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TONY OF ROSEBINE  
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**GENERAL FINANCIAL STATEMENTS  
 WITH AUDITOR'S REPORTS**  
 For the Year Ended June 30, 1999

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

Release Date DEC 10 1999

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John A. Windham, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Otis E. Goins, Mayor  
and the Members of The Board of Aldermen  
Town of Bossiere, Louisiana

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

I conducted my audit in accordance with generally accepted auditing standards; GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Bossiere, Louisiana, as of June 30, 1997 and the results of its operations and 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, I have also issued a report dated October 21, 1997 on my consideration of the Town of Bossiere, Louisiana's internal control structure and a report dated October 21, 1997 on its compliance with laws and regulations.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional

The Honorable Otis R. Goins, Mayor  
and the Members of The Board of Aldermen  
Town of Bossier, Louisiana  
Page 2

analysis and are not a required part of the general purpose financial statements of the Town of Bossier, Louisiana.

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

*John C. Weidner, CPA*

Monroe, Louisiana  
October 31, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

## TOWN OF ROCKFORD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
June 30, 1993

ASSETS	Governmental	Proprietary
	Fund Type <u>General</u>	Fund Type <u>Enterprise</u>
Cash	\$ 71,388	\$ 137,520
Receivables-		
Franchise taxes	6,166	---
Accounts, net of allowance for doubtful accounts	---	19,192
Due from other funds	168	---
Due from other governmental units	1,476	---
Prepaid expenses	2,256	7,979
Restricted assets	---	75,664
Property, plant and equipment-net Amount to be provided for retirement of general long term debt	---	1,875,887
	---	---
<b>Total assets</b>	<b>\$ 81,388</b>	<b>\$ 2,111,762</b>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Accounts payable	\$ 2,886	\$ 4,668
Payroll taxes payable	1,388	2,266
Payable from restricted assets - Bonds	---	5,350
Accrued interest	---	20,880
Customers' deposits	---	22,920
Due to other funds	---	168
Bonds, mortgage and loan payable	---	786,294
General long-term debt	---	---
	---	---
<b>Total liabilities</b>	<b>\$ 3,484</b>	<b>\$ 843,102</b>
<b>Fund equity:</b>		
Contributed capital	\$ ---	\$ 1,484,035
Investment in general fixed assets	---	---
Retained earnings -		
Reserved for bond retirement and contingencies	---	26,419
Unreserved - (deficit)	---	(228,284)
<b>Total retained earnings (deficit)</b>	<b>\$ ---</b>	<b>\$ (173,877)</b>
Fund balances -		
Unreserved - undesignated	\$ 77,882	\$ ---
	---	---
<b>Total fund equity</b>	<b>\$ 77,882</b>	<b>\$ 1,279,158</b>
	---	---
<b>Total liabilities and fund equity</b>	<b>\$ 81,388</b>	<b>\$ 2,111,762</b>

## Statement A

Account Groups		Totals (Memorandum Only) 1997	
General Fixed Assets	General Long-Term Debt		
\$ ---	\$ ---	\$	288,828
---	---		8,188
---	---		28,192
---	---		188
---	---		1,478
---	---		5,333
---	---		75,884
187,253	---		1,983,140
---	19,383		19,383
<u>\$ 187,253</u>	<u>\$ 19,383</u>	<u>\$</u>	<u>2,319,262</u>
\$ ---	\$ ---	\$	6,384
---	---		3,643
---	---		5,388
---	---		20,888
---	---		23,938
---	---		188
---	---		788,358
---	19,383		19,383
<u>\$ ---</u>	<u>\$ 19,383</u>	<u>\$</u>	<u>863,968</u>
\$ ---	\$ ---	\$	1,444,035
187,253	---		187,253
---	---		28,419
---	---		1,288,398
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$</u>	<u>1,773,872</u>
\$ ---	\$ ---	\$	73,888
<u>\$ 187,253</u>	<u>\$ ---</u>	<u>\$</u>	<u>1,833,173</u>
<u>\$ 187,253</u>	<u>\$ 19,383</u>	<u>\$</u>	<u>2,319,262</u>

The accompanying notes are an integral part of this statement.



