EXPENDITURES, AND  
BALANCE IN FUND BALANCE - STATE GOVT BOND AND ACTING

For the Year Ended June 30, 1997  
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		1996	
	BUDGET	ACTUAL	VARIANCE - FAVORABLE	ACTUAL
<b>Revenues:</b>				
<b>Tolls:</b>				
Sales Tolls	\$ 107,548	\$108,013	\$ 465	\$107,817
<b>Miscellaneous:</b>				
Interest Revenue	___5,000	___5,000	_____	___5,000
<b>Total Revenues</b>	\$ 112,548	\$113,013	\$ 465	\$112,817
<b>Expenditures:</b>				
<b>General Government:</b>	\$ ___2,500	\$ ___2,500	\$ _____	\$ ___2,500
<b>Total Expenditures</b>	\$ ___2,500	\$ ___2,500	\$ _____	\$ ___2,500
<b>Excess of Revenues Over Expenditures</b>	\$ 110,048	\$110,513	\$ 465	\$110,317
<b>Other Financing Sources (Used):</b>				
<b>Operating Transfers Out:</b>				
General Fund	\$1 55,500	\$114,450	\$ 58,900	\$118,000
Night Service Fund	1 48,000	128,740	58,800	128,740
Waterworks Fund	1 12,000	128,280	_____	128,280
<b>Total Other Uses</b>	\$115,500	\$171,470	\$ 62,880	\$175,020
<b>Balance Deficiency of Revenues Over Expenditures and Other Uses</b>	\$1 34,452	\$ 60,957	\$ 48,971	\$ 64,703
<b>Fund Balance at Beginning of Year</b>	___82,182	188,378	___18,196	___81,182
<b>Fund Balance at End of Year</b>	\$ ___67,730	\$127,421	\$ 59,625	\$126,885

See Auditor's report.



FUND OF INDEPENDENCE  
SPECIAL REVENUE FUND  
LOANS - ECONOMIC DEVELOPMENT - BY FUND

EXHIBIT 5-4

STATEMENT OF REVENUES, EXPENDITURES, AND  
TRANSFERS IN FUND BALANCE - BUDGET 1984 FACIAL AND ACTUAL

For the Year Ended June 30, 1985  
With Comparative Actual Amounts for the Year Ended June 30, 1984

	1985		VARIANCE - FAVORABLE	1984 ACTUAL
	BUDGET	ACTUAL		
<b>REVENUES:</b>				
Grant Funds Recognized	\$ 180,000	\$ 232,500	\$ 152,500	\$ -
Interest Revenue	5,750	8,875	4,325	18,400
Total Revenue	\$ 185,750	\$ 241,375	\$ 156,825	\$ 18,400
<b>EXPENDITURES:</b>				
Administrative Fees	\$ 21,804	\$ 21,400	\$ 150	\$ 3,150
Audit and Accounting	1,800	1,800	-	-
Other	800	800	-	-
Obligation to Division of Administration	150,000	142,800	-	10,100
Capital Outlay	20,800	-	20,800	-
Total Expenditures	\$ 175,204	\$ 166,800	\$ 8,404	\$ 20,150
EXCESS OF REVENUE OVER EXPENDITURES	\$ 10,546	\$ 74,575	\$ 7,000	\$ 4,150
Other Financing Sources				
Operating Transfers In (Out):				
From Fund	(200,000)	(200,000)	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FUND SOURCE BALANCE AT BEGINNING OF YEAR	170,750	1,83,475	\$ 7,000	100,750
	200,000	200,000	-	-
Fund Balance at End of Year	\$ 370,750	\$ 313,475	\$ 57,275	\$ 100,750

see auditor's report.

STATE OF INDIANAPOLIS  
 SPECIAL REVENUE FUND  
 DEPARTMENT OF PUBLIC WORKS

EXHIBIT C-5

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE - REPORT JAMES EARL RAY AND ACTUAL

FOR THE Year Ended June 30, 1977  
 With Comparative Actual Account for the Year Ended June 30, 1976

