

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1998**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**Definition of Cash and Cash Equivalents used in the Statement of Cash Flows.**

For the purposes of the Statement of Cash Flows presented in the proprietary type funds, cash and cash equivalents are defined as follows:

Cash and highly liquid investments that are both:

- a. Readily convertible to known amounts of cash,
- b. So near maturity that they present insignificant risk of changes in interest rates.

**Fund Equity Reservations and Designations**

**Proprietary Funds:**

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

Reservations of retained earnings of enterprise funds are created by increases in assets restricted for a certain use. These increases result from earnings on restricted assets and other interfund transfers to restricted accounts. Earnings on restricted assets are included in net income of the Enterprise Funds. When reserved retained earnings are increased there is an equal reduction to the portion of retained earnings that is unreserved. Reservations are established to indicate tentative plans for financial resource utilization in a future period. Specific reservations and designations of retained earnings are described below:

**Reserve for Possible Refunds** - The City received in prior years substantial refunds/credits from a major gas supplier. Legal counsel has stated that it is possible that these monies would have to be returned at a future date. In prior years, most of these monies have been refunded. The City maintains the balance of the refunds in reserved status.

**Reserve for Bond Indentures** - This represents the amounts required to be held in the sinking reserve, and capital addition funds in accordance with the bond agreements for the \$3,440,040 revenue bonds issued in 1992 and the \$3,120,000 revenue bonds issued in 1993.

**Designated for Capital Additions** - This designation was made to indicate monies in the Electric Utility System, the Natural Gas Fund, and the Water and Sewer Utility System Fund which are to be used for capital additions in future years.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1994**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**Fund Equity Reservations and Designations (continued)**

**Governmental Funds:**

The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be unexpended or (2) identify the portion of the fund balance that is not appropriate for future expenditures. Reservations are established to indicate intent to plan for financial resource utilization in a future period. Specific reservations and designations of the fund balance accounts are summarized below.

**Reserve for Unreported Liability Claims** - This reserve was created by the council to segregate a portion of the fund balance account to cover any costs that might be incurred due to changes in the coverage should any claims not be reported when incurred, which has the effect of reducing liability insurance premiums.

**Reserve for Unemployment Compensation Claims** - This reserve was created by the council to segregate a portion of the fund balance account to cover unemployment compensation claims as more fully explained in Note 14.

**Reserve for Health Claims** - The City entered into a self-insured hospitalization plan during 1993. This represents the amount reserved for future claims. (See Note 14 for more information on the self insured plan.)

**Designated for Debt Service** - This designation was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The designation was established to satisfy legal restrictions imposed by various bond agreements.

**Designated for Grant** - Funds designated by grants for future program costs. This designation occurs in both the Section 8 Fund and the LCRFB Fund.

**Designated for Capital Projects** - This designation was created by the council to segregate funds for specific Council approved capital outlay projects.

**Total Columns on Combined Statements - Overview**

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions, 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 used in the aggregation of this data.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements (Continued)**  
**December 31, 1998**

**NOTE 3 - CASH DEPOSITED WITH FINANCIAL INSTITUTIONS**

Under state law, the City may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. State statutes require that these deposits be insured by Federal depository insurance and collateralized by securities held in the name of the City or its component by the trust department of a bank that does not hold the collateralized deposits.

Effective January 1, 1998, the City entered into a fiscal agency contract with Fidelity Bank for the period January 1, 1998 through December 31, 1998.

The following is a summary of cash and cash equivalents (book balance) at December 31, 1998:

	<u>Primary</u>	<u>Component</u>
	<u>GOVERNMENT</u>	<u>UNIT</u>
Cash on hand	\$ 395	\$ 0
Demand Deposits	0	0
Interest-bearing demand deposits	7,423,397	88,980
Money market accounts	0	0
Time deposits	0	0
<b>Total</b>	<b><u>7,423,792</u></b>	<b><u>88,980</u></b>

These deposits are stated at cost, which approximates market. Under state law, these deposits for the remaining 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.

As December 31, 1998, the primary government and the blended component unit have \$7,257,397 in deposits (collateralized bank balances). These deposits are insured from risk by \$488,088 of Federal deposit insurance and \$4,519,293 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remaining balance of \$2,250,016 is not secured by pledge of securities and is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 18:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 15 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - INVESTMENTS**

The City is allowed to invest in (1) United States bonds, treasury notes, certificates or other obligations of the United States of America, (2) time certificates of state banks organized under the laws of Louisiana and national banks having their principal office in Louisiana, (3) Federally insured investments, or (4) mutual or trust funds registered with the Securities Exchange System that have underlying investments consisting solely of and limited to the United States government or its agencies.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1999**

**NOTE 3 - INVESTMENTS. (Continued)**

The City held the following investments as December 31, 1999:

	<u>Carrying Amount</u>	<u>Market Value</u>
1) Kemper Money Market Fund Government Securities Portfolio which invests in obligations issued or guaranteed by the United States government or its agencies	\$ 22,226	\$ 22,226
2) United State Treasury Bills	.012,288	.012,288
	<u>\$22,238</u>	<u>\$22,238</u>

The Treasury Bills mature on January 22, 2000 with a par value of \$600,000.

**NOTE 4 - AS VALUATION TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1976, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to assessed at 10% of "use" value, and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the City. By agreement, the Sheriff relinquishes his commission of approximately 10.25% if the City supplements the policeman's salaries by this amount.

The millage rates are adopted in late October. The taxes are levied and returns are mailed out in mid-November of the year. All taxes are due by December 15 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1999 taxes are not paid by the State due to December 31, 1999, the taxes bear interest at one and one fourth percent (1.25%) per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Commission of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November 1999 to April 2000. Any amounts not collected at December 31 are shown as accounts receivable.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements (Continued)**  
**December 31, 1994**

**NOTE 4 - AD VALOREM TAXES (Continued)**

Ad Valorem taxes attach as an enforceable lien on property as of January 1, of each year. Taxes are levied by the City in July or August and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1, of the following year. The Pointe Coupee Parish Sheriff's Office has Collection bills and collects the City's property taxes using the assessed values determined by the tax assessor of Pointe Coupee Parish. Revenues from ad valorem taxes are budgeted in the year billed.

Ad valorem taxes as presented in these financial statements are as follows:

<u>Fund</u>	<u>Bills</u>	<u>Tax Year</u>	<u>Property Assessed Valuations</u>	<u>General Purpose Tax</u>
General Highway - General Fund	6.45	1994	\$21,280,404	\$141,323

**NOTE 5 - DUE FROM AND TO OTHER FUNDS**

The following is a summary of interfund receivable and payable balances at December 31, 1994:

	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
<b>Governmental Funds -</b>		
<b>General Fund:</b>		
Electric Utility System	0	4,580
Water & Sewer Utility System	0	1,388
Natural Gas System	0	504
<b>Enterprise Funds -</b>		
<b>Electric Utility System:</b>		
NATURAL GAS SYSTEM	0	120,414
General Fund	4,580	0
WATER & SEWER SYSTEM	12,420	0
<b>Water &amp; Sewer Utility System:</b>		
Electric Utility System	0	22,474
Natural Gas System	0	6,812
General Fund	1,380	0
<b>Natural Gas System:</b>		
WATER & SEWER UTILITY SYSTEM	8,820	0
ELECTRIC UTILITY SYSTEM	120,414	0
General Fund	326	0
<b>Total</b>	<b>\$256,168</b>	<b>\$ 308,128</b>

City of New Roads, Louisiana  
Notes to the Financial Statements. (Continued)  
December 31, 1990

**NOTE 6 - DUE FROM AND DUE TO OTHER GOVERNMENTAL ENTITIES**

The balances due from and due to other governments is as follows:

