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File # 10388

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

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Maringouin, Louisiana

We have audited the general purpose financial statements of the Town of Maringouin, Louisiana, as of and for the year ended September 30, 1994, and have issued our report thereon dated February 12, 1997. In our report, our opinion was qualified because, as described in the accompanying schedule of findings, the Town had not maintained adequate property records for general fixed assets and property, plant and equipment and we were unable to form an opinion regarding the amounts at which such property acquired prior to January 1, 1995, and related accumulated depreciation should be carried in the accompanying balance sheet as of September 30, 1994, or the amount of depreciation expense for the year then ended related to these assets.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

Continued...

not tested, nothing came to our attention that caused us to believe that the Town of Markogouin, Louisiana had not complied, in all material respects, with those requirements.

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

F. D. Thompson, Jr., C.P.A.

February 12, 1987

L.A. CHAMPAGNE & CO., L.L.P.

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

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Meringouin, Louisiana

We have audited the general purpose financial statements of the Town of Meringouin, Louisiana, as of and for the year ended September 30, 1994, and have issued our report thereon dated February 12, 1995. In our report, our opinion was qualified because, as described in the accompanying schedule of findings, the Town had not maintained adequate property records for general fixed assets and property, plant and equipment and we were unable to form an opinion regarding the amounts at which such property acquired prior to January 1, 1995, and related accumulated depreciation should be carried in the accompanying balance sheet at September 30, 1994, or the amount of depreciation expense for the year then ended related to those assets.

We have applied procedures to test the Town of Meringouin, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended September 30, 1994:

Political Activity	Drug-Free Workplace Act
Civil Rights	Administrative require- ments
Allowable costs/cost principles	

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

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items

Continued...

B. LONG-TERM DEBT (Continued)

	Balance 04-30-88	Additions	Payments	Balance 04-30-89
General long-term debt				
General obligation bank loan ...	\$ 261,897	\$ -	\$ 19,896	\$ 242,001
Claims payable	80,184	-	-	80,184
	342,081	-	19,896	322,185
Proprietary Fund				
Loan payable - Herleville				
Police Jury.....	21,800	-	12,800	9,000
1995 Waterworks Revenue Bond ...	1,144,000	-	3,512	1,140,488
1965 Waterworks and Gas Utility				
Revenue Bonds	29,800	-	29,800	-
	1,173,800	-	37,312	1,136,488
	\$ 1,495,881	\$ -	\$ 57,208	\$ 1,438,673

The proceeds of the general obligation bank loan were used for the construction of a new fire station. The loan dated May 6, 1985 in the original principal amount of \$310,825 is payable over ten years in monthly installments of \$3,428 including principal and variable interest at 1% over the six month U. S. Treasury Bill rate established annually on the loan anniversary date. The interest rate at September 30, 1988 was 6.88%. The loan is a general obligation of the Town secured by its full faith and credit.

The claims payable is further discussed in Note B.

The loan payable to the Herleville Parish Police Jury is described further in Note E.

The 1995 Waterworks Revenue Bond was issued on January 27, 1995 in the amount of \$1,144,000 and bears annual interest of 5.625%. The bond is payable over forty years solely from the income and revenues derived or to be derived from the operation of the Town's waterworks system. The first payment of interest only was made on January 27, 1996. Thereafter, the debt is payable in monthly installments of \$6,840 including principal and interest. Under the bond indenture, the Town is required to maintain certain reserves for the routine payment of bond interest and principal and for payment of the obligation in the event of default and in certain circumstances for additions and improvements to the utility system. Additional information regarding the reserves is included in Notes B and J. The Town is in compliance with all terms of the bond agreement including the maintenance of required reserves.

The 1965 Waterworks and Gas Utility Revenue Bonds were issued on October 1, 1965 in the amount of \$314,000 and carried interest coupons with rates varying from 3.0% to 4%. The bonds were due in annual serial installments according to the schedule provided in the bond agreement. Under the bond indenture, the Town is required

applicable to the aforementioned major programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure policies and procedures used in administering federal financial assistance programs would not necessarily disclose all matters in the internal control structure that might constitute material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material in relation to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control structure and its operation that we consider to be material weaknesses as defined above.

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

J. M. Tolson *per* *T. R. 467*
February 12, 1989

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, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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

Activity cycles Revenue/receipts Purchases/disbursements	Financial reporting
General requirements Political Activity Civil Rights Allowable costs/cost principles	Drug-free Workplace Act Administrative requirements
Specific requirements Types of services Matching	Reporting Expenditure approval

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

During the year ended September 30, 1996, Town of Natchitoches, Louisiana, had no major federal financial assistance programs and expended 100% of its total federal financial assistance under the following nonmajor federal financial assistance programs: Water and Waste Disposal System for Rural Communities, and a Community Development Block Grant.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements and amounts claimed or used for matching that are

Continued...

B. LONG-TERM DEBT (Continued)

to maintain certain reserves for the routine payment of bond interest and principal and for payment of the obligation in the event of default and in certain circumstances for additions and improvements to the utility system. Additional information regarding the reserves is included in Notes B and J. The bond issue was completely retired upon payment and redemption of the last serial bond on October 1, 1996. All remaining unspent reserves have been released to the Town.