	1977		1976	
	ORIGINAL BUDGET	ACTUAL	PAIDABLE - UNRECORDED	ACTUAL
<b>Revenues:</b>				
Interest Income	\$ 12,700	\$ 12,000	\$ 1,700	\$ 12,500
Bad Debt Recovery				
Total Revenues	\$ 12,700	\$ 12,000	\$ 1,700	\$ 12,500
<b>Expenditures:</b>				
Administration	\$ 1,500	\$ 1,400	\$ 1,000	\$ 1,500
Build and Reocking	1,500	1,400	-	1,500
Maintenance	2,000		2,000	
Total Expenditures	\$ 5,000	\$ 2,800	\$ 3,000	\$ 3,000
Excess (Deficiency) of Revenues over Expenditures	\$ 7,700	\$ 9,200	\$ 1,070	\$ 9,500
<b>Other Financing Sources (Uses):</b>				
Operating Transfers TO/FROM:				
General Fund	2,400	-	(2,400)	-
Health and Safety Relief Fund				
Excess (Deficiency) of Revenues over Expenditures and Other Uses	\$ 7,140	\$ 9,200	\$ 1,070	\$ 9,500
Fund Balance at Beginning of Year	508,324	508,324	46,324	508,324
Fund Balance at End of Year	\$515,464	\$517,524	\$ 47,394	\$517,824

See auditor's report.

DEBT SERVICE FUNDS

Salvo Tax Refunding Bonds, Series 1984 - To accumulate monies for payment of the Salvo Tax Refunding Bonds, Series 1984 due in annual installments, plus interest, through maturity in 2028. Debt service is financed from proceeds of a special 1% sales tax which was authorized at a special election held on November 24, 1983.

TOWN OF WINDSORFORD  
DEBT SERVICE FUND

EXHIBIT B

COMBINED BALANCE SHEET

June 30, 1997  
With Comparative Totals For June 30, 1996

ASSETS

	GALE TAX DEFERRED (DEBIT) SERIALIZED 5/98	TOTALS	
		1997	1996
Cash	\$ 38,376	\$ 38,376	\$ 0.00
Investments	48,800	48,800	48,000
Due from Other Funds	-	-	-
Accrued Interest Receivable	-	-	-
<b>Total Assets</b>	<b>\$ 87,176</b>	<b>\$ 87,176</b>	<b>\$ 48,000</b>

FUND BALANCES

Fund Balances:			
Reserved for Debt Service	\$ 87,176	\$ 87,176	\$ 48,000
<b>Total Fund Balances</b>	<b>\$ 87,176</b>	<b>\$ 87,176</b>	<b>\$ 48,000</b>

See auditor's report.

BOARD OF INDEPENDENT  
 STATE SERVICE FUNDS

EXHIBIT B-1

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

For the Year Ended June 30, 1997  
 with Comparative Totals for the Year Ended June 30, 1996

	STATE TAX		TOTALS
	REVENUE FUNDS	TOTALS	
	1996	1997	1996
<b>Revenues:</b>			
Taxes	\$ 3,353	\$ 3,353	\$ 3,353
<b>Total Revenues</b>	<b>\$ 3,353</b>	<b>\$ 3,353</b>	<b>\$ 3,353</b>
<b>Expenditures:</b>			
Principal Retirement	\$ 28,000	\$ 28,000	\$ 28,000
Interest	13,389	13,389	14,117
Other	-	-	10
<b>Total Expenditures</b>	<b>41,389</b>	<b>41,389</b>	<b>42,127</b>
Deficiency of Revenues over Expenditures	\$18,036	\$18,036	\$18,774
<b>Other Financing Sources</b>			
Special:			
Operating Transfers In/Out	28,740	28,740	28,740
Proceeds from Refunding Bonds	-	-	-
Payment to Refund Bonds	-	-	-
<b>Source of Revenues and     Other Sources over     Expenditures and Other Uses</b>	<b>\$ 28,740</b>	<b>\$ 28,740</b>	<b>\$ 28,740</b>
<b>Fund Balances at Beginning of Year</b>	<b>50,712</b>	<b>50,712</b>	<b>50,712</b>
<b>Fund Balances at End of Year</b>	<b>\$ 68,748</b>	<b>\$ 68,748</b>	<b>\$ 68,748</b>

see auditor's report.

#### WATER AND SEWER FUND

WATER AND Sewer Subscription Fund - To account for the provision of water, sewer, and GCMY 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.