	<u>Due From</u>	<u>Due To</u>
<b>General Funds:</b>		
Louisiana - Dept. of Envir Quality	\$ 18,783	\$ 0
Louisiana - Beer Tax	3,477	0
Louisiana - Tobacco Tax	13,488	0
Louisiana - ORIE		184
Points Coupee Tax Collector - All Various Taxes	183,833	0
<b>Special Revenue Funds:</b>		
<b>Sales Tax Fund:</b>		
Louisiana Department of Public Safety	6,143	0
Section 8 Program: U. S. Department of H&H	0	10,418
<b>Capital Project Funds:</b>		
1978 ACORN SLIGHT IMPROVEMENTS: Div of Admin. (ACORN Grant)	6,748	0
<b>Enterprise Funds:</b>		
<b>Electric Utility System:</b>		
Louisiana - 14 MoGas Tax	0	18,083
Points Coupee Publics Jury - Garbage Fees	0	21,478
Points Coupee Sewer District #1	<u>0</u>	<u>3,382</u>
	<u>\$ 202,853</u>	<u>\$ 22,863</u>

**NOTE 7 - RESTRICTED ASSETS**

Restricted assets were comprised of the following as of December 31, 1990:

	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Unreported Liability Claims Reserve	\$ 82,559	\$ 0
Employment Compensation Reserve	88,896	0
Employee Benefits Claims Reserve	192,345	0
Commuter Motor Deposits Accounts	0	188,727
Future Gas Refunds	0	31,588
Capital Additions and Improvement	0	1,827,188
Electric Revenue Bond Reserve Funds	0	285,885
Electric Revenue Bond Sinking Fund	0	88,827
Water/Sewer Revenue Bond Reserve Funds	0	127,788
Water/Sewer Revenue Bond Sinking Fund	0	55,482
Capital Improvement Funds Sinking Fund	<u>108,732</u>	<u>0</u>
	<u>\$ 380,332</u>	<u>\$ 2,486,618</u>

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1996**

**NOTE 8 - CHANGES IN FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1996
Land	\$ 125,527	\$ 0	\$ 0	\$ 125,527
Land improvements	125,198	0	0	125,198
Construction in progress	19,421	20,027	19,421	20,027
Buildings	726,441	20,143	0	746,584
Equipment	1,252,428	31,251	0	1,283,679
<b>Totals</b>	<b>\$2,289,115</b>	<b>\$ 51,421</b>	<b>\$ 19,421</b>	<b>\$2,321,115</b>

The City has elected not to capitalize infrastructure capital outlays, for which expenditures in 1996 totaled \$841,123.

A summary of changes in enterprise fund fixed assets follows:

	Balance January 1, 1996	Additions	Deletions	Balance December 31, 1996
Land	\$ 23,895	\$ 0	\$ 0	\$ 23,895
Construction in Progress	0	22,842	0	22,842
Buildings	42,800	0	0	42,800
Improvement other than Building	16,483,400	18,486	0	16,483,886
Equipment	582,009	875	0	582,884
<b>Totals</b>	<b>\$17,152,099</b>	<b>\$ 24,203</b>	<b>\$ 0</b>	<b>\$17,176,302</b>
Less accumulated depreciation	<u>\$2,875,270</u>	<u>\$222,000</u>	<u>\$ 0</u>	<u>\$3,097,270</u>
<b>Net Fixed Assets</b>	<b>\$14,276,829</b>	<b>\$ 19,999</b>	<b>\$ 0</b>	<b>\$14,296,821</b>

**NOTE 9 - DEBT REPAYMENTS**

On May 22, 1996, the City of New Roads issued \$1,338,000 in General Obligation bonds with an average interest rate of 8.228 percent to advance refund \$884,000 of outstanding 1994 Series General Obligation bonds with an average interest rate of 7.50 percent. The net proceeds of \$454,000 (after payment of \$89,419 in underwriting fees and other issuance costs) plus an additional \$289,486 of 1996 Series sinking fund monies were used to purchase U.S. Government securities. These securities were deposited in escrow and on July 1, 1996 the funds were used to redeem the 1994 Series bonds. As a result, the 1994 Series bonds are considered defeased and those bonds have been removed from the general long-term debt account group.

The City advance refunded the 1994 Series bonds for the purpose of restructuring and extending the City's outstanding debt, to provide additional funds for making capital improvements and to pay the costs of issuance. As a result of the refunding transaction the City benefited from an economic gain (the difference between the present value of the 1994 Series payments on the old and new debt) of \$21,514.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1998**

**NOTE 18 - CHANGES IN LONG-TERM DEBT**

The following is a summary of long-term debt transactions of the City for the year ended December 31, 1998:

**General Long-Term Debt:**

	Balance January 1, 1998	Additions	Retirements	Balance December 31, 1998
<b>General Obligation Bonds:</b>				
\$1,100,000 1990 Gen. Obl. Bonds	\$ 895,000	\$ 0	\$895,000	\$ 0
\$1,100,000 1998 Gen. Bonds	_____	1,500,000	_____	1,500,000
Total General Obligation Bonds	_____	1,500,000	895,000	1,500,000
Total General Long-Term Debt	\$ 895,000	\$1,500,000	\$895,000	\$1,500,000
<b>Proprietary Fund Debt:</b>				
<b>Revenue Bonds:</b>				
\$2,000,000 Electric Sys. Appropriation Bonds	\$2,000,000	\$ 0	\$ 49,000	\$2,741,000
\$2,000,000 Sewer/Water System Appropriation Bonds	1,100,000	_____	70,000	1,830,000
Total Revenue Bonds	\$3,100,000	\$ _____	\$119,000	\$3,821,000



**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1998**

**NOTE 10 - CHANGES IN LONG-TERM DEBT. (Continued)**

Bonds, certificates of obligation, and installment notes payable, at December 31, 1998, are comprised of the following:

**General Obligation Bonds:**

\$1,528,000 1990 Certificates of Indebtedness due in semi-annual interest installments and annual principal installments of amounts from \$128,000 to \$590,000 with an interest rate of 8.25%, due through May 1, 2004. \$1,528,000

**Revenue Bonds:**

**Electric System Revenue:**

\$5,335,000 1992 Certificates of Indebtedness due in semi-annual interest and annual principal installments of amounts from \$28,000 to \$228,000 with interest rates from 8.88% to 7.00% due through July 1, 2007. \$5,335,000

**Water/Waste System Revenue:**

\$1,328,000 1995 Certificates of Indebtedness in semi-annual interest and annual principal installments of amounts from \$48,000 to \$248,000, with interest rates from 8.88% to 8.75% due through July 1, 2017. \$1,328,000

The annual requirements to amortize all bonds outstanding as of December 31, 1998, including interest payments of \$8,441,000 are as follows:

**ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT**

Year Ending	General Obligation Bonds		
	Principal	Interest	Total
1999	128,000	78,288	206,288
2000	128,000	78,487	206,487
2001	128,000	78,686	206,686
2002	128,000	78,885	206,885
2003	128,000	79,084	207,084
2004 - 2004	560,000	43,362	603,362
	<u>\$1,528,000</u>	<u>\$413,802</u>	<u>\$1,941,802</u>
		<b>Revenue Bonds</b>	
		Electric System Revenue	
		Principal	Interest
1999	70,000	104,119	174,119
2000	70,000	104,364	174,364
2001	70,000	104,609	174,609
2002	80,000	105,040	185,040
2003	80,000	104,581	184,581
2004	80,000	104,124	184,124
2005	80,000	103,667	183,667
2006 - 2017	2,180,000	1,382,487	3,562,487
	<u>\$2,380,000</u>	<u>\$2,470,248</u>	<u>\$4,850,248</u>

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1994**

**NOTE 10 - OUTSTANDING BOND INTEREST. (Continued)**

Year Ending	<u>Majority Public Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
1997	20,000	200,437	220,437
1998	20,000	187,758	207,758
1999	20,000	174,878	194,878
2000	20,000	174,518	194,518
2001	20,000	169,778	189,778
2002	20,000	164,558	184,558
2003	100,000	158,383	258,383
2004 - 2017	<u>1,018,000</u>	<u>1,325,000</u>	<u>2,343,000</u>
	<u>\$1,018,000</u>	<u>\$2,325,036</u>	<u>\$3,343,036</u>

The January 1, 1997 installments of interest due were paid in December 1996.

**General Obligation Bonds**

On May 20, 1990, the City issued \$1,450,000 of General Obligation Bonds, the proceeds of which were used to refund the remaining balance of the 1986 Series \$1,500,000 General Obligation Bonds and to provide funds for making capital improvements for the City of New Roads.