The following is a summary of long-term debt at September 30, 1996, and interest requirements to maturity for all outstanding debt:

	DEBT Payable 09-30-96	Interest to Maturity	Total
Intergovernmental Payable			
Loans payable - Harville Parish			
Public Sewer.....	\$ 3,000	\$ -	\$ 3,000
Claims payable - FEMA.....	48,184	-	60,184
General Obligation Debt			
Loans payable - local bank.....	142,840	28,814	171,654
Revenue Bonds			
1994 Waterworks Revenue Bond.....	1,138,488	1,418,391	2,556,879
	<u>\$4,368,914</u>	<u>\$1,447,205</u>	<u>\$5,816,119</u>

The annual requirements to amortize outstanding debt, principal and interest as of September 30, 1996 are as follows:

Year Ending September 30,	General Obligation Debt	Intergov- ernmental Payable	Revenue Bonds	Total
1997.....	\$ 28,300	\$ 88,284	\$ 71,488	\$ 178,068
1998.....	28,300		71,488	100,428
1999.....	28,300		71,488	100,428
2000.....	28,300		71,488	100,428
2001.....	28,300		71,488	100,428
2002-2004.....	27,876		262,428	338,488
2005-2006.....			262,428	362,428
2007-2008.....			262,428	362,428
2009-2009.....			262,428	362,428
2010-2010.....			262,428	362,428
2011-2011.....			262,428	362,428
2012-2012.....			262,428	362,428
	<u>\$ 171,706</u>	<u>\$ 88,284</u>	<u>\$2,774,879</u>	<u>\$3,034,869</u>

I. INTERFUND RECEIVABLES, PAYABLES AND OPERATING TRANSFERS

There were no interfund receivables or payables outstanding as of September 30, 1996. Also, there were no operating transfers between funds in fiscal 1996.

3. CAPITAL CHANGES AND RESERVED RETAINED EARNINGS

The proprietary utility fund receives contributions from federal, state, private and other sources for the purposes of acquiring or constructing capital facilities. Retirement of such capital contributions is the equivalent of the depreciation charge against the assets acquired with the funds.

The 1994 changes in contributed capital are as follows:

Source of Contributed Capital	Contributed Capital 09-30-93	Capital Con-tributed	Amor-tization	Contrib-uted Capital 09-30-94
Federal Home Administration - Grant - waterworks system	\$ 464,506	\$ 114,166	\$ 6,456	\$ 791,694
State of Louisiana Community Development Block Grant - water system	49,708	697,413	6,289	744,681
State of Louisiana Rural Development Grant - gas pipeline relocation	-	13,664	709	13,354
	\$ 714,214	\$ 844,413	\$ 13,389	\$2,349,311

The various bond indentures require the maintenance of reserves to provide for the payment of bond interest and principal in the event of default and for other specified purposes. Following is a schedule of activity related to reserved retained earnings of the proprietary public utility enterprise fund:

	Balance 9-30-93	Additions	Reductions	Balance 9-30-94
1990 Waterworks and Gas Utility Revenue Bonds				
Bond Reserve Fund	\$ 26,793	\$ -	\$ 21,793	\$ -
Depreciation and Contingency Fund	7,380	-	7,380	-
	\$ 34,173	-	\$ 29,173	-
1991 Waterworks Revenue Bonds				
Sinking Fund	42,760	-	42,800	-
Revenue Fund	2,185	2,817	-	5,002
Contingency Fund	2,479	2,860	-	5,312
	\$ 47,424	\$ 5,677	\$ 42,800	\$ 13,004
	\$ 79,627	\$ 7,487	\$ 72,193	\$ 13,004

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

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Marringouin, Louisiana

We have audited the general purpose financial statements of the Town of Marringouin, Louisiana, as of and for the year ended September 30, 1984, and have issued our report thereon dated February 12, 1985. In our report, our opinion was qualified because, as described in the accompanying schedule of findings, the Town had not maintained adequate property records for general fixed assets and property, plant and equipment and we were unable to form an opinion regarding the accuracy of which such property acquired prior to January 1, 1985, and related accumulated depreciation should be carried in the accompanying balance sheet at September 30, 1984, or the amount of depreciation expense for the year then ended related to those assets.

We conducted our audits in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-120, "Audits of State and Local Governments." Those standards and OMB Circular A-120 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audits for the year ended September 30, 1984, we considered the internal control structure of the Town of Marringouin, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the general purpose financial statements of the Town of Marringouin, Louisiana, and to report on the internal control structure in accordance with OMB Circular A-120. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated February 12, 1985.

The management of the Town of Marringouin, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management

Continued...

REPORTS REQUIRED BY THE SINGLE AUDIT ACT AND
OMB CIRCULAR A-128

Material instances of noncompliance are failures to follow requirements or violations of prohibitions contained in statutes, regulations, contracts or grants that cause us to conclude that the aggregation of the actual or potential misstatements resulting from these failures or violations is material to the general purpose financial statements.

The results of our tests of compliance determined the matter reported in the accompanying schedule of findings regarding general fixed assets and property plant and equipment to be a material instance of noncompliance which is required to be reported herein under Government Auditing Standards and for which the ultimate resolution cannot presently be determined. The matter regarding collection of utility accounts is considered to be an immaterial instance of noncompliance.

We considered these instances of noncompliance in forming our opinion on whether the 1996 general purpose financial statements of the Town of Maringouin, Louisiana are presented fairly in all material respects, in conformity with generally accepted accounting principles, and, except as described in the first paragraph, this report does not affect our report dated February 12, 1997 on those general purpose financial statements.

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

L. R. Champagne, FCB, A.C.P.

February 12, 1997

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

To the Honorable Mayor and
Members of the Board of Aldermen
For the Town of Mariagequin, Louisiana

We have audited the general purpose financial statements of Town of Mariagequin, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated February 13, 1997. In our report, our opinion was qualified because, as described in the accompanying schedule of findings, the Town had not maintained adequate property records for general fixed assets and property, plant and equipment and we were unable to form an opinion regarding the amounts at which such property acquired prior to January 1, 1996, and related accumulated depreciation should be carried in the accompanying balance sheet at September 30, 1996, or the amount of depreciation expense for the year then ended related to those assets.