Year of Independence  
MEXICO AND SIMON BOLIVAR REPUBLIC

EXHIBIT 1

COMPARATIVE FINANCE STATEMENT

June 30, 1967 and 1966

ASSETS

	<u>1967</u>	<u>1966</u>
<b>CURRENT ASSETS:</b>		
Cash	\$ 124,000	\$ 70,000
Investments	38,000	38,000
<b>Receivables:</b>		
Accounts Receivable (Net of Allowance for Uncollectible Accounts of \$2,470 in 1967 and \$2,870 in 1966)	23,420	27,000
Accrued Interest Receivable	700	500
Sales Tax Receivable	4,880	4,000
Due from Other Funds	-	-
Due from Other Governments	<u>200,000</u>	<u>16,000</u>
Total Current Assets	\$ 589,200	\$ 543,000
<b>Restricted Assets:</b>		
Cash - \$280,000 Revenue Bond Debt Service Account	\$ 89,000	\$ 37,000
Cash - \$160,000 Revenue Bond Service and Contingency Account	29,000	26,000
Investments - \$200,000 Revenue Bond Debt Service and Contingency	20,000	20,000
Cash - Utility Customer Deposits Account	<u>22,000</u>	<u>22,000</u>
Total Restricted Assets	\$ 160,000	\$ 85,000
<b>Plant and Equipment, at Cost</b> (Net of Accumulated Depreciation of \$1,800,000 in 1967 and \$670,200 in 1966)	\$1,889,200	\$1,818,000
Total Assets	<u>\$1,889,200</u>	<u>\$1,818,000</u>

(CONTINUED)

Town of Independence  
WATER AND SEWER REVENUE FUND

EXHIBIT 3  
CONTINUED

COMPARATIVE BALANCE SHEET (CONTINUED)

June 30, 1997 and 1996

LIABILITIES AND FUND EQUITY

	1997	1996
<b>LIABILITIES:</b>		
Current Liabilities (Payable from Current Assets):		
Revenue Payable	\$ 58,847	\$ 33,313
Due to Other Funds	28,424	22,377
Construction Contracts Payable	889,385	-
Construction Retainage Payable	48,140	-
Capital Lease Obligation	-	2,314
Sales Tax Collection Fee Payable	22	76
Total Current Liabilities (Payable from Current Assets)	\$ 1,424,728	\$ 62,477
Current Liabilities (Payable from Restricted Assets):		
Revenue Bonds Payable	\$ 28,480	\$ 28,410
Accrued Bond Interest Payable	1,400	1,574
Utility Customer Deposits	15,088	22,210
Total Current Liabilities (Payable from Restricted Assets)	\$ 44,968	\$ 52,194
Long-Term Liabilities:		
Revenue Bonds Payable	\$ 148,000	\$ 148,000
Bonds Payable	128,827	-
Capital Lease Obligation	-	-
Total Long-Term Liabilities	\$ 276,827	\$ 148,000
<b>Total Liabilities</b>	<b>\$ 1,746,523</b>	<b>\$ 262,671</b>
<b>Fund Equity:</b>		
Contributed Capital:		
Municipality	\$ 418,478	\$ 298,478
Federal Grants	448,000	293,157
State Grants	453,885	453,885
Total Contributed Capital	\$ 1,319,363	\$ 1,045,520
Retained Earnings:		
Unreserved For Revenue Bond Retirement	\$ 58,448	\$ 82,460
Unreserved - Undesignated (Deficit)	(1,282,188)	(1,282,437)
Total Retained Earnings (Deficit)	\$ (1,223,740)	\$ (1,200,000)
<b>Total Fund Equity</b>	<b>1,095,623</b>	<b>845,520</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 1,746,523</b>	<b>\$ 1,091,190</b>

See auditor's report.