The bond was issued in the form of one certificate in the amount of \$1,450,000. It bears interest payable on May 1 and November 1 of each year at the rate of 5.00% and mature on May 1 of each year beginning May 1, 1997, with the final installment due May 1, 2004. These bonds are secured by and payable in principal and interest solely from a pledge and dedication of the excess of annual revenues of the City of New Roads for the years ending December 31, 1994 to December 31, 2004.

The bond resolution required the establishment of the following accounts with the city's designated fiscal agent:

**Sinking Fund** - The City is required to make weekly deposits equal to 1/12 of the first year's payment of interest and principal on the bonds. This fund is to be depleted each sinking fund year (ending May 1) except for a reasonable carryover as defined in the bond resolution.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements (Continued)**  
**December 31, 1998**

**NOTE 12 - OUTSTANDING BOND ISSUES (Continued)**

**Revenue Bonds**

**Electric System Revenue Bonds:**

On July 1, 1988, the City issued \$9,889,880 of electric system revenue bonds, the proceeds of which were used to acquire and construct extensions and improvements to the electric distribution system.

These bonds were issued in denominations of \$5,000. They bear interest payable on January 1, of each year at rates of 7.80% to 7.88 and mature on July 1 of each year beginning July 1, 1993, with the final installment due on July 1, 2017. These bonds are secured by and payable in principal and interest solely from the income and revenues earned from the electric system.

The bond resolution requires that the City will establish and maintain electric rates and fees so that the system will provide sufficient revenues to pay the normal operating expenses of the system, the annual debt payment, and the reserves and/or sinking funds required by the bond agreement.

The bond resolution required the establishment of the following accounts:

**Electric System Revenue Fund -**

The City is required to deposit daily into this fund the income and revenues earned from the operation of the electric system. This account is used to pay for the reasonable and necessary expenses of the system and fund the reserves required by the bond agreement.

**Electric System Revenue Bond Sinking Fund -**

This fund is to used to pay the next required installment of interest and principal. The City is required to make monthly deposits by the 15th of each month, beginning July 28, 1993, equal to 1/6th of the next interest installment and 2/12th of the next principal installment.

**Electric System Revenue Bond Debt Service Fund -**

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund, if they should otherwise go into default. It is required to be funded in an amount equal to the highest combined principal and interest requirement for any succeeding sinking fund year. The Reserve Fund was initially funded with \$251,888 from the bond issuance proceeds. Monies in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

**Electric System Capital Additions and Contingencies Fund -**

The City is to deposit into this account by the 15th of each month, 5% of the gross revenues of the system for the preceding month. The funding must continue until \$200,000 has been accumulated in the account. These monies may be used to cover for extensions, additions, improvements, repairs, and replacements necessary to properly operate the system. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds; however, the fund may not be depleted for the above uses to less than \$5,000. If the balance is reduced below \$200,000, funding shall be resumed until the monies are again accumulated.

**CITY OF NEW HOADS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL AND SPECIAL REVENUE FUND TYPES**  
**Year Ended December 31, 1988**

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 902,000	\$ 860,000	\$ (42,000)
Licenses & permits	100,000	140,000	40,000
Intergovernmental revenue	334,847	250,000	(84,847)
Charges for services	4,500	5,800	1,300
Fees and forfeitures	20,500	22,448	1,948
Miscellaneous	428,100	449,238	21,138
<b>TOTAL REVENUES</b>	<u>1,834,947</u>	<u>1,768,486</u>	<u>(66,461)</u>
<b>EXPENDITURES</b>			
General government	808,071	794,320	13,751
Public safety	842,702	820,138	22,564
Streets and sanitation	271,080	349,707	(78,627)
Transportation	38,000	27,111	10,889
Culture and recreation	67,740	87,812	(20,072)
Capital outlay	177,340	90,277	87,063
Reserve	0	0	0
Public works	140,200	137,314	2,886
<b>TOTAL EXPENDITURES</b>	<u>2,436,333</u>	<u>2,221,609</u>	<u>214,724</u>
Excess (deficiency) of revenues over expenditures	<u>(1,431,281)</u>	<u>(1,275,877)</u>	<u>155,404</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,680,000	1,680,000	0
Transfers out	(200,000)	(180,000)	(20,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,479,999</u>	<u>1,500,000</u>	<u>(20,001)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 48,718</u>	<u>\$ 124,123</u>	<u>\$ 75,405</u>
Fund Balances at beginning of year		<u>1,480,100</u>	
Fund Balances at end of year		<u>\$ 1,604,223</u>	

The accompanying notes are an integral part of this financial statement.

**CITY OF NEW ROSS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
 (continued)  
 Year Ended December 31, 1990

	Monocurrent Only Current Year	Noncurrent Only Prior Year
<b>REVENUES</b>		
Taxes	\$570,407	\$798,583
License and permits	146,248	157,895
Intergovernmental revenue	803,893	803,894
Charges for services	5,893	4,890
Fines and forfeitures	21,418	38,597
Miscellaneous	488,858	593,548
<b>TOTAL REVENUES</b>	<u>2,204,895</u>	<u>1,937,507</u>
<b>EXPENDITURES</b>		
General government	764,821	712,633
Public safety	832,130	868,084
Streets and sanitation	345,737	355,070
Transportation	37,111	33,178
Culture and recreation	67,912	169,480
Capital outlay	1,168,425	340,180
Debt service	38,972	217,587
Welfare	80,833	82,148
Public works	137,974	184,582
<b>TOTAL EXPENDITURES</b>	<u>3,581,681</u>	<u>2,893,841</u>
Excess (deficiency) of revenues over expenditures	(1,376,786)	837,136
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	2,780,004	1,654,848
Proceeds of refunding bonds	1,000,000	0
Transfers out	(1,180,004)	(714,848)
Funds in refunded bond escrow agent	593,458	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>2,293,458</u>	<u>1,150,000</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	1,093,808	322,834
<b>Fund Balances at beginning of year</b>	<u>2,252,704</u>	<u>1,768,085</u>
Residual equity transfer in	0	54,521
<b>Fund Balances at end of year</b>	<u>\$3,346,512</u>	<u>\$2,952,640</u>

This accompanying schedule is an integral part of this financial statement.

**CITY OF NEW ROADS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**Year Ended December 31, 1998**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
<b>REVENUES</b>				
Taxes	\$460,087	\$780,470	\$0	\$0
Licenses and permits	148,545	0	0	0
Intergovernmental revenue	252,230	86,487	0	318,701
Charges for services	5,683	0	0	0
Fees and forfeitures	22,449	0	0	0
Miscellaneous	448,290	23,288	4,200	8,571
<b>TOTAL REVENUES</b>	<u>1,336,284</u>	<u>893,233</u>	<u>4,200</u>	<u>327,272</u>
<b>EXPENDITURES</b>				
General government	744,300	381	0	0
Public safety	802,190	0	0	0
Streets and sanitation	345,121	0	0	0
Transportation	37,111	0	0	0
Culture and recreation	67,012	0	0	0
Capital outlay	96,277	0	0	1,010,148
Debt service	0	0	35,872	0
Welfare	0	83,833	0	0
Public works	102,014	0	0	0
<b>TOTAL EXPENDITURES</b>	<u>2,295,487</u>	<u>86,124</u>	<u>35,872</u>	<u>1,010,148</u>
Excess (deficiency) of revenues over expenditures	<u>(1,218,003)</u>	<u>745,082</u>	<u>(31,672)</u>	<u>(682,876)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,868,080	0	232,500	887,478
Proceeds of refunding bonds	0	0	0	1,530,808
Transfers out	(262,530)	(300,080)	(288,488)	0
Payments to refunded bond escrow agent	0	0	0	(501,448)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,277,080</u>	<u>(300,080)</u>	<u>(52,988)</u>	<u>1,486,047</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>61,087</u>	<u>445,002</u>	<u>(84,260)</u>	<u>803,171</u>
Fund Balances at beginning of year	1,478,100	623,948	200,990	0
Residual equity transfers in	0	0	0	0
<b>Fund Balances at end of year</b>	<u>\$1,539,187</u>	<u>1,068,950</u>	<u>116,730</u>	<u>\$803,171</u>

The accompanying notes are an integral part of this financial statement.