We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Mariagequin, Louisiana is the responsibility of the management of the Town of Mariagequin, Louisiana. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants as specified in the Legal Compliance Section, Parts III - XI of the "Louisiana Systems survey and compliance questionnaire." The Questionnaire completed by the management of Town of Mariagequin, Louisiana and dated February 13, 1997, was furnished to us in accordance with the instructions of the Legislative Auditor of the State of Louisiana. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

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F. EMPLOYEES' RETIREMENT AND PENSIONS (Continued)

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 statement and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-3260, or by calling (504) 939-7411.

Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Maringouin is required to contribute at an actuarially determined rate. The current rate is 5.0% of annual covered payroll. The contribution requirements of plan members and the Town of Maringouin are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:909, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. None of the Town's police employees qualified for participation in the plan in fiscal 1996; therefore, the Town of Maringouin made no contributions to the System in 1996.

G. LEASES

The Town rents its phone system on a month-to-month basis since the term of the original lease has been completed. Rentals amounted to \$461 in 1996. The Town also rents a copy machine under an annually renewable rental and service agreement that has been classified as an operating lease. Rental and service for the copy machine amounted to \$1,882 in 1996. Future obligations do not extend beyond the Town's next fiscal year.

H. LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Long-term liabilities of the proprietary utility fund are accounted for in that fund.

changes in long-term debt and obligations are scheduled as follows.

future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the Town of Marquette, Louisiana for the year ended September 30, 1994, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

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

Because of a limited number of available personnel in certain administrative areas of the Town's operations, it is not always possible to adequately segregate certain incompatible duties, so that no one employee has access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

With respect to cash receipts, one employee, while substituting for the assistant clerk, receives cash and issues cash receipts, while her normal duties include authorizing credits on utility accounts and reviewing daily deposits. This concentration of duties increases the risk that intentional or unintentional errors could be made and not detected within the scope of normal operations.

Our audit did not reveal any significant errors or irregularities resulting from this lack of segregation of employee duties and responsibilities.

Other reportable conditions are described in the accompanying schedule of findings and recommendations beginning on page 46 of this report.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose financial statements being audited may occur and not

Continued...

TOWN OF MARINGOCTIN, LOUISIANA
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

Year Ended September 30, 2008

	Federal Title Number	Grant Amount	Annual Estimated Loan Amount		Grant Revolving Fund Balance	Federal Loan Balance	Annual Estimated Total Revenue September 30, 2008	
			Source	Level				
Special Assessments through September 30, 2008		\$ 4,524,660	\$	\$	\$	\$ 20,200	\$	\$ 47,000
U. S. Department of Agriculture Special Area Administration Waters and Wetlands Program for Rural Communities	05.114							
U. S. Department of Housing and Urban Development Private Job Corps Center Project in Community Development Center for Developmental Programs	05.102	\$ 4,524,660						
Total Federal Assistance								\$ 47,000

SUPPLEMENTARY INFORMATION

K: INTERGOVERNMENTAL PAYABLE

The Town is indebted to the Iberville Parish Police Jury in the amount of \$9,988 which represents the outstanding balance of a non interest bearing loan made to the Town to finance the extension of the water system to the Shady Grove School. The loan is payable in monthly installments of \$1,000.

L: COMPENSATION - MEMBERS OF THE TOWN GOVERNING BOARD

In accordance with the Town's codified ordinances members of the governing board receive compensation in the amount of \$450 per month. The following, presented in compliance with Louisiana House concurrent resolution No. 54 of 1979, is a schedule of compensation paid board members in fiscal 1986:

Board Member	Compensation
Letha Butler.....	\$ 5,400
Samuel C. Collins.....	5,400
Charles D. Mangin.....	5,400
Marcel J. Smith.....	5,400
Thomas M. Tillman.....	5,400

	\$ 27,000

M: CONTINGENCIES

From time to time the Town is involved in litigation or other legal matters in the ordinary course of business. However, no claims for amounts in excess of insurance coverages are presently pending.

As a result of a prior federal audit conducted by the office of the Inspector General, the Federal Emergency Management Agency has determined that \$60,384 in costs claimed by the Town for disaster clean up were either not allowable or were not supported. This liability has been recorded in the General Long-Term Debt Account Group and is potentially payable from current general government resources.

The Town has received other federal and state grants for specific purposes that are subject to review by the grantor agencies. Reviews of these programs could lead to requests for reimbursement by grantor agencies for costs, if any, that might be disallowed under the terms of the grant. Management believes that the amount of such disallowed costs, if any, would not be material.

N: RESTATMENT

Subsequent to September 30, 1979, reconciliation of public utility fund property records and customer meter deposits indicated that property, plant and equipment and related accumulated depreciation

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONPROFIT FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Maringouin, Louisiana

We have audited the general purpose financial statements of the Town of Maringouin, Louisiana, as of and for the year ended September 30, 1996, and have issued our report thereon dated February 12, 1997. In our report, our opinion was qualified because, as described in the accompanying schedule of findings, the Town had not maintained adequate property records for general fixed assets and property, plant and equipment and we were unable to form an opinion regarding the amounts at which such property acquired prior to January 1, 1995, and related accumulated depreciation should be carried in the accompanying balance sheet at September 30, 1996, or the amount of depreciation expense for the year then ended related to those assets.

In connection with our audit of the general purpose financial statements of the Town of Maringouin, Louisiana, and with our consideration of the Town of Maringouin, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, Audits of State and Local Governments, we selected certain transactions applicable to certain major federal financial assistance programs for the year ended September 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; matching; reporting; and expenditures approval that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Maringouin, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to the items not tested, nothing came to our attention that caused us to believe that the Town of Maringouin, Louisiana, had not complied, in all material respects, with those requirements.

Continued...

W. RESTATEMENT (Continued)

should be increased by \$8,180 and \$5,173, respectively to recognize a vehicle acquired in a prior year. Also, the meter deposit liability was increased \$618, to bring it into agreement with corrected detailed deposit records. These corrections required a corresponding adjustment of \$2,648 in unrestricted retained earnings of the fund as reported in the accompanying statement of revenues, expenses and changes in retained earnings of the proprietary public utility enterprise fund.