STATE OF INDEPENDENCE  
WATER AND SEWER REVENUE FUND

EXHIBIT 1.1

STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN NETWORTH EQUITIES - BUDGET, FUND BALANCE AND ACTUAL

For the Year Ended June 30, 1997

With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997		VARIANCE -	
	BUDGET	ACTUAL	FAVORABLE	UNFAVORABLE
			1996	ACTUAL
<b>Operating Revenues:</b>				
Water and Sewer Services	\$181,818	\$188,800	\$ 6,982	\$ 209,175
Independent Charges	2,000	4,887	4,887	8,000
Commission Fees	500	1,320	1,320	1,300
Total Operating Revenues	\$184,318	\$194,907	\$ 10,609	\$ 218,475
<b>Operating Expenses:</b>				
Salaries	\$ 69,433	\$ 41,389	\$ 28,044	\$ 59,812
Retirement and Medicare	7,000	2,427	4,573	1,497
Office Expense	2,500	2,300	200	2,700
Repairs and Maintenance	31,650	17,807	14,843	29,202
Fuel	5,000	4,488	512	5,500
Operating Supplies	5,000	4,788	212	5,100
Utilities	5,000	22,238	(17,238)	26,500
Insurance	8,800	18,000	( 9,200)	26,500
Professional Fees	-	12,028	(12,028)	9,500
Miscellaneous	100	100	-	1,200
Deer Plant Expense	14,350	8,042	6,308	15,000
Depreciation	-	28,782	(28,782)	45,000
Water Tax Collection Fee Expense	-	300	( 300)	200
Total Operating Expenses	\$121,833	\$224,165	\$102,332	\$182,512
Operating Income (Loss)	\$ 62,485	\$ 70,742	\$ 8,257	\$ 35,963
<b>Non-Operating Income</b>				
<b>Expenses:</b>				
Interest Earned	2,500	8,000	5,500	8,400
Reduced Sales Tax	51,000	52,000	1,000	54,000
Interest Paid	( 2,000)	( 2,300)	300	(12,000)
State Grant	-	-	-	-
Income (Loss) Before Operating Transfers	\$ 60,430	\$ 65,400	\$ 4,970	\$ 1,563
<b>Operating Transfers to</b>				
Operating Transfers to	26,500	26,500	-	26,500
Operating Transfers out	(18,250)	(28,082)	9,832	(12,000)
Net Income (Loss)	\$ 68,680	\$ 63,818	\$ 4,862	\$ 15,063
<b>Required Savings (Deficit):</b>				
Beginning of Year	(18,812)	(18,812)	-	(12,000)
End of Year	\$12,868	\$12,868	\$ 2,056	\$12,868

See Auditor's Report.

TRUST OF INVESTMENTS  
 WATER AND SEWER IMPROVEMENT FUND

EXHIBIT 1.2  
 10/27/1999

COMPARATIVE STATEMENTS OF CASH FLOWS - CONTINUED  
 For the Years Ended June 30, 1997 and 1998

	<u>1997</u>	<u>1998</u>
Increase in Cash	\$ 55,758	\$ 23,870
Cash at beginning of Year	122,884	122,115
Cash at End of Year	<u>\$ 208,642</u>	<u>\$ 145,985</u>
Reconciliation of Cash ACCOUNTS:		
Unrestricted Cash	\$ 104,203	\$ 71,810
Restricted Cash	<u>104,439</u>	<u>74,175</u>
	<u>\$ 208,642</u>	<u>\$ 145,985</u>

See auditor's report.

FEDERAL FINEB ASSETS ACCOUNT GROUP

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

## STATE OF INDEPENDENCE

REVENUE

## COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCE

June 30, 1987 and 1986

	<u>1987</u>	<u>1986</u>
General Fixed Assets, at Cost:		
Land	\$ 84,588	\$ 84,588
Buildings	513,588	513,588
Machinery and Equipment	124,022	143,163
Total General Fixed Assets	<u>\$ 722,198</u>	<u>\$ 741,339</u>
Investment in General Fixed Assets:		
Investments	\$ 15,404	\$ 15,404
Municipal Bonds	400,000	400,000
Federal Grants	20,072	20,175
State Grants	128,220	124,121
Total Investment in General Fixed Assets	<u>\$ 573,700</u>	<u>\$ 569,700</u>

See Auditor's Report.

BOOK OF INDEMNITY

EXHIBIT C-1

STATEMENT OF CHANGES IN GENERAL FUND ASSETS

For the Year Ended June 30, 1992

	TOTAL	LAND	DEPRECIABLE	INCREASE BY FAS EXHIBIT C-1
General Fund Assets, Beginning of Year	\$221,861	2 84,500	213,360	204,791
Additions:				
Municipal Funds	3,337	-	-	3,337
State Grants	25,800	-	-	25,800
Reductions:				
Municipal Funds	-	-	-	-
General Fund Assets, End of Year	\$251,000	2 84,500	213,360	234,128

See auditor's report.

GENERAL LONG-TERM DEBT  
ACCOUNT GROUP

TO ACCOUNT FOR UNMATURED PRINCIPAL AMOUNTS ON GENERAL LONG-TERM DEBT EXPECTED TO BE FINANCED FROM GOVERNMENTAL TYPE FUNDS. PAYMENTS OF MATURING OBLIGATIONS, INCLUDING INTEREST, ARE ACCOUNTED FOR IN THE DEBT SERVICE FUNDS.