Enterprise Fund	General Fixed Asset Group	General Long-term Debt Group	Memorandum Only Current Year	Memorandum Only Prior Year
\$261,188	\$0	\$0	\$243,888	\$262,187
0	0	0	85,511	0
5,788	0	0	28,682	55,324
251,089	0	0	255,189	317,511
38,029	0	0	81,641	45,043
0	0	0	25,189	33,624
145,089	0	0	145,089	135,089
183,585	0	0	183,585	174,022
<u>8,842,082</u>	<u>0</u>	<u>1,520,000</u>	<u>7,070,000</u>	<u>8,882,082</u>
<u>8,522,082</u>	<u>0</u>	<u>1,520,000</u>	<u>8,321,082</u>	<u>7,824,040</u>
2,321,620	0	0	2,321,620	2,321,620
258,582	0	0	280,582	258,582
1,100,245	0	0	1,100,245	1,100,245
0	2,988,825	0	2,988,825	2,823,124
0	0	0	0	293,582
11,588	0	0	11,588	11,511
1,088,221	0	0	1,088,221	920,580
2,087,055	0	0	2,087,055	2,164,281
814,582	0	0	814,582	1,211,528
0	0	0	42,558	42,084
0	0	0	88,882	81,848
0	0	0	180,282	85,514
0	0	0	189,733	200,880
0	0	0	28,518	28,918
0	0	0	781,821	0
0	0	0	2,189,818	1,728,238
<u>7,825,525</u>	<u>2,988,825</u>	<u>0</u>	<u>13,284,048</u>	<u>13,184,522</u>
<u>814,148,268</u>	<u>\$2,988,825</u>	<u>\$1,520,000</u>	<u>\$22,228,141</u>	<u>\$21,028,482</u>

**CITY OF NEW ROADS  
COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
(Continued)  
December 31, 1988**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$94,083	\$0	\$0	\$0
Contracts payable	0	0	0	88,811
Accrued liabilities	20,280	0	0	0
Due to other funds	7,090	0	0	0
Due to other governmental units	184	25,218	0	0
<b>Current Liabilities (from Restricted Assets)</b>				
Gifts liabilities	25,180	0	0	0
Bonds payable	0	0	0	0
Deposits	0	0	0	0
<b>Long-Term Liabilities</b>				
Bonds payable	0	0	0	0
<b>TOTAL LIABILITIES</b>	<b>137,387</b>	<b>25,218</b>	<b>0</b>	<b>88,811</b>
<b>FUND EQUITY</b>				
<b>Contributed Capital:</b>				
Municipalities	0	0	0	0
Customers	0	0	0	0
Grants	0	0	0	0
Investment in general fund assets	0	0	0	0
<b>Retained Earnings:</b>				
<b>Reserved:</b>				
Reserved for system upgrades	0	0	0	0
Reserved for possible refunds	0	0	0	0
Reserved for bond interest	0	0	0	0
<b>Unreserved:</b>				
Designated for capital additions	0	0	0	0
Undesignated	0	0	0	0
<b>Fund Reserves:</b>				
<b>Reserved:</b>				
Reserved for liability claims	42,590	0	0	0
Reserved for unemployment claims	88,987	0	0	0
Reserved for health claims pay	100,282	0	0	0
<b>Unreserved:</b>				
Designated for debt service	0	0	108,733	0
Designated for grant	0	25,218	0	0
Designated for capital projects	0	0	0	781,021
Undesignated	7,287,681	808,838	0	0
<b>TOTAL FUND EQUITY</b>	<b>7,287,681</b>	<b>834,056</b>	<b>108,733</b>	<b>781,021</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$1,125,878</b>	<b>\$874,180</b>	<b>\$108,733</b>	<b>\$867,232</b>

The accompanying notes are an integral part of this financial statement.



Enterprise Fund	General Fixed Asset Group	General Long-term Debt Group	Memorandum Only Current Year	Memorandum Only Prior Year
\$580,381	\$0	\$0	\$3,828,288	\$2,458,307
11,118	0	0	11,118	18,568
687,500	0	0	592,707	220,248
385,185	0	0	388,768	534,513
0	0	0	202,842	223,808
28,384	0	0	28,304	22,773
2,652,582	0	0	5,283,538	3,489,847
611,028	0	0	611,508	585,894
8,865,040	2,658,808	0	11,624,451	12,698,402
0	0	198,733	198,733	588,858
0	0	1,423,267	1,423,267	884,814
<u>\$14,148,288</u>	<u>\$2,658,808</u>	<u>\$1,622,000</u>	<u>\$22,242,814</u>	<u>\$21,698,462</u>

**Major & Ducote**  
**Certified Public Accountants**

YVES F. MAJOR, CPA, PC  
GREGORY C. DUCOTE, CPA, PC  
FRANK DUCOTE, CPA, PC  
KIMMEL MORGENTHAU, III, CPA, PC

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditors' Report**

The Honorable Sylvester Muckelroy  
and Member of the City Council  
City of New Roads, Louisiana

We have audited the accompanying general purpose financial statements of City of New Roads, Louisiana, as of December 31, 1998, and for the year then ended. These general purpose financial statements are the responsibility of City of New Roads, Louisiana, management. Our responsibility is to express our opinion on these general purpose financial statements based on our audit.

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 the 208 Circular A-128, "Audits of State and Local Governments." These standards and the provisions of 208 Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test 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 statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of City of New Roads, Louisiana, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary type funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report date June 11, 1997 on our consideration of the City of New Roads, Louisiana's internal control structure and a report dated June 13, 1997 on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying financial information listed as "Supplemental Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of New Roads, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

*Major & Ducote*

Major and Ducote  
New Roads, Louisiana  
June 11, 1997

**CITY OF NEW ORLEANS, LOUISIANA**  
December 31, 1994

**TABLE OF CONTENTS (Continued)**

	Page No.
<b>Enterprise Funds:</b>	
Combining Balance Sheet	42-43
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	54-55
Combining Statement of Cash Flows	56-57
<b>Other Reports Required by Governmental Auditing Standards</b>	
Independent Auditors' Report on Internal Control Structures Based on Audit of General Purpose Financial Statements Performed in Accordance With Governmental Auditing Standards	59-60
Independent Auditors' Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance With Governmental Auditing Standards	61-62
<b>Other Reports Required by OMB Circular A-133</b>	
Independent Auditors' Report on Schedule of Federal Financial Assistance	63
Schedule of Federal Financial Assistance	68
Independent Auditors' Report on the Internal Control Functions Used in Administering Federal Financial Assistance Programs	67-69
Independent Auditors' Report on Compliance With the General Requirements Applicable to Federal Financial Assistance Programs	70
Independent Auditors' Report on Compliance With Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions	71
Schedule of Insurers	72
Schedule of Electrical Customers	73

**CITY OF NEW ORLEANS, LOUISIANA**  
December 31, 2018

**TABLE OF CONTENTS**

	<u>PAGE NO.</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	3
<b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
(Combined Statement - Overview)	
Combined Balance Sheet - All Fund Types and Account Groups	2-6
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Governmental Fund Types	7-8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual (GRAP Basis) - General and Special Revenue Fund Types	9-10
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - ESI Proprietary Fund Types	11
Combined Statement of Cash Flows	12
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	13-39
<b>SUPPLEMENTAL INFORMATION</b>	
<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS</b>	
<b>Special Revenue Funds:</b>	
Combining Balance Sheet	43
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance--Budget, GRAP Basis and Actual	44-45
<b>Debt Service Funds:</b>	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	47
<b>Capital Project Funds:</b>	
Combining Balance Sheet	48
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	50

Memorandum Re: Comments to Improve  
the City's Operations

In connection with the examination, we offer the following comments to improve the City's operations.

1. Outstanding of fixed asset records

The City's perpetual inventory of fixed assets is not completely updated and kept to the tagging system, primarily for those assets not acquired through the proprietary type funds.

The City does not have a detailed listing of its fixed assets, which leads them vulnerable to theft or casualty loss. It is important to have up to date records for insurance and tracking purposes.