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LEGISLATIVE DEPARTMENT

TOWN OF HARRISBURG
HARRISBURG, LOUISIANA
SEPTEMBER 10, 1936

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewed, orally and either 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: MAR 21 1936

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TABLE OF CONTENTS

Independent auditor's report.....	1 - 11
General purpose financial statements	
Combined balance sheet - all fund types and account groups.....	3 - 3
Combined statement of revenues, expenditures, and changes in fund balances - governmental funds.....	3
Combined statement of revenues, expenditures, and changes in fund balances budget (GAAP basis) and actual governmental funds.....	4 - 5
Statement of revenues, expenses, and changes in retained earnings - proprietary public utility enterprise fund.....	6 - 7
Statement of revenues, expenses, and changes in retained earnings - budget (GAAP basis) and actual - proprietary public utility enterprise fund.....	8 - 9
statement of cash flows - proprietary public utility enterprise fund.....	10
Notes to financial statements.....	11 - 28
Supplementary information	
schedule of federal financial assistance.....	30
Reports required by Government Auditing Standards	
Independent auditor's report on internal control structure based on an audit of the general purpose financial statements performed in accordance with Government Auditing Standards.....	32 - 34
Independent auditor's report on compliance based on an audit of the general purpose financial statements performed in accordance with Government Auditing Standards...	35 - 38
Reports required by the Single Audit Act and OMB Circular A-133	
Independent auditor's report on the internal control structure used in administering federal financial assistance programs.....	38 - 40
Independent auditor's report on compliance with the general requirements applicable to federal financial assistance programs.....	41 - 43

L.A. CHAMPAGNE & CO., L.L.P.

CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Metairie, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Metairie, Louisiana, as of and for the year ended September 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Town of Metairie, Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, "Audits of State and Local Governments." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of property records relating to general fixed assets and property plant and equipment of the proprietary fund acquired and held prior to January 1, 1995, we were unable to form an opinion regarding the amounts at which such property, plant and equipment and related accumulated depreciation are recorded in the proprietary fund and the amounts at which property and equipment are recorded in the general fixed asset account group. At September 30, 1996, assets reported in the proprietary fund that were acquired and held prior to January 1, 1995, reflect an aggregate cost of \$3,150,201, accumulated depreciation of 1994,328 and unrecog depreciation expense of \$29,124. Assets reported in the general fixed asset account group that were acquired and held prior to January 1, 1995, reflect an aggregate cost of \$531,850.

Continued. . .

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF MARRINGOIN, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2004

	Assets	Fund Types		Proprietary	Account Groups			TOTALS (Nonmajor only)
		Special Revenue	Capital Projects		General Fund Assets	Special Accounts ASAC	Nonmajor Only	
ASSETS AND OTHER DEBITS								
Cash and cash equivalents.....	\$ 201,474	\$ 201,474	\$ -	\$ 91,493	\$ -	\$ -	\$ -	\$ 211,942
State time deposits.....	-	-	-	26,808	-	-	-	26,808
Accounts receivable - net of allowance for uncollectible accounts.....	87,494	8,308	6,308	84,399	-	-	-	108,203
Inventory, stock and equipment - net of accumulated depreciation and liabilities.....	-	-	-	3,024,208	792,431	-	-	3,798,208
Prepaid expenses.....	-	-	-	-	-	-	48,104	48,104
Other receivables.....	-	-	-	-	-	-	143,848	143,848
Other assets.....	-	-	-	-	-	-	200,000	200,000
General Government Transfers.....	-	-	-	-	-	-	-	-
Retirement of principal - long term obligations.....	\$ 569,148	\$ 38,814	\$ 3,284,208	\$ 949,498	\$ 200,000	\$ -	\$ -	\$ 6,021,668

Continued...

be detected within a timely period by employees in the normal course of performing their assigned functions.

Our 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 in the previous paragraph. However, we believe the reportable condition regarding general fixed assets and property, plant and equipment described in the accompanying schedule of findings to be a material weakness. This condition was considered in determining the nature, timing and extent of the procedures to be performed in our audit of the financial statements of the Town of Maringouin, Louisiana for the year ended September 30, 1996.

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

J. A. Champagne, CPA, C.S.A.

February 12, 1997

B: CASH, CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of cash, cash equivalents and investments at book value as of September 30, 1996:

Cash and cash equivalents:	
Cash on hand.....	\$ 100
Demand deposits.....	103,100
Interest-bearing savings and time deposits.....	224,130

	331,341

Other time deposits	
Certificates of deposits.....	28,500

Total cash, cash equivalents and other time deposits.....	\$ 361,041

Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by and held in the name of the depository bank under safekeeping at a custodial bank.

The Town's deposits (including demand deposit accounts, interest-bearing savings and time deposit accounts and certificates of deposits) at September 30, 1996, are summarized by collateral categories as follows:

	Carrying Amount	Bank Balance
	-----	-----
Category 1.....	\$ 134,802	\$ 144,026
Category 2.....	-	-
Category 3.....	224,130	224,998
	-----	-----
	\$ 360,741	\$ 378,698
	-----	-----

The Town's bank balance of deposits at September 30, 1996, is categorized above in three levels of credit risk. Category 1 includes bank balances insured or collateralized with securities held by the Town or its agent in the Town's name. This category includes deposits secured by federal deposit insurance. Category 2 includes bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. Category 3 includes uncollateralized bank balances and those collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Town's name.

Although deposits secured by pledged securities are considered uncollateralized in Category 3, RSA 39:120 imposes a statutory requirement on the custodial bank to sell the pledged security within ten days of notification that the depository bank has failed to pay deposited funds upon demand.