## STATE OF MISSISSIPPI

EXHIBIT C

## COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1977 and 1976

	TOTALS	
	1977	1976
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</b>		
Amount Available in Debt Service Funds for Debt Retirement.	\$ 54,514	\$ 54,514
Amount to be Provided from Employment of State Receivables	-	178,474
Amount to be Provided in Private Bonds from General Fund Resources	24,473	42,511
Amount to be Provided in Future Years from 1% Sales Tax	155,808	204,510
Total Available and to be Provided	<u>435,603</u>	<u>479,009</u>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>		
Obligation Under Grant Agreement	\$ -	\$248,144
Certificate of Obligation, Final Maturity 4/15/1999	24,473	42,511
Notes Payable, Final Maturity 10/27/1997	5,885	8,150
Sales Tax Bonding Bonds, Series 1998, Final Maturity 4/1/2008	238,580	238,511
	<u>435,603</u>	<u>718,316</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION SCHEDULES



INCREASE OF CHARGES IN ACCOUNTS  
EXCLUDED FOR REVENUE BOND DEBT SERVICE

TRUST OF INVESTMENTS

ACCOUNTS

ACCOUNTS OF TRUSTEES IN ASSETS HELD FOR BENEFIT OF THE TRUSTEES

For the year ended June 30, 1960

With comparative totals for the year ended June 30, 1959

	ASSETS HELD FOR BENEFIT OF TRUSTEES		ASSETS HELD FOR BENEFIT OF TRUSTEES		TOTAL ASSETS HELD FOR BENEFIT OF TRUSTEES		TOTAL ASSETS HELD FOR BENEFIT OF TRUSTEES	
	1959	1960	1959	1960	1959	1960	1959	1960
Balance at beginning of year:								
Cash	1,415	1,415	44,413	25,759	15,118	-	27,024	26,923
Investments	-	15,000	20,432	-	-	-	15,000	20,432
TOTAL	1,415	15,415	64,845	25,759	15,118	-	42,024	47,355
Transfers:								
Transfer from operating account	7,000	-	2,211	27,000	1,000	-	11,000	28,000
Interest	-	1,000	1,000	1,000	1,000	-	2,000	3,000
Total Transfers	7,000	1,000	3,211	28,000	2,000	-	13,000	31,000
Total Available	14,415	16,415	68,056	53,759	17,118	-	55,024	78,355
Subscriptions:								
Proceeds, deposits	1,000	-	1,000	14,000	-	-	15,000	14,000
Dividends, payments	-	-	-	-	-	-	-	-
Total Transfers	1,000	-	1,000	14,000	-	-	15,000	14,000
Balance at End of Year:								
Cash	1,415	1,415	21,770	41,113	15,118	-	38,024	41,913
Investments	-	15,000	20,432	-	-	-	15,000	20,432
Total Available	1,415	16,415	42,202	41,113	15,118	-	53,024	62,345

See Exhibit 9, T-9000.

DESCRIPTION OF INSURANCE COVERAGE IN FORCE (INDICATE)

## Town of Independence

SCHEDULE 2

## SCHEDULE OF INSURANCE COVERAGE IN FORCE, UNAUDITED

June 30, 2007

INSURANCE COMPANY	COVERAGE	AMOUNT	EXPIRES DATE
Rayover Insurance Co.	Standard Fire Insurance Town Hall, Robinson St. Bldg Building Contents	\$25,475 \$ 20,000	03-31-08 03-31-08
Rayover Insurance Co.	Standard Fire Insurance Fire Station 02 224 West 22 <sup>nd</sup> St. Building	\$ 20,000	03-31-08
Progressive Insurance Co.	Commercial Auto Policy Comprehensive and Collision 1990 Chevrolet Pickup 1990 Ford Police Car	NAF	03-31-08
The Risk Exchange	Standard Fire Insurance Jury and Police Station Blaney St. Bldg Building	\$ 20,000	03-31-08
Rayover Insurance Co.	Printing Building and contents Building VCR and Imaging Equipment	\$ 20,000 \$ 20,000	03-31-08 03-31-08
Rayover Insurance Co.	Relay Tower & Equipment Tower Pumping Equipment	\$ 24,000 \$ 5,000	03-31-08 03-31-08
LA Municipal Risk Management Agency	Commercial Auto Policy	\$150,000	03-31-08
LA Municipal Risk Management Agency	Commercial General Liability Public Injury Property Damage Personal Injury	\$150,000 \$150,000 \$150,000	03-31-08 03-31-08 03-31-08
LA Municipal Risk Management Agency	Law Enforcement Officers Comprehensive Liability, Personal Injury	\$100,000	03-31-08
LA Municipal Risk Management Agency	Public Officials Liability errors and omissions	\$100,000	03-31-08
LA Municipal Risk Management Agency	Business's Comprehensive	\$ -	03-31-08
Western Surety	Fidelity Bond Town Clerk	\$ 50,000	03-31-08
Western Surety	Fidelity Bond Printing Manager, Inc., Town Clerk	\$ 20,000	03-31-08
Western Surety	Public Official bonds Town Clerk Town Clerk Home Bldg	\$20,000 \$20,000	03-31-08 03-31-08
Rayover Insurance Co.	Commercial Fire Policy Bldg 224 <sup>th</sup> St. Bldg	\$20,000	03-31-08
Rayover Insurance Co.	Commercial Package Bldg	\$ 20,000	03-31-08