## TOWN OF JOSEPHINE

Statement B

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

	<u>General Fund</u>
<b>Revenues:</b>	
Taxes	\$ 48,486
Licenses and permits	27,279
Intergovernmental	8,165
Fines and forfeits	30,118
Other revenues	5,872
Total revenues	<u>\$ 119,920</u>
<b>Expenditures:</b>	
General government	\$ 17,642
Public safety	59,744
Highways and streets	38,643
Total expenditures	<u>\$ 116,029</u>
Excess of revenues over expenditures	\$ 33,891
Fund balance, beginning	<u>86,234</u>
Fund balance, ending	<u>\$ 120,125</u>

The accompanying notes are an integral part of this statement.

## TOWN OF ROCKFORD

Statement C

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

	General Fund		Variance - Favorable (Unfavorable)
	Budget	Actual	
Revenues:			
Taxes	\$ 51,800	\$ 48,486	\$ (3,314)
Licenses and permits	39,600	37,378	2,219
Intergovernmental	12,800	8,105	(4,695)
Fines and forfeits	27,400	38,118	10,718
Other revenues	2,800	2,873	773
Total revenues	\$ 119,100	\$ 119,860	\$ 760
Expenditures:			
General government	\$ 23,300	\$ 17,643	\$ 5,656
Public safety	88,000	59,748	28,252
Highways and streets	28,000	30,542	(2,542)
Total expenditures	\$ 119,100	\$ 108,933	\$ 10,167
Excess of revenues over expenditures	\$ ---	\$ 11,926	\$ 11,926
Fund balance, beginning	66,254	66,254	---
Fund balance, ending	\$ 66,254	\$ 77,882	\$ 11,628

The accompanying notes are an integral part of this statement.

## TOWN OF ROSEBINE

Statement D

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

	<u>Enterprise Fund</u>
Operating revenues:	
Charges for services	\$ 208,848
Operating expenses:	
Personnel services	\$ 93,783
Supplies	11,867
Other services and charges	58,880
Heat, light, and power	19,379
Bad debts	2,437
Depreciation	68,722
Amortization	344
Total operating expenses	<u>\$ 274,942</u>
Operating loss	\$ (74,923)
Non-operating revenues (expenses):	
Sales taxes	\$ 19,039
State grant	2,228
Interest income	3,967
Interest expense	<u>(11,272)</u>
Total non-operating revenues (expenses)	<u>\$ (6,038)</u>
Net loss	\$ (80,961)
Retained earnings, (deficit) beginning	(93,038)
Retained earnings, (deficit) ending	<u>\$ (173,972)</u>

The accompanying notes are an integral part of this statement.

COAH OF ROSEBINE

Statement 1

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

	Enterprise Fund
Cash flows from operating activities:	
Cash received for charges for services	\$ 283,793
Cash payments to suppliers for goods and services	(65,642)
Cash payments to employees for salaries and related benefits	(81,388)
Net cash provided by operating activities	<u>\$ 46,763</u>
Cash flows from noncapital financing activities:	
Sales tax revenue	\$ 59,835
Net cash provided by noncapital financing activities	<u>\$ 59,835</u>
Cash flows from capital and related financing activities:	
Acquisition and reconstruction of capital assets	\$ (74,404)
Principal paid on long-term debt	(28,308)
Interest paid on long-term debt	(87,463)
Contributed capital received	8,814
State grant revenue	2,379
Net cash used for capital and related financing activities	<u>\$ (181,289)</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ 3,981
Net increase in cash and cash equivalents	\$ (33,671)
Cash and cash equivalents, beginning of year	246,875
Cash and cash equivalents, end of year	<u>\$ 213,204</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:	
Operating loss	\$ (128,379)
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation and amortization	\$ 89,066
Changes in assets and liabilities:	
Increase in accounts receivable	(1,784)
Increase in prepaid expenses	36,098
Increase in payroll taxes payable	3,254
Increase in allowance for doubtful accounts	3,613
Increase in customer deposit	2,888
Decrease in accounts payable	(1,238)
Total adjustments	<u>\$ 121,893</u>
Net cash provided by operating activities	<u>\$ 46,763</u>

The accompanying notes are an integral part of this statement.

## TOWN OF BOSEPIRE

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

#### INTRODUCTION

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

The accounting and reporting policies of the Town of Bosepire conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:317 and to the guide set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Town maintains a general fund that provides police protection for it's citizens and repairs and maintenance of approximately 3 miles of roads and streets. The Town also maintains an enterprise fund that provides water and sewer services to approximately 675 residents.