A monthly updating should be done to record all new acquisitions and dispositions (either by sale or junking). Additions and deletions per the perpetual records should be tied into those recorded in the general ledger. All fixed assets should be tagged and numbered and entered into a computerized fixed asset accounting system.

Management has begun the process of inventorying all general fixed assets and tagging them. There is a master listing of all tags which is keyed to the individual assets. However, the program is not maintained on a regular basis. Management has implemented a fixed asset accounting system and has setup all proprietary fund type assets. Management plans to complete the conversion of all fixed assets in 1997 and begin updating the perpetual records on a contemporaneous basis.

2. Timely filing of annual audit reports

The annual audited financial statements are required to be submitted to the Legislative Auditor within six months of the agency's year end, which would be by June 30, 1997.

The audited financial statements are being submitted after this date (actual submission date: July 18, 1997). Field work was completed prior to June 30, 1997, however, the city is involved in several lawsuits, some of which could have had an effect on the financial statements, and the auditor and the management had difficulty in obtaining timely responses from the numerous attorneys representing the City on the various matters. Responses to all requests were finally received on July 8, 1997.

3. Accounting for Pre Numbered Checks and Voided Checks

During the course of the audit, it was noted that a sequence of checks had been voided; however a listing was not maintained of voided checks and the actual voided checks could not be located.

To verify voided items, management normally keeps the original voided documents in a file. City personnel should continue to do this and also keep a numerical listing of prenumbered items and the use or disposition of the actual documents.

**Majors & Duroche**  
Certified Public Accountants

YVES P. MAJORS, CPA, PC  
WILLIAM C. DUROCHE, CPA, PC  
KAREN BUCKOTE, CPA, PC  
KATHI MORRISON, JR., CPA, PC

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF CHICAGO  
THE TEXAS PUBLIC ACCOUNTANTS

June 11, 1987

To Mayor Duchalroy and  
the City Council  
City of New Roads  
New Roads, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of New Roads, Louisiana for the year ended December 31, 1986, we considered the City's internal control structure to determine our auditing procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control structure.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report June 11, 1987, contains our report on reportable conditions in the City's internal control structure. This letter does not affect our report dated June 11, 1987, on the financial statements of the City of New Roads, Louisiana.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various City personnel, and we will be pleased to discuss them in further detail at your convenience and to assist you in implementing these recommendations.

Thank you for your courtesies and cooperation extended to us during the annual examination.



WILLIAM C. DUROCHE  
New Roads, Louisiana

2278

**Original  
File Copy**  
**DO NOT SIGN OFF**

Place message  
Mark from this  
copy and PLACE  
BACK IN FILE

**CITY OF NEW ROADS  
NEW ROADS, LOUISIANA**

**FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 1996**

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

JUL 30 1997

Release Date: \_\_\_\_\_

00  
01  
02  
03  
04  
05  
06  
07  
08  
09  
10

**MAJOR & DUCOTE**  
Certified Public Accountants  
P. O. Box 190  
111 West Main St.  
New Roads, LA 70760

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**November 30, 1994**

**NOTE 12 - OUTSTANDING BOND DEBT. (Continued)**

**Water/Sewer System Revenue Bonds:**

On March 1, 1983, the City issued \$3,115,000 of Water and Sewer System Revenue Bonds, the proceeds of which were used to acquire and construct extensions and improvements to the water treatment and distribution systems and the sewer collection, treatment, and disposal system.

The bond resolution requires that the City will establish an maintain adequate rates and fees so that the system will provide sufficient revenues to pay the normal operating expenses of the system, the annual debt payments, and fund the reserves and/or sinking funds required by the bond agreement.

The bond resolution required the establishment of the following accounts:

**Water and Sewer System Revenue Fund -**

The City is required to deposit daily into this fund the income and revenues accrued from the operations of the water and sewer system. This account is used to pay for the replacement and necessary expenses of the system and fund the reserves required by the bond agreement.

**Water and Sewer System Revenue Bonds Sinking Fund -**

This fund is to be used to pay the cash required installment of interest and principal. The City is required to make monthly deposits by the 15th of each month, beginning in April 1983, equal to 1/48th of the next interest installment and 1/12th of the next principal installment.

**Water and Sewer Revenue Bond Debt Service Fund -**

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable for the sinking fund. If they should otherwise go into default, it is required to be funded in an amount equal to the highest combined principal and interest requirements for any succeeding sinking fund year. The Reserve Fund was initially funded with \$175,482 from the bond issuance proceeds. Monies in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

**Water and Sewer System Capital Additions and Contingencies Fund -**

The City is to deposit into this account by the 15th of each month, 5% of the gross revenues of the system for the preceding month. The funding must continue until \$250,000 has been accumulated in the account. These monies may be used to allow for extensions, additions, improvements, repairs, renewals, and replacements necessary to properly operate the systems. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds, however, the fund may not be depleted for the above uses to less than \$5,000. If the balance is reduced below \$250,000, funding shall be resumed until the account is again accumulated.

**NOTE 13 - REPRESENTATION OF RETAINED EARNINGS NATIONAL GAS FUND**

The City received refunds during 1990 and 1991 from National based on previous gas purchases, however, legal counsel advised the City that it is possible these refunds would have to be returned to the Company, therefore, the City placed these amounts directly into a reserve account and made a corresponding reservation of retained earnings. The majority of the monies have been refunded and the remainder of the monies are still held in reserve.



**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1998**

**NOTE 13 - PRIOR YEAR DEFERRANCE OF BONDS**

**Extraordinary**

On December 15, 1998, the City of New Roads deferred in substance its \$100,000 Public Utility Revenue Bond issue. The balance of these bonds outstanding at December 31, 1998, is \$100,000. The City has deposited in an irrevocable trust account with an escrow agent. This trust account is used solely for the payment of interest and principal on these bonds as they become due.

**NOTE 14 - RISK MANAGEMENT**

The City is exposed to various risks of loss related to costs, theft of, damage to, and destruction of assets; injuries to employees; and health benefits. The City regularly reports all of its risk management activities in its General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

In a previous year, the City elected the "reimbursement method" for unemployment compensation benefits whereby each quarter the City contributes 54 of quarterly wages to the unemployment cash account in lieu of paying contributions to the State. If any claims are paid by the State, the City reimburses the State from this account. The City has not funded this account, except for interest earnings, since April 1991 as the administration feels it is adequately funded based on past history and a relatively low payout. At year end, this amount has \$48,698 available to pay future claims.

In a previous year, the City decided to retain some of the risk with respect to at-fault damages to City owned vehicles. The City carries a fleet insurance policy on all City owned vehicles, but is self-insured for at-fault damage to City owned vehicles. The account is funded each year by the amount of insurance premiums saved when this account was established, plus annual interest earnings. At year-end, this amount had \$10,500 available to pay future claims.

On December 1, 1998, the City began a self-insurance medical plan by establishing the City of New Roads Employee Benefit Plan. This plan provides employee health benefits up to a \$1,500,000 lifetime maximum benefit (with lower limits for mental and cardiovascular and alcohol services). The City purchases a commercial stop loss policy with a \$10,000 annual deductible for claims in excess of coverage provided by the Fund. The policy also provides for a remedialive aggregate monthly payment the City has to pay for claims.

All funds of the City participate in the plan and make payments to the City of New Roads Employee Benefit Plan based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for catastrophic losses. The reserve was \$182,282 at December 31, 1998, and is shown as a reservation of fund balance. The stop loss liability of \$25,180 reported in the General Fund at December 31, 1998, is based on the requirements of Governmental Accounting Standards Board Statement Number 16, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City currently does not discount its claims liabilities.

**City of New Roads, Louisiana**  
**Spine to the Financial Statements, (Continued)**  
**December 31, 1994**

**NOTE 14 - RISK MANAGEMENT, (continued)**

The City has adopted the provisions of GRSR Statement Number 10 "Accounting and Financial Reporting for Risk Financing and Related Insurance Items". This self-insured fund is accounted for in the General Fund. As required by this Statement, a Reconciliation of Claims Liabilities and Reservations is shown below.