See auditor's report.

SCHEMULE OF COMPENSATION PAID ELECTED OFFICIALS

## SCHEDULE OF CONTRIBUTIONS PAID ELECTED OFFICIALS

June 30, 1997

Term of Office - July 1, 1990- June 30, 1997

NAME	TITLE	CONTRIBUTION PAID
Phillip F. Boudreau, Mayor P. O. Box 932 Independence, Louisiana 70443 (504) 878-2920	Mayor Mayor, Commissioner	\$ 5,000 \$ 18,000
John J. Bellino, Sr. P. O. Box 743 Independence, Louisiana 70443 (504) 878-2782	Fire Chief Alderman	\$ 18,000 \$ 3,000
Louis L. Joseph P. O. Box 423 Independence, Louisiana 70443 (504) 878-4712	Alderman	\$ 3,000
Joseph Bernardo P. O. Box 545 Independence, Louisiana 70443 (504) 878-4664	Alderman	\$ 4,000
Barnett H. Babian P. O. Box 2282 Independence, Louisiana 70443 (504) 878-9256	Alderman	\$ 3,000
Anthony P. Catalano P. O. Box 2330 Independence, Louisiana 70443 (504)878-4281	Alderman	\$ 3,000
Jessie G. Phipps P. O. Box 120 Independence, Louisiana 70443	Police Chief	\$ 18,000

See auditor's report.

SCHEMATIC OF SERVICES OF FEDERAL BOARD

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FOR THE YEAR ENDING 31. 1997

FOR THE YEAR ENDING 31. 1997

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WATER AND GROUND WATER JOURNAL

## TOWN OF INDEPENDENCE

SCHEDULE 1

## RATES AND FEES, WATER SCHEDULE

June 30, 1987

DESCRIPTION	1986A	1986B	1986C	FIRE FEB 1	WATER FEB 21	SEWER	TAX
no charge	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Base Water 144 131	26.76	0.00	0.00	2.76	0.00	0.00	0.00
Base Water 144 131	69.72	11.00	13.00	7.00	0.00	0.00	0.00
Base Water 144 131	70.46	18.00	19.00	20.16	7.00	0.00	0.00
Base Water 144 141	60.46	20.00	17.76	14.00	10.00	10.00	0.00
Outside-water 131	07.44	17.00	0.00	0.00	0.00	0.00	0.00
Outside-water 131	08.44	16.00	0.00	0.00	0.00	0.00	0.00
Outside-water 131	01.00	50.00	0.00	0.00	0.00	0.00	0.00
Outside-water 131 & sewer	00.18	07.00	0.00	0.00	0.00	0.00	0.00
Outside-sewer 131	01.14	0.00	0.00	1.00	1.00	0.00	0.00
	01.70	0.00	0.00	0.00	0.00	0.00	0.00
General Lic-Maintenance	15.00	0.00	0.00	0.00	0.00	0.00	0.00
	00.00	0.00	0.00	0.00	0.00	0.00	0.00
	14.70	0.00	0.00	0.00	0.00	0.00	0.00
	26.44	11.00	0.00	7.00	0.00	0.00	0.00
	16.00	11.00	0.00	7.00	0.00	0.00	0.00
Gas Meter-Instal Jet Spray	00.76	10.00	0.00	0.00	0.00	0.00	0.00
Gas Meter-Instal	00.32	18.00	0.00	0.00	0.00	0.00	0.00
	27.44	0.00	0.00	0.00	0.00	0.00	0.00
sewer assessment	100.00	100.00	0.00	0.00	0.00	0.00	0.00
water reduction	180.76	175.76	0.00	0.00	0.00	0.00	0.00
water meter reduced	200.10	214.33	0.00	0.00	0.00	0.00	0.00
water flow reduced	274.10	255.00	0.00	0.00	0.00	0.00	0.00
water high reduced	245.07	280.07	0.00	0.00	0.00	0.00	0.00
Waterage Fee	250.12	100.00	0.00	0.00	0.00	0.00	410