A1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds, including General and Special Revenue Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues) and other financial sources and decreases (expenditures and other uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements for proprietary fund types present increases (revenues) and decreases (expenses) in net total assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy that falls within the Town's fiscal year. Sales taxes are considered measurable and are recognized in the month received by the Parish Tax Collector. Gross receipts business taxes are recognized when received. State shared revenues such as tobacco, beer and video poker taxes are recorded in the period collected by the state. Licenses, permits, fines, forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash. Charges for services and investment earnings are recorded as earned since they are measurable and available. Revenues from State and Federal grants are recognized when the reimbursable expenditures have been incurred. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

A.1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As required by generally accepted accounting principles, these financial statements present the Town of Marquette and where applicable its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of presentation

The accounts of the Town 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, equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose 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 as follows:

Governmental funds:

Governmental funds of the Town include the following:

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 fund - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town has a special revenue fund for the fire department.

Proprietary funds:

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

Public utility enterprise fund - The enterprise fund accounts for operations in which 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 in which the governing body has decided that the determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

TOWN OF MARINGOUIN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

September 30, 1986

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town of Maringouin, Louisiana, was incorporated in 1867 under the provisions of the "Lawless Act" (R.S. 33:321-422) of the constitution of the State of Louisiana. The Town operates under a Board of Aldermen - Mayor form of government and as permitted under the act provides police protection, fire protection, roads, streets and sidewalks, health and sanitation services, recreation facilities and programs, sponsorship of federal and state supported programs, gas, water and sewer utilities, and, other necessary public services.

Financial reporting entity

As the municipal governing authority, for reporting purposes, the Town of Maringouin is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary municipal government, and where applicable (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the 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 Standard Board (GASB) Statement No. 34 established criteria for determining which component units should be considered part of the Town of Maringouin for the financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB 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 municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

TOWN OF MARINGOUP, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND

Year Ended September 30, 1998

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income.....	\$	88,519
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation.....	83,009	
Increase in accounts receivable.....	(15,878)	
Decrease in accounts payable.....	(3,244)	
Increase in sales taxes payable.....	366	
		39,163
Net cash provided by operating activities..		127,682

**CASH FLOWS FROM NONCAPITAL FINANCING
ACTIVITIES**

Net receipt of customer meter deposits.....	3,728	
Net cash used in noncapital financing activities.....		3,728

**CASH FLOWS FROM CAPITAL AND RELATED
FINANCING ACTIVITIES**

Additions to gas system.....	(11,211)	
Additions to waterworks system.....	(738,882)	
Additions to sewer system.....	(692,813)	
Vehicle acquisition.....	(18,292)	
Payment on intergovernmental loan.....	(12,860)	
Principal paid on revenue bonds.....	(28,812)	
Interest paid on revenue bonds.....	(107,370)	
Contributed capital - grants.....	846,432	
Net cash used in capital and related financing activities.....		(138,948)

CASH FLOWS FROM INVESTING ACTIVITIES

Interest income on time deposits.....	834	
Net cash provided by investing activities..		834

NET INCREASE IN CASH

Cash and cash equivalents - beginning of year.....		126,186
Cash and cash equivalents - end of year....	\$	127,020

See accompanying notes

	Budget	Actual	Variance Favorable Unfavorable
NON OPERATING EXPENSES			
Interest on bond indebtedness.....	\$4,250	\$4,240	\$0
Amortization of deferred debt expense.....	"	394	(394)
	\$4,250	\$4,634	(384)
NET INCOME.....	\$ 141,260	144,887	\$ 36,127
Retained earnings - beginning of year as originally reported.....		185,200	
Prior period adjustment - corrections to the basis of certain assets and liabilities.....		2,800	
Retained earnings - beginning of year as restated.....		188,000	
Reserve under bond indebtedness.....		17,477	
Reserve amounts released or utilized....		12,188	
Amortization of contributed capital.....		53,380	
Retained earnings - end of year.....		\$ 448,527	

See accompanying notes

TOWN OF MARINGOUIN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND
 Year Ended September 30, 1984

	Budget	Actual	Variance Favorable (Unfavorable)
OPERATING REVENUES			
Gas sales.....	\$ 278,000	\$ 277,127	\$ 1,227
Water sales.....	104,000	120,400	22,400
Sewer user fees.....	6,000	9,484	3,484
Utility service connection fees.....	2,200	2,205	1,206
Late payment charges.....	12,000	10,978	(1,476)
Interest income.....	800	819	19
Other operating income.....	100	1,400	1,300
	404,000	443,513	25,713
OPERATING EXPENSES			
Gas purchased.....	138,000	122,507	380
Salaries and fringe benefits.....	138,000	87,108	23,254
Depreciation.....	70,000	83,809	(8,809)
Repairs and maintenance of systems and equipment.....	40,000	64,238	1,782
Bad debts.....	2,000	(271)	1,629
Insurance.....	18,000	17,874	926
Professional services.....	20,000	30,208	(3,268)
Billing supplies and expenses.....	3,000	1,291	1,687
Postage.....	2,250	2,888	(438)
Utilities.....	20,000	20,244	(244)
Telephone.....	600	299	(301)
Vehicle expenses.....	7,000	8,813	1,687
Rentals and leases.....	700	600	250
Uniforms.....	3,000	1,410	(1,590)
Tools and other accessories.....	3,000	209	2,791
Fuel - equipment.....	300	580	(280)
Taxes, licenses and permits.....	3,000	242	(2,758)
Club dues.....	200	487	(287)
Other operating expenses.....	60	254	(194)
	638,850	580,842	42,848
OPERATING INCOME	21,240	64,571	67,311
NON OPERATING REVENUE			
Interest income.....	200	824	160
Other non operating revenues.....	3,000	-	(3,000)
	3,200	824	(2,680)

Chief Clerk.....