	Unemployment Compensation	Vehicle Liability	Health Benefits	Totals
Beginning of Fiscal Year Liability	\$ 0	\$ 0	\$ 22,824	\$ 22,824
Current Year Claims and Changes in Estimates	300	3,873	179,645	183,818
Claim Payments	<u>(102)</u>	<u>(12,023)</u>	<u>(129,280)</u>	<u>(141,305)</u>
End of Fiscal Year Liability	<u>\$ 298</u>	<u>\$ (1,150)</u>	<u>\$ 72,189</u>	<u>\$ 71,037</u>

	Unemployment Compensation	Vehicle Liability	Health Benefits	Totals
Beginning of Fiscal Year Reserves	\$ 81,848	\$ 42,884	\$ 45,534	\$ 170,266
Current Year Contributions	7,348	1,836	255,415	264,499
Claim Payments and Plan Expenses	<u>(1200)</u>	<u>(31,873)</u>	<u>(182,847)</u>	<u>(195,920)</u>
End of Fiscal Year Reserves	<u>\$ 87,996</u>	<u>\$ 12,847</u>	<u>\$ 118,102</u>	<u>\$ 218,945</u>

**NOTE 15 - GRANTS FROM OTHER GOVERNMENTAL ENTITIES**

Federal grant programs represent an important source of funding which is beneficial to the City. The City received four federal grants in 1994:

- 1.) Section 6 Funding which is recorded in a special revenue fund.
- 2.) Louisiana Community Development Block Grant funds granted in 1995 to make repairs to the City's streets.
- 3.) Department of Agriculture Grants to provide funds for the planting of trees. The funds are accounted for in the general fund.
- 4.) Louisiana Department of Culture, Recreation and Tourism grant to provide funds to add equipment, shelter, and landscaping to the Lake Charles Community Park. The funds are accounted for in the general fund.
- 5.) Federal Emergency Management Agency grant to provide reimbursement funds to the City for cleanup costs incurred in 1992 for damages caused by Hurricane Andrew.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1984**

**NOTE 15 - GRANTS FROM STATE GOVERNMENTAL UNITS, (Continued)**

The grants normally specify the purposes for which funds may be used and are audited annually in accordance with Office of Management and Budget Circular A-133 under the Single Audit Act.

The following federal grant revenues are recorded in accompanying financial statements.

<b>General Funds</b>	
Trade Grant	\$ 4,870
184th Street Community Park Grant	7,678
SEMA	37,243
<b>Special Revenue Funds :</b>	
SUD Section 8	95,457
<b>Capital Fund Project:</b>	
1984 LORND Street Repairs	254,152
	<b>\$400,000</b>

**NOTE 16 - LOUISIANA ENERGY AND POWER AUTHORITY CONTRACT**

The Louisiana Energy and Power Authority (LEPA), a political subdivision of the State of Louisiana, has joined nineteen Louisiana municipalities together in order to provide the members facilities for the generation and transmission of electric power. LEPA has obtained a 20% undivided ownership interest in a coal-fired steam electric generating unit under a Joint Ownership Agreement. The other two members of the agreement, Central Louisiana Electric Company, Inc. ownership interest of 34% and 34%, respectively. An Owner Committee consisting of LEPA, CLCO, and LPEA was formed to make recommendations to CLCO, the plant operator, and to decide on various issues including construction and operating budgets.

On October 1, 1980, the City of New Roads together with four other cities entered into Power Sales Contracts with LEPA. Each city is required to purchase its respective entitlement share of generated electricity. The aggregate entitlement shares of all the cities equal 100%, of which the City's share is 2.5%. Each city is required to pay monthly for its entitlement share of power capability and energy on a take-or-pay basis, whether or not the unit is operating. The Power Sales Contracts will continue in effect until all bonds issued by LEPA have been provided for or the date the Contracts are terminated and settlement complete; however, in no event will the Contracts continue beyond July 1, 1985.

On June 26, 1984 the City entered into a capacity purchase and operating agreement with LEPA, effective January 1, 1986. LEPA assumed full responsibility for the operation, maintenance, and control of the City's generating facilities. LEPA also provides labor, materials, insurance, supplies and maintenance costs. In turn, the City pays LEPA for the purchased capacity on a monthly basis as specified in the agreement.

**NOTE 17 - LEASE COMMITMENTS**

**Generation Leases.**

In March 1983, the City entered into a 99-year lease agreement with St. Mary's Roman Catholic Church of Palms Pines to supply its utilities in exchange for the use of land on which part of the City Hall now stands. In August, 1983, a decree was passed which limited the amount of utilities the church could obtain for the use of the land.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1988**

**NOTE 17 - LEASE COMMITMENTS. (Continued)**

On March 23, 1988, the City entered into a lease agreement with the New Roads Liquefied Gas for surface rental of lot 10 on Oak Street near the Power Plant for storage purposes. The lease is for a one year period with an option to renew at \$50 per month.

The value of the lease payments remaining on all leases is as follows:

Year Ending	St. Mary's	Liquefied Gas	Total
1989	\$0.000	\$50	\$0.050
1990	\$0.000	0	\$0.000
1991	\$0.000	0	\$0.000
1992-1993	<u>1,546.833</u>	<u>0</u>	<u>1,546.833</u>
	<u>\$1,546.833</u>	<u>\$50</u>	<u>\$1,596.833</u>

**NOTE 18 - UTILITY SERVICE AGREEMENTS**

**Pointe Coupee Parish Sewerage District No. 1**

An agreement between the Sewerage District No. 1 of Pointe Coupee Parish and the City of New Roads provides for the billing of Customers on the sewerage system who are also customers on the City's utility system. This billing agreement went into effect for the month of November 1980. Under the terms of the agreement, the City retains \$1.00 per customer as a billing fee. The amount owed to the Sewerage District is reflected in Note 9.

**Solid Waste Disposal**

An Agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the City of New Roads provides for the billing of customers on the City's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the City retains \$1.00 per customer as a billing fee. The amount owed to the Solid Waste Disposal System is reflected in Note 9.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1998**

**NOTE 19 - INTERFUND TRANSFERS**

Transfers between funds for 1998 year ended December 31, 1998 were:

	Transfers To	Transfers Out
<b>General Fund:</b>		
Sales Tax Fund	\$ 138,000	\$ 0
Electric Utility System	500,000	0
Natural Gas System	100,000	0
Water & Sewer System	48,000	0
\$1,500,000 1990 Debt Service Fund	0	30,000
\$1,500,000 1996 Debt Service Fund	0	140,000
1998 Capital Improvement Project	0	50,000
<b>Special Revenue Funds:</b>		
Sales Tax Fund: General Fund	0	100,000
<b>Debt Service Funds:</b>		
\$1,500,000 1990 Debt Service Fund: General Fund	30,000	0
1998 Capital Imp Project	0	190,000
\$1,500,000 1996 Debt Service Fund: General Fund	140,000	0
<b>Capital Outlay Funds:</b>		
1998 Capital Improvement Project: General Fund	50,000	0
\$3,000,000 1990 Debt: Service Fund	200,000	0
Electric Utility System	200,000	0
Natural Gas System	200,000	0
Water and Sewer System	100,000	0
<b>Enterprise Funds:</b>		
Electric Utility System: General Fund	0	800,000
Water & Sewer System	0	0
1998 Capital Imp Project	0	100,000
Natural Gas System: General Fund	0	100,000
1998 Capital Imp Project	0	100,000
Water & Sewer System: General Fund	0	48,000
Electric Utility System	0	100,000
	<u>\$2,700,000</u>	<u>\$2,700,000</u>

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1994**

**NOTE 10 - REVENUE INFORMATION**

Some services provided by the City are financed by user charges - electric, water, sewer, and natural gas. The significant financial data for these enterprises are as follows:

	<u>Electric</u>	<u>Water</u>	<u>Water</u>	<u>Total</u>
	<u>-\$00-</u>	<u>-\$00-</u>	<u>-\$00-</u>	
Operating revenues	\$5,425,610	\$ 236,500	\$ 127,200	\$ 4,789,310
Depreciation	270,418	17,878	208,203	496,500
Operating income	507,542	72,907	209,042	1,009,491
Net Income (Loss)	( 247,208)	1,208,427	( 22,798)	( 549,431)
Property, Plant, and Equipment Additions	0	0	42,044	42,044
Total Assets	8,478,352	999,251	4,078,488	14,148,290
Total Equity	3,059,976	958,138	3,758,208	7,826,322
Net Working Capital	3,512,894	744,212	3,882,872	4,309,978