The Town is located within Vernon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 1,000 residents. The governing board is composed of five elected aldermen that are compensated for regular and special board meetings. There are four employees which maintain the water and sewer systems and handle the clerical work of the Town. The police department consists of an elected chief of police, one full time and one part time deputy.

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

##### A. REPORTING ENTITY

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

## TOWN OF BOSEFIRE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

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

##### Governmental Fund

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

1. General Fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

##### Proprietary Fund

The proprietary fund is used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The proprietary fund differs from the governmental fund in that its focus is on income measurement, which together with the maintenance of equity, is an important financial indicator. The proprietary fund includes:

1. Enterprise fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided

## FORM OF RECEIPTS

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

#### C. BASIS OF ACCOUNTING

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

##### Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

##### Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

##### Other Financing Sources (Uses)

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

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are

## TOWN OF HOUSKING

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

recognized when earned, and expenses are recognized at the time liabilities are incurred.

#### B. BUDGET

The primary government municipality uses the following budget practices:

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

#### C. ENCUMBRANCES

The Town of Houssing does not use encumbrance accounting.



## TOWN OF BOSEFINE

### NOTES TO FINANCIAL STATEMENTS (CONTINUED)

#### F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

#### G. SHORT-TERM INTERFERED RECEIVABLES/PAYABLES

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

#### H. INVENTORYING

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

#### I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

#### J. RESTRICTED ASSETS

Certain proceeds of enterprise fund revenue bonds, as well as certain monies set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

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NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Bond sinking funds - The Utility Revenue Bonds dated April 6, 1969 requires a monthly deposit into a sinking fund of 1/12th of the maturing principal and interest payments due within the next twelve months. The Utility Revenue Bonds dated November 1, 1975 requires a monthly deposit into a sinking fund of \$2,600 for payment of principal due each month.

Bond reserve funds - The Utility Revenue Bonds dated April 6, 1969 requires a monthly deposit into a reserve fund of 5% of the amount to be paid into the sinking fund and is required to continue until such time as there is on deposit a balance equal to the highest annual bond principal and interest payment due. The Utility Revenue Bonds dated November 1, 1975 requires a monthly deposit into a reserve fund of \$10 until a \$11,300 balance is accumulated therein. Money in these accounts is used to pay the maturing principal and interest on the bonds when there is not sufficient money in the sinking funds.

Depreciation and contingency funds - The Utility Revenue Bonds dated April 6, 1969 requires a monthly deposit into a depreciation and contingency fund of 5% of the amount to be paid into the sinking fund and is required to continue for the life of the bond. The Utility Revenue Bonds dated November 1, 1975 requires a monthly deposit into a depreciation and contingency fund of \$23 for the life of the bond. Money in this account is used for repairs and replacement of the existing utility system.

E. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public works or infrastructures are capitalized. Interest costs incurred during construction are not capitalized.

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

TOWN OF ROSEBINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Utility Fund -	
Wells	40 years
Storage tanks	40 years
Furification plant	40 years
Lines and meters	40 years
Buses and trucks	5 years
Other equipment	3-15 years
Pump stations	40 years
Lines	40 years
Buildings	40 years

L. COMPENSATED ABSENCES

The Town of Rosebine does not provide for the accumulation and vesting of leaves.

M. LONG-TERM OBLIGATIONS

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

N. FUND EQUITY

Contributed Capital

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

Reserves

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

Designated Fund Balances

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

TOWN OF ROSEBINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

G. INTERFUND TRANSACTIONS

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

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

F. SALES TAXES

The Town of Rosebine receives a one-percent sales tax which is dedicated to the maintenance of the sewer system for a period of 48 years beginning December 14, 1991.

G. TOTAL COLUMNS ON COMBINED STATEMENTS

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

3. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at June 30, 1991:

Fund	Deficit Amount
Enterprise Fund	\$ 173,877

The retained earnings deficit of the enterprise fund, arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation and amortization, non-cash expenses, contributions to the deficit. Even though the retained earnings deficit

## TOWN OF ROSELINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

exists, the enterprise fund had an overall fund equity of \$1,270,138 at June 30, 1997. The Board of Commissioners will raise near fees to reduce the retained earnings deficit, when needed.

## 3. LEVIED TAXES

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

	Primary Government		Expiration Date
	Authorized Millage	Levied Millage	
Citywide taxes:			
General corporate tax	3.00	3.80	renewed annually

## 4. CASH AND CASH EQUIVALENTS

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

	Primary Government
Demand deposits	\$ 27,356
Interest-bearing demand deposits	284,597
Petty cash	881
Total	\$ 312,834

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

At June 30, 1997, the primary government has \$287,175 in deposits (collected bank balances). These deposits are secured from risk by \$127,384 of federal deposit insurance and \$267,211 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GRSB Category 3).