NON OPERATING REVENUE

Interest income.....		834

NON OPERATING EXPENSES

Interest on bond indebtedness.....	64,340	
Amortization of deferred debt expense.....	224	
	-----	64,464

NET INCOME		24,887
-------------------------	--	--------

Retained earnings - beginning of year as originally reported.....	335,320	
Prior period adjustment - corrections to the basis of certain assets and liabilities.....	2,880	

Retained earnings - beginning of year as restated.....		338,191
Reserve under bond indenture.....		17,857
Reserve amounts released or utilized.....		72,393
Amortization of contributed capital.....		13,109

Retained earnings - end of year.....	\$	440,932
--------------------------------------	----	---------

See accompanying notes

TOWN OF MARRINGOUE, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND
Year Ended September 30, 1998

OPERATING REVENUES

Gas sales.....	\$	229,427	
Water sales.....		178,490	
Power user fees.....		5,601	
Utility service connection fees.....		2,505	
Late payment charges.....		14,976	
Interest income.....		878	
Other operating revenues.....		1,800	

	\$		481,368

OPERATING EXPENSES

Gas purchased.....		129,887	
Salaries and related taxes and benefits.....		87,366	
Depreciation.....		53,800	
Repairs and maintenance of systems and equipment.....		48,236	
Bad debts (provisional - net).....		157	
Insurance.....		19,878	
Professional services.....		20,200	
Billing supplies and copying.....		1,393	
Postage.....		2,688	
Utilities.....		20,244	
Telephones.....		799	
Vehicle expenses.....		5,913	
Rentals and leases.....		680	
Uniforms.....		1,439	
Fees and other assessments.....		309	
Fuel - equipment.....		488	
Taxes, licenses and permits.....		343	
Cash shortages.....		487	
Other operating expenses.....		734	

			396,841

OPERATING INCOME			86,527

Continued...

	General Fund		Special Revenue Fund	
	Budget	Actual	Budget	Actual
COMMITTEES				
General Assessment	388,128	149,448	-	-
Public Safety - Police	201,000	174,778	-	-
Public Safety - Fire	-	-	26,120	26,260
Public Safety - EMS	216,280	120,648	-	-
Public Safety - Police	341,000	176,325	-	-
Public Safety - Fire	-	-	-	-
Public Safety - EMS	388,408	240,793	78,280	74,220
TOTAL	\$ 68,778	\$ 67,482	\$ 10,270	\$ 10,210
BOARD OF SUPERVISORS OFFICE				
Board of Supervisors - Beginning of year	177,125			87,115
Board of Supervisors - End of year	\$ 251,576		\$ 27,878	

See accompanying notes

TOWN OF MARINGOUM, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUNDS

Year Ended September 30, 2004

	General Fund		Special Revenue Fund	
	Budget	Actual	Budget	Actual
REVENUES				
General:				
property and ad valorem.....	\$ 13,000	\$ 15,883	\$ 181	\$ -
sales and use.....	242,000	254,858	34,000	4,100
licensing.....	38,000	23,180	3,181	-
municipal business activities.....	-	-	-	-
total.....	379,000	425,892	37,082	4,200
License, permit, and franchise fees:	64,000	37,879	36,000	-
Administrative:				
Federal assistance.....	518,000	127,800	121,000	-
State of Louisiana.....	14,000	38,428	30,142	-
Federal, state and other grants.....	-	-	-	-
total.....	532,000	166,228	151,142	64
Utility services agreements (with COGIC 12004).....	3,000	1,200	30	-
Interest income.....	4,000	4,000	-	-
Investment income.....	3,000	3,000	1,000	213
Other revenue.....	3,000	4,308	1,000	100
total.....	879,000	633,204	64,194	4,257

Continued

TOWN OF MARINGOUIN, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

Four Ended September 30, 1988

	Governmental Fund Types		Totals (Consolidation Only)
	General	Special Revenue	
REVENUES			
Taxes:			
Property and ad valorem	\$ 13,853	-	\$ 13,853
Sales and use	294,308	83,348	455,890
Municipal insurance premium	33,180	-	33,180
	441,341	83,348	499,857
Licenses, permits, and franchise fees	59,879	-	59,879
Intergovernmental revenues:			
Federal assistance	127,080	-	127,080
State of Louisiana:			
Tobacco, beer and video poker revenue	13,428	-	13,428
District of Terrebonne - fire protection	-	3,644	3,644
	140,508	3,644	144,152
Utility service agreement fees	1,390	-	1,390
Court fines	8,000	-	8,000
Interest income	2,880	-	2,880
Other revenues	4,388	248	4,636
	423,154	87,350	1,000,313
EXPENDITURES			
Current:			
General government	348,815	-	348,815
Public safety - police protection	305,798	-	305,798
Public safety - fire protection	-	33,158	33,158
Roads and streets	313,044	-	313,044
Capital outlay	359,308	32,888	392,196
Waste service - privileged and interest	-	25,136	25,136
	926,965	74,982	1,001,947
NET CHANGES OVER EXPENDITURES			
Fund balance - beginning of year	156,447	16,319	172,766
Fund balance - end of year	\$ 283,378	\$ 37,878	\$ 321,256

See accompanying notes

	General		Special		Proprietary		Amounts through		TOTAL Management ONLY
	General	Special	Special	General	Proprietary	General	Special		
Accounts payable	9,189	918			11,828				21,933
Prepaid tax and retirement									9,189
Plus stockholdings and accounts					1,117				1,117
deferred taxes payable									1,245
Medical apparatus bonds	1,248				95,890				98,388
Customer notes receivable					9,080				9,080
Cost of stock purchased								89,249	89,249
Other payable								148,843	148,843
Income payable					1,109,489				1,109,489
Income funds payable								302,828	302,828
	18,590	918			1,187,406				1,496,914
Retained earnings									1,245,914
Contributed capital					2,883,321				2,883,321
Transfers to general funds							788,853		788,853
Fixed liabilities	283,878	17,879							301,757
Unexpended									12,881
Retained earnings					465,923				465,923
Transferred									788,853
Unexpended	295,878	17,879			1,098,328				1,412,085
Transferred									3,079,739
	301,548	18,714			1,189,329			959,636	4,509,636