(continued)

## Town of Independence

SCHEDULE A

ADDITIONAL

RATE AND EXCESS RATE SCHEDULE

June 30, 1987

DESCRIPTION	TAXA	SEWER	WASTAGE	FIRE		POLICE	SEWER	TAX
				FEET 1	FEET 2			
Callie Deep Road Lot	750.00	750.00	0.00	0.00	0.00	0.00	0.00	0.00
Mounting Authority	1,000.00	100.00	100.00	100.00	100.00	100.00	100.00	0.00
Two stories	00.00	0.00	0.00	1.00	0.00	0.00	0.00	0.00
Residential 1 1/2	500.00	00.00	00.00	10.00	00.00	00.00	00.00	1.00
1 1/2 stories 2 bedrooms	000.00	00.00	0.00	0.00	0.00	0.00	00.00	0.00
Residential 1 1/2	000.00	00.00	00.00	00.00	00.00	00.00	00.00	1.00

\*Incl. permit fee \$0.00

See Auditor's Report.

SCHEDULE OF WATER AND SEWER INFORMATION

SCHEDULE OF BATES AND SEWER INFORMATION

June 30, 1997

**AGES ACCOUNTS RECEIVABLE**

As of June 30, 1997, accounts receivable from water and sewer billings were aged as follows:

CURRENT	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL
748,651	0,000	0,000	0,000	748,651

**WATER AND SEWER USERS**

As of June 30, 1997, water and sewer users were composed of the following:

	WATER	SEWER
Residential	185	628
Non-Residential	32	31
Total Users	217	659

OTHER REPORTS REQUIRED BY GOVERNMENT  
RECEIVED-STARBUCK AND ONE OTHER AG-121

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND  
ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

# Durnin & James

MEMBER FIDELITY & BOND ASSOCIATION

John M. Durnin, CPA  
Donald S. James, CPA  
AA Professional Corporation

Member  
Fidelity & Bond  
Association

Charles S. Mathew, CPA  
Raymond C. Gandy, CPA

Member  
Fidelity & Bond  
Association

September 25, 1997

## Independent Auditor's Report on Compliance and an Internal Control Over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable Phillip F. Domiano, Mayor  
and the Members of the Board of Aldermen  
Town of Independence, Louisiana

We have audited the general purpose financial statements of the Town of Independence, Louisiana, for the year ended June 30, 1997, and have issued our report thereon dated September 25, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town of Independence's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs as item number 1.

### Internal control over financial reporting

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



## TONS OF INDEPENDENCE

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

### From Year Audit Finding:

In our prior audits for the year ended June 30, 1990, we reported certain other findings relating to the system of internal accounting control. We covered the Tons's efforts during the past year which have resolved those prior findings except for the matters relating to those items addressed previously in this report.

This report is intended for the information of management, the Louisiana Legislative Auditor, and Federal auditing agencies and pass-through entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Tons and Board of Directors of the Tons of Independence, Louisiana, is a matter of public record.

Respectfully submitted,

  
DENNIS A. JONES, CPA's

INDEPENDENT AGENT'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL  
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH GAO CIRCULAR A-133

# Durnin & James

—CERTIFIED PUBLIC ACCOUNTANTS—

John H. Durnin, CPA  
John E. James, CPA  
\*A. Professional Corporation

Waynes  
Accountants and  
Certified Public Accountants

Charles H. Johnson, CPA  
David L. Gentry, CPA

Waynes  
Branch Office and  
Certified Public Accountants

September 21, 1987

**Independent Auditor's Report on Compliance  
With Requirements Applicable to Each Major Program  
and Internal Control over Compliance in Accordance with  
OMB Circular A-133**

The Honorable Phillip F. Caniano, Mayor  
and the Members of the Board of Aldermen  
Town of Independence, Louisiana

## Compliance

We have audited the compliance of Town of Independence with the types of compliance requirements described in the U.S. Office of Management and Budget, OMB Circular A-133 **Compliance Requirements** that are applicable to each of its major federal programs for the year ended June 30, 1987. Town of Independence's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Town of Independence's management. Our responsibility is to express an opinion on Town of Independence's compliance based on our audit.