## TOWN OF ROSKOPINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the pledgor bank to advertise and sell the pledged securities within 30 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

## 5. INVESTMENTS

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

## 6. RECEIVABLES

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

Class of Receivable	Primary Government	
	General Fund	Proprietary Fund
Taxes:		
Franchise taxes	\$ 8,166	\$ ---
Utility billing:		
Accounts, net of allowance for doubtful accounts	---	18,192
Total	\$ 8,166	\$ 18,192

As of June 30, 1997 the Town of Roskopine had accounts receivables of \$21,889 and an allowance for doubtful accounts of \$2,817. Accounts receivables are shown as \$19,192, net of the allowance account. The Town has elected to write off bad debts as they are deemed to be uncollectible as determined by management. Bad debts are shown as an expense of operations in the enterprises fund.

TOUR OF BOSEFINE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. FIXED ASSETS

The changes in general fixed assets follow:

	Primary Government			Balance June 30, 1994
	Balance June 30, 1993	Additions	Deductions	
Land	\$ 410	\$ ---	\$ ---	\$ 410
Improvements other than buildings	44,890	---	---	44,890
Equipment and Furniture	27,842	34,201	---	62,043
Total	\$ 73,142	\$ 34,201	\$ ---	\$107,343

A summary of proprietary property, plant and equipment follows:

	Primary Government
Land	\$ 15,324
Buildings	80,584
Wells	343,037
Power plant & equipment	1,876,023
Mains, storage & equipment	666,280
Pipelines	9,340
Intangible cost	79,879
Office furniture & fixtures	17,121
Trucks and tractors	68,920
Road insurance cost	9,872
Total	\$ 3,096,400
Less:	
Accumulated depreciation	1,137,685
Accumulated amortization	5,837
Total	\$ 1,878,887

8. PENSION PLAN

The Marshal of the Town of Bosefine is a member of the Municipal Police Employees Retirement System of Louisiana. This system is a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

TOWN OF BOSSIERE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Municipal Police Employees Retirement System of Louisiana  
(System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 1 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70803-2250, or by calling (504) 829-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Bossiere is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Bossiere are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:153, the employer contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Bossiere contributions to the System for the years ended June 30, 1997 and 1998 were \$2,842, and \$2,478, respectively, equal to the required contributions for each year.



## TOWN OF ROSEPIRE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

## 9. ACCOUNTS AND OTHER PAYABLES

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

Class of Payable	Primary Government	
	General Fund	Proprietary Fund
Withholdings	\$ 1,388	\$ 2,388
Accounts	2,028	4,658
Total	\$ 3,416	\$ 7,046

## 10. LEASES

The Town of Rosepire had no leases as of June 30, 1997.

## 11. CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of the long-term obligation transactions for the year ended June 30, 1997:

	Proprietary Fund		General Fund	
	Secured Debt	Mortgage Note	Mortgage Note	Total
Long-term obligations payable at June 30, 1996	\$ 341,875	\$ 49,584	\$ ---	\$ 391,459
Additions	---	---	19,889	19,889
Reductions	(39,338)	---	(396)	(39,734)
Long-term obligations payable at June 30, 1997	\$ 302,537	\$ 49,584	\$ 19,383	\$ 371,504

Revenue bonds, are comprised of the following individual issues:

## Utilities Revenue Refunding Bonds

\$204,884 Utilities Revenue Refunding Bonds Dated 4/6/89 due in average annual installments of \$38,000 through April 1, 2018; interest at 11%. Proceeds to be used for constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems.

## TOWN OF ROSEBINE

## NOTES TO FINANCIAL STATEMENTS (CONTINUED)

## Utilities Revenue Bonds

\$580,000 Utilities Revenue Bonds dated 11-1-85; due in monthly installments of \$1,000 beginning 12-1-78 and continuing through 11-1-2025; interest at the rate of 5 1/2 %. Proceeds to be used for constructing and acquiring extensions and improvements to the combined waterworks and sewerage systems including the payment of a bond anticipation note dated 8-30-83 issued to provide interim financing for the project.