MANAGEMENT, RETIRE AND OTHER CHARGES

MANAGEMENT

Accounts payable	9,189
Prepaid tax and retirement	
Plus stockholdings and accounts	
deferred taxes payable	
Medical apparatus bonds	1,248
Customer notes receivable	
Cost of stock purchased	
Other payable	
Income payable	
Income funds payable	
	18,590

RETIRE AND OTHER CHARGES

Contributed capital	
Transfers to general funds	
Fixed liabilities	283,878
Unexpended	
Retained earnings	
Transferred	
Unexpended	295,878
Transferred	
	301,548

See accompanying notes

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accruals

accruals represent commitments related to unperformed contracts for goods and services. Accruals accounting for which purchase orders, contracts, and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriations is not utilized by the Town. Accruals at year end, even if utilized, would not be considered expenditures in the financial statements presented on the GAAP basis.

Cash and cash equivalents

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as other time deposits.

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

Under state law, the Town may also invest in U. S. Government bonds, notes or certificates. Those with maturities of ninety days or less would be classified as cash equivalents and all others reported as investments.

For the purpose of the statement of Cash Flows for Proprietary Funds, cash and cash equivalents include demand, savings and time deposit account balances and certificates of deposit with maturities of three months or less.

Inventories

The Town does not record any inventories of materials or supplies. These items are recorded as expenditures when purchased, rather than when consumed. Materials and supplies on hand at year end are not considered material and, accordingly, the failure to record such inventories is not considered to be a significant departure from generally accepted accounting principles.

Interfund receivables and 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. Short-term interfund loans are classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units if any, are disclosed separately from interfund balances as due to/from component units.

General Fixed Assets and Property, Plant and Equipment

Criteria - Louisiana Revised Statute (LSA-R.S.) 24:512 requires the Town to maintain records of all fixed assets and movable property to include the date of purchase, initial cost, and disposition of such property, if applicable. Furthermore, good business practices require that a proper fixed asset and movable property accounting system be developed to ensure that all assets are accounted for when received and safeguarded against loss or misuse.

Condition - The Town of Mariogayle has not maintained adequate records of its general fixed assets and movable property. The Town has not adopted written fixed asset and movable property policies and procedures; an inventory of the Town's fixed assets and movable property has not been performed, and the assets are not tagged.

Effect - Failure to maintain an adequate inventory system subjects the Town to noncompliance with local government laws and regulations and increases the risks that assets could be lost, destroyed, or misplaced and the Town would have no record or description of the asset; assets could be subjected to loss or damage arising from unauthorized use; and assets may not be adequately insured. In addition, financial reporting in accordance with generally accepted accounting principles is not possible without fixed asset records.

Cause - Prior administrations were unaware of the laws requiring fixed asset records to be maintained. The current administration has begun efforts to comply with these laws.

Recommendation - A complete inventory and tagging of all Town property and equipment should be undertaken and the asset inventory management system and general ledger balances should be updated and adjusted to reflect all inventoried items.

Management response - The Town has begun updating its fixed asset records and can document all additions and deletions since January 1, 1998.

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

L. A. Schwegel, Jr., C.P.A.

February 12, 1997

B: CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note C. Following is a schedule of restricted cash and investment balances at September 30, 1996:

Proprietary Fund	Amount
-----	-----
Cash and cash equivalents.....	\$ 13,001

C: PROPERTY TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value, other property and electric cooperative properties, excluding land, are to be assessed at 10%, and public service properties, excluding land, are to be assessed at 20% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:186(1)). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds, and as explained in Note A above, revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenues. Property taxes are considered available because they are substantially collected by the tax collector within 60 days subsequent to the calendar year-end and are therefore available to liquidate liabilities of the current period.

For the fiscal year ended September 30, 1996, taxes of 5.66 mills were levied on property with assessed valuations totaling \$9,369,420, and were dedicated for general municipal purposes.

Total taxes of \$11,653 were levied on November 1, 1995, and were due and payable prior to December 31, 1995. Uncollected amounts at September 30, 1996 are not considered material.

D. RECEIVABLES

Receivables as of September 30, 1996 are scheduled as follows:

	General Fund	Special Revenue Funds	Proprietary Fund
Taxes, licenses and fees			
Sales and use tax.....	\$ 28,882	\$ 6,300	\$ -
Utility franchise fees.....	14,102	-	-
	42,984	6,300	-
Intergovernmental			
U. S. Government			
Farmers Home Administ- ration - grant.....	42,000	-	-
State of Louisiana:			
Tobacco tax.....	1,494	-	-
Beer tax.....	656	-	-
Video poker.....	385	-	-
	2,535	-	-
	44,535	-	-
Utility billings	-	-	83,213
Less allowance for uncollectible accounts.....	-	-	(18,814)
	-	-	64,399
Other	355	-	-
	\$ 87,884	\$ 6,300	\$ 64,399

E. FIXED ASSETS

Changes in general fixed assets for 1996 are as follows:

	Budget 89-20-83	Administration	DeCadeaux	Budget 08-10-83
General Fixed Assets				
Land.....	\$ 58,415	\$ -	\$ -	\$ 58,415
Buildings and improvements.....	298,299	184,833	-	483,132
Equipment.....	88,833	27,383	-	116,216
Vehicles.....	47,885	-	89,492	137,377
Furniture and fixtures.....	20,890	890	-	21,780
	\$ 814,322	\$ 185,904	\$ 89,492	\$ 1,090,018

F1 EMPLOYERS' RETIREMENT AND PENSIONS (Continued)

the system. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, or at or after age 55 with at least 15 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 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 above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7007 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 525-4810.