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

In our opinion, Town of Independence complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1987. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements that are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as item number 2.

TOPI OF INDEPENDENT

Internal Control Over Compliance

The management of Town of Independence is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audits, we considered Town of Independence's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular 8-112.

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

This report is intended for the information of management, the legislative legislative auditor, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

  
DURBIN S. JOHNSON CPA

Board of Independence

EXHIBIT-2

JOURNAL OF FINDINGS AND CONCLUSIONS

For the Year Ended June 30, 1997

FOUNDED MEMBERS/  
ADMINISTRATIVE

MEMBERS/  
ADMINISTRATIVE

2. NEW AND REPE FINDS

Conditions noted on audits and review of the award and award funds, as noted the Team has not announced the final LD by January 30th. LD (Letter of Disposition) funds as required by a letter from Bureau news administration dated April 30, 1997. Improvement is needed in 1997 LD to verify the 1996/1997 LD process by Bureau news administration. This condition remained before the 1996/1997 Team. Case 461 805 400/470/49 800/070 for the award fund and the award fund as required. The effect of this condition is the Team is not in compliance with the requirements imposed by Bureau news administration.

Improvements: The Team pending completion requires the award fund from the award fund as required by Bureau's news administration.

Conclusion: According to a letter dated November 5, 1997, the Team stated that effective January 1, 1997, the award fund shall have been approved as required.

# Durnin & James

REGISTERED PUBLIC ACCOUNTANTS

John E. Davis, CPA  
David E. Jones, CPA  
74 Professional Corporation

Charles H. Mahone, CPA  
Robert T. Sney, CPA

Office  
Suite 100, Box 100  
Covington, Louisiana 70422

Office  
Suite 100, Box 100  
Covington, Louisiana 70422

December 4, 1997

The Honorable Phillip F. Boudreaux, Mayor  
and Members of the Board of Aldermen  
Town of Independence, Louisiana

We have audited the general purpose financial statements of the Town of Independence for the year ended June 30, 1997, and have issued our report thereon dated September 29, 1997. Professional standards require that we provide you with the following information related to our audit.

#### **Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards**

As stated in our engagement letter dated August 29, 1995, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the Town of Independence. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Independence's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

#### **Significant Accounting Policies**

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the Town of Independence are described in Note 2 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 1996. We noted no transactions entered into by the Town of Independence during the year 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.

**Accounting Estimates**

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical sales and sales returns, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used in developing the allowance in determining that it is reasonable in relation to the proprietary fund type financial statements taken as a whole.

**Significant Audit Adjustments**

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the Town of Independence that could potentially cause financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the individual fund type financial statements of the Town of Independence taken as a whole. The City has agreed to the proposed audit adjustments and will record the adjustments in the succeeding records of the Town of Independence for the year ended June 30, 1987.

**Disagreements with Management**

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

**Consultations with Other Independent Accountants**

To the best of our knowledge, management has not consulted with or obtained opinion from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 16, "Reports on the Application of Accounting Principles."

**Difficulties Encountered in Performing the Audit**

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

Town of Independence  
December 3, 1997  
Page Three

This report is for the information of management, the Louisiana Legislative Auditor and the Common Council. This restriction is not intended to limit the dissemination of this report which, upon acceptance by the Mayor and Board of Aldermen of the Town of Independence, Louisiana, is a matter of public record.

Respectfully submitted,

*Dennis J. James*  
Dennis J. James, CPA

DDJ/tdm

ENCLOSURE (SEE ENCL. #1)



1987 JUN 24 10 24 AM '87

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STATE OF LOUISIANA, LOUISIANA  
REPORT ON ASSET  
OF SENATOR, DOMINGO FINANCIAL STATEMENTS  
YEAR ENDED JUNE 30, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the judicial, or assigned, and grand jurors for their public review. The report is available for public inspection at the State House, Office of the Legislative Auditor General, State Apartments, at the office of the parish clerk of court.

Released Date MAR 14 1988

STATE OF LOUISIANA

YEAR END: JUNE 30, 1997

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