The annual cash flows required to service the debt as of June 30, 1997, including interest payments of \$1,095,542, are as follows:

June 30,	Proprietary Fund		General Fund	
	Utilities Revenue Refunding Bonds	Utilities Revenue Bonds	Mortgage Note	Total
1998	\$ 31,827	\$ 31,200	\$ 7,261	\$ 70,288
1999	35,843	31,200	7,261	74,304
2000	34,349	31,200	6,456	72,005
2001	33,850	31,200	---	65,050
2002	35,003	31,200	---	66,203
Thereafter	427,403	1,873,888	---	\$2,301,291
Total	\$ 643,062	\$1,229,888	\$ 21,178	\$1,894,128

The Town of Rosebine has a mortgage note payable in the amount of \$47,594 carried on its books. This note arose years ago when a local subdivision developer paid to have Town water lines run throughout the subdivision. The Town agreed to charge new connecting customers a fee to tap into the Town water line and in turn pay the local developer. A note was signed between the Town and the local developer and the contract was honored for several years. The developer then went bankrupt and relocated. The Town has requested and received a legal opinion from their attorney that states the note should remain on the books but payments need not be made to the bankrupt developer at this time.

## 11. INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Enterprise Fund	\$ 160

TYPE OF WORKSHEET

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. RESERVED RETAINED EARNINGS

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

Restricted assets:	
Sinking funds	\$ 20,249
Reserve funds	3,784
depreciation and	
Contingency funds	30,721
Customer deposits	21,088
Total	\$ 75,842

Less:

Liabilities payable from	
restricted assets:	
Current portion of bonds	\$ 3,355
Accrued interest on bonds	20,985
Customer deposits	22,818
Total	\$ 47,158

Reserved retained earnings \$ 28,684

14. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

Primary Government

	Enterprise
	Fund
Balance at June 30, 1986	\$ 1,437,213
Additions:	
Transfers	6,816
Balance at June 30, 1987	\$ 1,444,029

SUPPLEMENTAL INFORMATION SCHEDULE

GENERAL FUND

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

TRUST OF BOEYDINE  
 MEDICAL FUND

Schedule 1

BALANCE SHEET  
 June 30, 1993

ASSETS	<u>1993</u>
Cash	\$ 71,100
Franchise taxes receivable	8,166
Due from utility fund	169
Due from other governmental units	1,478
Prepaid insurance	<u>2,388</u>
Total assets	\$ 81,381
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 2,696
Payroll taxes payable	<u>1,388</u>
total liabilities	\$ 4,084
Fund balance:	
Unreserved - undesignated	<u>77,297</u>
Total liabilities and fund balance	\$ 81,381

TOWN OF ROCKFORD  
GENERAL FUND

Schedule 2

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

	1997		Variance - Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues:</b>			
Taxes	\$ 51,800	\$ 48,888	\$ (3,912)
Licenses and permits	26,800	27,219	419
Intergovernmental	12,000	8,188	(3,812)
Fines and forfeits	27,400	38,118	10,718
Other revenues	1,000	1,673	673
Total revenues	\$ 118,000	\$ 118,086	\$ 86
<b>Expenditures:</b>			
General government	\$ 23,188	\$ 17,842	\$ 5,346
Public safety	68,800	59,748	8,052
Highways and streets	26,800	30,812	(4,012)
Total expenditures	\$ 118,788	\$ 108,392	\$ 10,396
Excess of revenues over expenditures	\$ ---	\$ 11,628	\$ 11,628
Fund balance, beginning	66,254	66,254	---
Fund balance, ending	\$ 66,254	\$ 77,882	\$ 11,628

TOWN OF ROSEFINE  
GENERAL FUND

Schedule 2

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

	1997		Variance - Favorable (Unfavorable)
	Budget	Actual	
<b>Taxes:</b>			
Ad valorem taxes	\$ 13,489	\$ 13,451	\$ 38
Franchise taxes	78,485	75,838	2,647
Total taxes	\$ 91,974	\$ 89,289	\$ 2,685
<b>Licenses and permits:</b>			
Occupational	\$ 23,800	\$ 21,272	\$ 2,528
<b>Intergovernmental:</b>			
Tobacco taxes	\$ 3,000	\$ 3,996	\$ 996
Federal grant	4,800	---	(4,800)
State grants	2,280	2,280	---
Total inter- governmental	\$ 10,080	\$ 6,276	\$ 3,804
<b>Fines and forfeits:</b>			
Traffic fines	\$ 27,400	\$ 28,118	\$ 718
<b>Other revenues:</b>			
Miscellaneous	\$ 3,908	\$ 3,349	\$ 559
Interest income	---	1,436	1,436
Copy machine revenue	---	236	236
Vending machine revenue	---	77	77
Local donations	---	573	573
Total other revenues	\$ 3,908	\$ 5,671	\$ 1,763
<b>Total revenues</b>	<b>\$ 118,102</b>	<b>\$ 119,664</b>	<b>\$ 1,562</b>