Under Plan A, members are required by state statute to contribute 5.25 percent of their annual covered salary and the Town of Maringouin is required to contribute at an actuarially determined rate. The rate is 5.54 of annual covered payroll through June 30, 1995 and 4.754 thereafter. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Maringouin are established and may not be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. Town of Maringouin contribution to the System under Plan A was \$15,827 for fiscal 1994, which was equal to the required contribution for the year.

**Municipal Police Employees Retirement System of Louisiana
(System)**

All full-time police department employees under the age of 50 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 15 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire

SCHEDULE OF FINDINGS

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS AND RECOMMENDATIONS -
PRIOR YEAR

Year Ended September 30, 1996

INTERNAL CONTROL STRUCTURE AND COMPLIANCE MATTERS REPORTABLE UNDER
GOVERNMENT AUDITING STANDARDS

Delinquent Utility Accounts

Criteria - Louisiana Attorney General Opinion 75-1660 provides that delinquent accounts receivable may not be forgiven and that all steps must be taken to collect the delinquent accounts, including the reduction of said accounts to judgment. Chapter 3, Article 8, Section 1.18 and Article 13, Section 1.30 of the Town of Maringouin's Code of Ordinances provide that water and gas may be shut off from any premises for which the bill remains unpaid for a period of ten days after the bill is rendered and mailed. These articles also state that water and gas charges shall be a lien upon the premises and property shall be sold for nonpayment.

Condition - The Town of Maringouin continues to have problems collecting delinquent water and gas accounts. At September 30, 1996, of the \$80,313 gross accounts receivable due from utility customers, \$51,000 had been in delinquent status for 30 days or more.

Effect - By not collecting utility service fees on a timely basis, the Town is losing revenues. This results in inequities in customer billings and service.

Cause - No delinquent accounts have been referred to the Town Court and, prior to this year there was no collection agency.

Recommendation - The Town should implement and monitor those procedures regarding delinquent accounts that were adopted in April 1996. Delinquent accounts should be submitted to the Town Court and the collection agency. These accounts should also be monitored by the Town so as not to restore or transfer services to those customers until the accounts are brought current.

Management response - Mayor Carriere stated that the Town of Maringouin contracted with a collection agency on April 24, 1996, to collect delinquent utility accounts. Very few of the delinquent accounts submitted to the collection agency have been collected, and the majority of them are still outstanding. According to the Mayor, this process is not working effectively.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed capital is recorded in the proprietary fund to account for contributions of capital assets from other governments, private developers, and others and to recognize grants and other contributed funds dedicated and restricted to the acquisition or construction of capital assets. The contributed capital is amortized based upon the depreciation recognized on the fixed assets contributed or those acquired or constructed from contributed resources. This depreciation is closed to the contributed capital account, and recorded as a retirement of contributed capital and an adjustment to net income.

Compensated absences

GASB Statement No. 16 provides that vacation leave should be accrued as a liability as the benefits are earned if the rights to receive the compensation are attributable to services already rendered and it is probable that the employee will be compensated through paid time off or cash payment upon termination or retirement. Permanent, full-time employees earn annual leave on the anniversary date of their employment based upon years of service. Such leave may not carry over or accumulate from one anniversary date to another. Therefore, only the current-year unused leave from the employees' most recent anniversary date to the current fiscal year-end is subject to accrual. This amount is not considered material and no liability is recorded in the accompanying statements.

GASB Statement No. 16 requires the accrual for sick leave to the extent it is probable that benefits will be paid in cash upon termination or retirement rather than payments for absences due to illness or other contingency. Sick leave is earned at the rate of one day per month to a maximum of ten days per year, and no more than thirty days may be accumulated at any time. Policy provides that sick leave is paid only for designated absences and that no payment for accrued sick leave is made upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

Long-term obligations

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

Total columns on combined statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to consolidation. Interfund items are not eliminated from the total column.

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF CORRECTIVE ACTION TAKEN
ON PRIOR YEAR FINDING

Year Ended September 30, 2006

Finding: Meter Deposit Account not Reconciled
The meter deposit account had not been reconciled with the subsidiary record of customers' meter deposits.

Corrective

Action: The subsidiary records of customers' meter deposits have been updated and reconciled with the meter deposit control account on a routine basis.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Advances to other funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Other interfund transactions

Transactions that constitute reimbursement 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 are reported as operating transfers in/out. Transfers between the primary government and discretely presented component units are reported separately from interfund transfers as transfers to/from component units.

Property, Plant and Equipment and depreciation

Fixed assets of the Town are maintained on the basis of original cost, except those arising from gifts or donations which are recorded at their fair market value at the time of receipt.

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized and reported in the general fixed assets account group. Interest costs incurred during construction of general fixed assets are not capitalized. No depreciation has been provided on the general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Public domain or infrastructure assets including roads, bridges, curbs, gutters, streets, sidewalks, drainage and lighting systems constructed or acquired prior to January 1, 1995 are not capitalized.

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

Buildings and structures	10 - 25 years
Utility systems	10 - 40 years
Equipment	5 - 10 years
Furniture and fixtures	10 years
Vehicles	5 years

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues Susceptible to Accrual

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues created or susceptible to accrual are sales taxes, property taxes, gross receipts based business taxes, and certain state shared revenues such as tobacco, beer and video poker taxes.

Budget Policies and Budgetary Accounting

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

1. The Town Clerk and Mayor prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection, and that a public hearing concerning the budget is to be held.
3. A public hearing is held on the proposed budget at least ten days following 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 a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated, require approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented 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 appropriation.