**NOTE 11 - JOINT VENTURES**

Condensed as summarized below is the latest available financial information on each of the City's joint ventures with the Parish:

	<u>Palms River</u>	<u>Palms River Park &amp;</u>	
	<u>Air Park</u>	<u>South Davis</u>	<u>South Davis</u>
	<u>Commission</u>	<u>Center</u>	<u>Center</u>
	<u>Unaudited</u>	<u>Unaudited</u>	<u>Unaudited</u>
Balance Sheet Date	12/31/94	12/31/94	12/31/94
Total Assets	\$1,389,223	\$2,892,081	0
Total General Fixed Assets	1,378,888	3,873,182	0
Total Liabilities	25,725	4,528	0
Total Equity	(28,381)	3,078,375	10,825
Total Revenues	84,856	58,351	0,000
Total Expenditures	89,241	75,888	10,900
Total Other Financing			
(Guarantee Issues)	0	28,680	0
Net Increase (Decrease) in Fund Balance	(4,385)	12,910	(10,825)

Palms River Air Park Commission -

The Palms River Air Park Commission is 50% owned by the City. For the year covered by the financial statements above, the City contributed \$9,626 as an operating grant to cover expenses of the facility. The Palms River Air Park Commission is a component, 50% of the Pointe Coupe Parish Police Jury since the Pointe Coupe Parish Police Jury is the governing authority for Pointe Coupe Parish.

Palms River Park & Recreation Commission

The Palms River Park & Recreation Park Commission is 50% owned by the City. For the year covered by the financial statements above, the City contributed \$28,887 as an operating grant to cover expenses of the park facility parcel which use facility. The Palms River Park & Recreation Commission is a component, 50% of the Pointe Coupe Parish Police Jury since the Pointe Coupe Parish Police Jury is the governing authority for Pointe Coupe Parish.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1994**

**NOTE 22 - VACATION AND SICK LEAVE**

Employees earn vacation in varying amounts according to years of service and vacation days are non-cumulative and unused days are paid at the employee's current rate of pay.

after 1 year of service	1 week
after 2 years of service	2 weeks
after 15 years of service	3 weeks
after 20 years of service	4 weeks

Employees earn 15 days of sick leave each year beginning with the first day of employment. Sick leave can accumulate up to 48 days and may be accumulated up to 90 days with Council approval. Employees are not compensated for accrued sick leave upon termination of employment.

As of December 31, 1994, the amount of unused vacation pay was considered immaterial.

**NOTE 23 - PENSION PLAN AND RETIREMENT COMMITMENTS**

Substantially all employees of the City of New Roads are members of either the Municipal Police Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate Boards of Trustees. Material information relative to each plan follows:

**A. Municipal Employee Retirement System of Louisiana**

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

All permanent employees working at least 30 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 55 with at least 10 years of creditable service, or 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 30 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated 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, 1839 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 835-4811.

City of New Roads, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1994

**NOTE 13 - PENSION PLAN AND RETIREMENT COMMITMENTS, (Continued)**

**Funding Policy.** Under Plan A, members are required by state statute to contribute 8.25 percent of their annual covered salary and the City of New Roads as required as contributions at an actuarially determined rate. 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 City of New Roads are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:189, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of New Roads contributions to the System under Plan A for the years ending December 31, 1992, 1993, and 1994, were \$43,854, \$43,533, and \$36,836, respectively, equal to the required contributions for each year.

**B. Municipal Police Employees Retirement System of Louisiana**

**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 15 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 1 1/2 percent of their final average salary for each year of creditable service. Final average salary is the employee's average salary over the 18 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 age 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. The report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8400 United Plaza Boulevard, Baton Rouge, Louisiana 70809-3385, or by calling (504) 629-7411.

**Funding Policy.** Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of New Roads is required to contribute at an actuarially determined rate. The current rate is 8.8 percent of annual covered payroll. The contribution requirements of plan members and the City of New Roads are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:189, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation of the prior fiscal year. The City of New Roads contributions to the System for the years ending December 31, 1992, 1993, and 1994, were \$54,324, \$55,424, and \$24, 846, respectively, equal to the required contributions for each year.



**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
 December 31, 1996

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

The City is defendant in several pending lawsuits. It is in the City attorney's opinion that in each case the City is fully insured against the risk involved in the respective actions and that they are being actively defended by counsel of the City's insurers.

**NOTE 15 - CONSTRUCTION COMMITMENTS**

In October 1994, the City of New Roads entered into a construction contract with S&B Construction Co, Inc., in the amount of \$173,800 for the Highway 8131 Hospital Road Project. This contract is to be funded with the water and sewer fund capital addition monies designated by the City Council and a commitment of \$75,000 from State District 25 of Pointe Coupee Parish. As of December 31, 1996, none of the contract had been billed.

In December 1996, the City of New Roads entered into a construction contract with J&J Simpson, Inc., in the amount of \$68,000 for electrical improvements in major subdivisions. This contract is to be funded with the capital utility monies designated for various projects by the City Council. As of December 31, 1996, none of the contract had been billed.

**NOTE 16 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Mayor - Sylvester Mackelroy	\$31,600
Council	
Charles Benoitte	1,000
Raymond Garrett	1,000
Patrick Wiley	800
Scott Williams	1,000
Martha Landolt	1,000
Malcom Mann, Jr.	<u>6,000</u>
Total compensation	<u>\$43,200</u>

**NOTE 17 - RECONCILIATION OF FUND BALANCE**

General Fund:	
Fund Balance, December 31, 1995	\$2,142,836
Claims paid on auto liability	(6,011)
Claims paid for unemployment	1,000
Claims paid for health benefits	(149,240)
Additional funding of self-insurance program	<u>125,620</u>
Fund Balance, December 31, 1996	
Prior to Net Income	<u>\$1,428,225</u>

**NOTE 17 - SUBSEQUENT EVENTS**

In March 1997, the City was awarded a Rural Development Grant for \$24,000 for repairs and expansion to Mainline Parkway. The grant requires a City match of \$50,000.

In March 1997, the City of New Roads purchased the Pointe Coupee Water Corporation for \$21,880. The City provide the same water services to those customers as it does to its previous customers.

**SUPPLEMENTARY INFORMATION**

Special Revenue Funds

<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$234,500	\$219,030	\$15,470
0	0	0
148,321	66,407	(81,914)
0	0	0
0	0	0
76,000	50,356	25,644
<u>808,821</u>	<u>878,233</u>	<u>39,412</u>
500	501	100
0	0	0
0	0	0
0	0	0
0	0	0
0	0	0
148,321	66,853	(81,468)
0	0	0
<u>148,321</u>	<u>66,853</u>	<u>81,468</u>
<u>858,808</u>	<u>748,089</u>	<u>110,719</u>
0	0	0
<u>(338,808)</u>	<u>(338,000)</u>	<u>808</u>
<u>(338,808)</u>	<u>(338,000)</u>	<u>808</u>
<u>\$120,800</u>	<u>218,089</u>	<u>97,289</u>
	<u>873,848</u>	
	<u>888,747</u>	