TOWN OF ROSEBINE  
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (DWAR BASIS)  
Year Ended June 30, 1957

	1957		Variance - Favorable (Unfavorable)
	Budget	Actual	
General government:			
Supplies	\$ ---	\$ 855	\$ (855)
Other services and charges	7,300	4,620	2,680
Heat, light, and power	16,000	12,927	3,073
Total general government	\$ 23,300	\$ 17,982	\$ 5,318
Public safety:			
Police -			
Personal services	\$ 24,380	\$ 29,834	\$ (5,454)
Supplies	4,800	4,349	451
Other services and charges	18,600	25,303	(6,703)
Capital outlay	19,700	14,418	5,282
Principal paid on long-term debt	---	508	(508)
Interest expense	---	92	(92)
Total public safety	\$ 86,480	\$ 99,244	\$ (12,764)
Highways and streets:			
Street maintenance	\$ 22,800	\$ 22,848	\$ (48)
Total expenditures	\$ 119,100	\$ 128,033	\$ (8,933)

ENTERPRISE FUNDS

Utility Fund - To account for the provisions of water and sewer 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, financial and related debt service, and billing and collection.

TOWN OF ROCKFORD  
 WATERFURN FUND

Schedule 3

BALANCE SHEET  
 JUNE 30, 1997

ASSETS	<u>1997</u>
Current assets:	
Cash	\$ 137,320
Accounts receivable:	
Accounts, net of allowance for doubtful accounts	38,190
Prepaid insurance	<u>2,872</u>
Total current assets	\$ 178,382
Restricted assets:	
Bond reserve, sinking fund and contingency accounts	\$ 50,000
Customers' deposits	<u>25,000</u>
Total restricted assets	\$ 75,000
Plant in service:	
Property, plant, and equipment at cost, net of accumulated depreciation	\$1,898,750
Bond issue cost, net of accumulated amortization	<u>3,130</u>
Total plant in service	\$1,901,880
Total assets	\$2,111,262

(Continued)

TOWN OF ROSELINE  
 BUDGETARY FUND

Schedule 5

BALANCE SHEET (CONTINUED)  
 June 30, 1997

LIABILITIES AND FUND EQUITY 1897

Liabilities:

Current liabilities (payable from current assets):	
Accounts payable	\$ 4,058
Payroll taxes payable	3,255
Due to other funds	<u>158</u>
Total current liabilities (payable from unrestricted assets)	\$ <u>6,481</u>
Current liabilities (payable from restricted assets):	
Current portion of bonds	\$ 5,355
Accrued bond interest	16,989
Customers' deposits	<u>22,928</u>
Total current liabilities (payable from restricted assets)	\$ <u>45,282</u>
Long-term liabilities:	
Mortgage note payable	\$ 48,594
Bonds payable	<u>218,782</u>
Total long-term liabilities	\$ <u>287,386</u>
Total liabilities	\$ <u>841,189</u>

(Continued)

TRUST OF ROOSEVELT  
 ENTERPRISE FUND

Schedule 3

BALANCE SHEET (CONTINUED)  
 June 30, 1997

LIABILITIES AND FUND EQUITY	<u>1997</u>
Fund Equity:	
Contributed capital-	
Municipality	\$ 18,313
Federal and state grants	<u>1,423,353</u>
Total contributed capital	\$1,441,666
Retained earnings:	
Reserve for contingency fund	\$ 38,419
Unreserved	<u>(100,286)</u>
Total retained earnings	\$ (61,867)
Total fund equity	\$1,379,800
Total liabilities and fund equity	\$2,111,288

(Continued)

## TOWN OF ROCHESTER

Schedule 6

ENTERPRISE FUND  
 SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN  
 RETAINED EARNINGS - PROPRIETARY FUND TYPE  
 Year Ended June 30, 1983

	<u>1983</u>
Operating revenues:	
Charges for services	\$ 200,942
Operating expenses:	
Personnel services	\$ 93,363
Supplies	11,967
Other services and charges	58,000
Heat, light, and power	17,379
Bad debts	2,617
Depreciation	88,722
Amortization	344
Total operating expenses	<u>\$ 374,832</u>
Operating loss	\$ (174,288)
Nonoperating revenues (expenses):	
Sales taxes	\$ 50,030
State grants	2,220
Interest income	3,967
Interest expense	<u>(21,222)</u>
Total non-operating revenues (expenses)	\$ 35,035
Net loss	\$ (140,839)
Retained earnings, (deficit) beginning	<u>(93,328)</u>
Retained earnings, (deficit) ending	<u>\$ (172,877)</u>

TOWN OF ROSELINE  
 WATERMAIN FUND

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS--RESTRICTED ACCOUNTS  
 REQUIRED BY BOARD ORDINANCE  
 Year ended June 30, 1997

	<u>Premier Sinking Fund</u>	<u>Premier Reserve Fund</u>	<u>Premier Depreciation and Contingency Fund</u>
Cash, July 1, 1996	\$ 9,315	\$ 17,221	\$ 28,649
Cash receipts:			
Transfers from operating cash	\$ 28,466	\$ ---	\$ ---
Interest income	29	421	621
Total cash available	\$ 28,815	\$ 17,649	\$ 29,211
Cash disbursements:			
Principal payments	\$ 5,345	\$ ---	\$ ---
Interest payments	28,263	---	---
Total cash disbursements	\$ 33,131	\$ ---	\$ ---
Cash, June 30, 1997	\$ 2,682	\$ 17,649	\$ 29,211

<u>RFCD Sinking Fund</u>	<u>RFCD Reserve Fund</u>	<u>RFCD depreciation and Contingency Fund</u>	<u>Total</u>
\$ ----	\$ ----	\$ ----	\$ 54,582
\$ 20,000	\$ 1,000	\$ 1,000	\$ 21,997
----	21	21	1,163
\$ 20,000	\$ 1,021	\$ 1,021	\$ 102,012
\$ ----	\$ ----	\$ ----	\$ 8,000
18,200	----	----	48,992
\$ 18,200	\$ ----	\$ ----	\$ 52,322
\$ 2,801	\$ 1,021	\$ 1,021	\$ 54,582



GENERAL FIXED ASSETS ACCOUNT GROUP

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

## TOWN OF ROCHESTER

Schedule G

STATEMENT OF GENERAL FIXED ASSETS  
June 30, 1987

	<u>1987</u>
General fixed assets, at cost:	
Equipment	\$ 81,945
Land	418
Bridge	<u>88,028</u>
Total general fixed assets	\$ <u>187,253</u>
Investment in general fixed assets:	
General fund revenues	\$ 50,036
Volunteer fire department	3,519
Grant funds	<u>44,855</u>
Total investment in general fixed assets	\$ <u>107,253</u>

## TOWN OF ROOSEVELT

Schedule G

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
Year Ended June 30, 1987

	Equipment	Land	Bridge	Total
General fixed assets, beginning of year	\$ 27,642	\$ 410	\$ 44,898	\$ 72,950
Additions:				
Assets added	24,383	---	---	24,383
Deductions:				
Assets removed	-----	-----	-----	-----
General fixed assets, end of year	\$ 51,985	\$ 410	\$ 44,898	\$ 97,293

## TOWN OF KEEPFINE

Schedule 10

SCHEDULE OF FEES BEEN PAID TO BOARD MEMBERS  
Year Ended June 30, 1983

Board Member	Total Paid
Nelson McFee	\$ 725
Carol Woolley	975
James F. Moska	500
Kenneth Harper	975
Jimmy Cryer	950
Ottis E. Goins	150

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John A. Windham, CPA

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

The Honorable Otis E. Geiss, Mayor  
and the Members of The Board of Aldermen  
Town of Bossier, Louisiana

I have audited the general purpose financial statements of the Town of Bossier, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated October 21, 1997.

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

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

The Honorable Ottilie F. Gains, Mayor  
and the Members of The Board of Aldermen  
Town of Bossier, Louisiana  
Page 3

In planning and performing my audit of the general purpose financial statements of the Town of Bossier, Louisiana, for the year ended June 30, 1987, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

#### General Fixed Assets

##### Findings:

The Town of Bossier, Louisiana does not maintain a listing of its general fixed assets, therefore there is no control over the safeguarding of assets through periodic inventory counts which would be matched to the asset listing with any discrepancies investigated.

##### Recommendation:

I recommend that the Town take an inventory of its fixed assets. The assets should be tagged in some manner and responsibility for the asset should be assigned to the department held. At least annually the assets should be inventoried and any discrepancies investigated.

The Honorable Otis N. Guins, Mayor  
and the Members of The Board of Aldermen  
Town of Acacipire, Louisiana  
Page 3

**Management's response:**

Management agrees that more controls over fixed assets should be established. Management will check into a system for tagging and listing their fixed assets and assigning an estimated historical cost to the assets for which no cost may be found.

**Uncollectible Accounts**

**Finding:**

The amount of uncollectible accounts has increased to an undesirable level and procedures that have been established by the board to discontinue delinquent customers are not being followed. Accounts on the billing register in excess of 30 days outstanding amount to approximately 17% of total billing. There are also a large number of accounts in the 6-30 day range that are due by the 15th of the month that remain unpaid at that date.

**Recommendation:**

Management needs to follow the policy set by the board in handling delinquent accounts. All accounts that remain unpaid at the 15th of each month should be sent a late notice. Accounts still unpaid by the 10th of the month should be investigated and disconnected if necessary. Management should review the past due list monthly to see that policy and procedures set by the board are being followed.

**Management's Response:**

Management will review the past due list and make efforts to contact and collect from past due customers. Management will also monitor the past due list monthly to see that policy and procedures set by the board are being followed.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

The Honorable Otis R. Goins, Mayor  
and the Members of the Board of Aldermen  
Town of Bossier, Louisiana  
Page 4

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

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

*Joseph L. Whitman, CPA*  
Auditor, Louisiana  
October 21, 1987



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John A. Windham, CPA

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

The Honorable Otis B. Golins, Mayor  
and the Members of The Board of Aldermen  
Town of Bossier, Louisiana

I have audited the general purpose financial statements of the Town of Bossier, Louisiana, as of and for the year ended June 30, 1997, and have issued my report thereon dated October 31, 1997.

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

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

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

I noted certain immaterial instances of noncompliance that I have reported to the management of the Town of Bossier, Louisiana in a separate letter dated October 31, 1997.

The Honorable Otis E. Goins, Mayor  
and the Members of The Board of Aldermen  
Town of Bossier, Louisiana  
Page 2

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

*Arthur L. Windham, CPA*  
Auditor, Louisiana  
October 31, 1997

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John A. Windham, CPA

SHRINE REPORT

October 31, 1997

The Honorable Otis E. Golins, Mayor  
and the Members of the Board of Aldermen  
Town of Bossier, Louisiana

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

## Other Comments and Recommendations

### Customer Deposits

#### Finding:

The balance in the restricted asset customer deposit cash account was less than the liability for customer deposits.

#### Recommendation:

I recommend that the balance in the restricted asset customer deposit cash account be increased to cover the liability for customer deposits. Also the customer deposit cash account should be monitored during the year to make sure that the balance is always sufficient to cover the customer deposits that the Town holds.

The Honorable Otis E. Goins, Mayor  
and the Members of the Board of Aldermen  
Town of Bossier, Louisiana  
Page 7

**Management's response:**

Management will increase the restricted asset customer deposit cash account to cover all deposits held for customers by the Town. Management will also monitor the account during the year to be sure that the balance is sufficient to cover customer deposits.

**Restricted Asset Balance Requirements**

**Finding:**

Monthly deposits are not being made into the bond sinking reserve and contingency funds as required by the bond agreements. Some of the restricted bond funds were understated at year end.

**Recommendation:**

I recommend that management make monthly deposits into the restricted bond accounts as required by the bond agreements. Management should also monitor the balances in the accounts to be sure they are in compliance with the bond agreements.

**Management's response:**

Management will begin making the required deposits into the bond sinking, reserve and contingency funds monthly. The balances that are below the amount that should be in the accounts will be brought up to the required amounts. Management will monitor the restricted accounts more closely and make sure that the balances and deposits into the accounts are in accordance with the bond agreements.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the June 30, 1997 general purpose financial statements, and this report does not affect my report on these general purpose financial statements dated October 21, 1997. I have not considered the internal control structure since the date of my report.

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

*Jeffrey W. Whitman, CPA*  
Auditor, Louisiana  
October 21, 1997