**CITY OF NEW ROADS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES**  
**Year Ended December 31, 1998**

	Enterprise Funds	Memorandum Only Current Year	Memorandum Only Prior Year
<b>OPERATING REVENUES</b>			
Charges for Services	\$4,871,274	\$4,871,274	\$4,870,288
Miscellaneous	93,247	93,247	85,595
<b>Total operating revenues</b>	<u>4,764,521</u>	<u>4,764,521</u>	<u>4,955,883</u>
<b>OPERATING EXPENSES</b>			
Personnel services	595,431	595,431	550,352
Contracted services	7,875	7,875	44,354
Operating costs	2,581,868	2,581,868	2,392,198
Maintenance and supplies	180,441	180,441	188,807
Insurance	81,184	81,184	108,894
Utilities	79,505	79,505	87,852
Depreciation	432,738	432,738	438,873
<b>Total operating expenses</b>	<u>3,725,236</u>	<u>3,725,236</u>	<u>3,483,841</u>
<b>Operating income</b>	<u>1,039,285</u>	<u>1,039,285</u>	<u>1,218,792</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>			
Miscellaneous	355,168	355,168	397,817
Intergovernmental revenue	75,800	75,800	0
Bad debts recovered	8,383	8,383	2,779
Interest and fiscal charges	(271,748)	(271,748)	(278,846)
Loss on sale of fixed assets	0	0	(3,917)
Loss on sale of investments	0	0	(8,837)
Bad debts written off	(28,545)	(28,545)	(21,717)
<b>Total nonoperating revenues (expenses)</b>	<u>-44,277</u>	<u>-44,277</u>	<u>(7,021)</u>
<b>Income before operating transfers</b>	<u>1,003,008</u>	<u>1,003,008</u>	<u>1,203,741</u>
<b>OPERATING TRANSFERS</b>			
Transfers in	0	0	329,264
Transfers out	(1,892,080)	(1,892,080)	(1,473,264)
<b>Total operating transfers</b>	<u>(1,892,080)</u>	<u>(1,892,080)</u>	<u>(1,143,999)</u>
<b>Net Income</b>	<u>(889,072)</u>	<u>(889,072)</u>	<u>59,741</u>
<b>Retained Earnings at beginning of year</b>	<u>4,502,181</u>	<u>4,502,181</u>	<u>4,448,380</u>
<b>Retained Earnings at end of year</b>	<u>\$3,613,109</u>	<u>\$3,613,109</u>	<u>\$4,508,121</u>

The accompanying notes are an integral part of this financial statement.

CITY OF NEW ROADS T  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY TYPE FUNDS**  
 Year Ended December 31, 1998

	Enterprise Funds	Mono-Only Current Year	Mono-Only Prior Year
<b>Cash flows from operating activities:</b>			
Operating income (loss)	\$1,083,578	\$1,083,578	\$1,303,741
Adjustments to reconcile operating income to net operating cash provided by operating activities:			
Depreciation	433,738	433,738	439,023
Loss on sale of fixed asset	0	0	3,037
Loss on sale of investment	0	0	5,037
Changes in assets and liabilities:			
(Increase) Decrease in assets rec	148,323	148,323	(130,483)
(Increase) Decrease in other net	134,898	134,898	(135,127)
(Increase) Decrease in prepaid exp	(3,537)	(3,537)	4,541
Increase (Decrease) in assets pay	58,885	58,885	(27,187)
Increase (Decrease) in other pay	(178,387)	(178,387)	173,378
Increase (Decrease) in accord exp	(3,542)	(3,542)	848
Increase (Decrease) in other deposits	8,882	8,882	2,478
<b>Net cash provided (used) by operating activities</b>	<u>1,879,021</u>	<u>1,879,021</u>	<u>1,528,218</u>
<b>Cash flows from noncapital financing activities:</b>			
Operating transfers in	0	0	328,204
Operating transfers out	(1,882,080)	(1,882,080)	(1,478,254)
<b>Net cash provided from (used) for noncapital financing activities</b>	<u>(1,882,080)</u>	<u>(1,882,080)</u>	<u>(1,150,050)</u>
<b>Cash flows from capital and related financing activities:</b>			
Acquisition and cost of capital assets	(43,043)	(43,043)	(348,084)
Contributor of asset acquired through grant	0	0	494,080
Principal payments	(135,080)	(135,080)	(138,080)
<b>Net cash provided from (used) from capital and related financing activities</b>	<u>(178,103)</u>	<u>(178,103)</u>	<u>(192,084)</u>
<b>Cash flows from investing activities:</b>			
Purchases of investments	(28,354)	(28,354)	(27,642)
Proceeds from sale of investments	0	0	189,834
Proceeds from sale of fixed assets	0	0	70,400
<b>Net cash provided (used) from investing activities</b>	<u>(28,354)</u>	<u>(28,354)</u>	<u>172,592</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(181,212)</u>	<u>(181,212)</u>	<u>367,694</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>3,802,845</u>	<u>3,802,845</u>	<u>3,435,151</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$3,621,633</u>	<u>\$3,621,633</u>	<u>\$3,802,845</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

**City of New Roads, Louisiana**  
**Notes to the Financial Statements**  
**December 31, 1994**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The City of New Roads, Louisiana (City) was incorporated by a special act of the Louisiana Legislature in 1878 (Act No. 54). The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety facilities, highways and streets, sanitation and drainage, recreation, public improvements, planning and zoning, and general administrative services. The City also provides electrical, gas, water, and sewer utility services to its residents and to portions of areas outside the City limits.

The accounting and reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 28:157 and to the guides set forth in the Louisiana Municipal Audit Guide and the Industry Audit Guide, audit of state and local government units, published by the American Institute of Certified Public Accountants.

**The Reporting Entity**

Governmental Accounting Standards Board Statement 14 established criteria for determining which component units should be considered part of the City of New Roads, Louisiana for 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 City to impose its will on that organization and/or
  - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

The following component unit has been presented as a blended component unit because the component unit's governing body is essentially the same as the governing body of the City and the component unit provides services almost entirely to the primary government.

**HUD SECTION 8:**

This program is designed to aid low-income families to obtain decent, safe, and sanitary housing through a system of rental subsidies. The City Council exercises oversight by contracting with grant specialists to administer the Program and selecting the landlords for the rental audit. The fiscal year for Section 8 is December 31.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 2004**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)**

The following organizations are related organizations which have not been included in the reporting entity:

1. Joint contracts between the Parish of Pointe Coupee, Louisiana and the City of New Roads, Louisiana in which the financial statements are presented in the general purpose financial statements of the Parish -

Palme River Air Park Commission  
Palme River Park & Recreation Commission

2. Sewerage District No. 28 of the Parish of Pointe Coupee, Louisiana.

**Basis of Presentation - Fund Accounting**

The accounts of the City 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 the assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriated. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending authorization are controlled. The various funds are grouped, in the financial statements in this report, into five general fund types and two broad fund categories as follows:

**GOVERNMENTAL FUNDS**

**GENERAL FUND** - This fund is established to account for resources devoted to financing the general services that the City performs for its citizens. General tax revenues and other sources of revenue used to finance the fundamental operations of the City are included in this fund. This fund is charged with all cost of operating the government for which a separate fund has not been established.

**SPECIAL REVENUE FUNDS** - These funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of each blended component unit is reported as a special revenue fund.

**DEBT SERVICE FUNDS** - These funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

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

**PROPRIETARY FUNDS**

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



**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1984**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)**

In addition to the above two bond fund types, the City also maintains two account groups as described below:

**FIXED ASSETS AND LONG-TERM LIABILITIES**

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balances (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increased revenues and other financing sources and decreases (expenditures and other financing used) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Account Group, and included as expenditures in the governmental fund types when purchased. The City has elected to expense, and not capitalize, public domain "infrastructure" fixed assets consisting of certain improvements other than buildings, such as roads, bridges, canals and gutters, curbs and sidewalks, drainage and lighting systems. No depreciation has been provided on general fixed assets.

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

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

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

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained surpluses/components. Proprietary fund type operating statements present increased revenues and decreases (expenditures) in net total assets.

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

Buildings	50 - 25 YEARS
Improvements Other Than Building	4 - 25 YEARS
Equipment	2 - 12 YEARS

**City of New Roads, Louisiana**  
**Notes to the Financial Statements. (Continued)**  
**December 31, 1984**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (Continued)**

**Basis of Accounting**

The accounting and reporting treatment applied to a fund is determined by its measurement focus. All Governmental Funds are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on these balance sheets. Government fund operating statements present increases (revenues and other financing) in current assets. Agency fund accounting is similar to governmental funds.

Revenues and other governmental fund financial resources increments are recognized in the accounting period when they become susceptible to accrual which is when they become both "measurable" and "available" to finance expenditures of the fiscal period.

Taxpayer-assessed sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Utility and franchise taxes, licenses and permits, fines and forfeitures, charges for services and miscellaneous revenue (except investment earnings) are recorded as revenue when cash is received because they generally are not measurable until actually received. Investment earnings are recorded as earned when they are measurable and available. When grant revenues is dependent upon expenditures by the city, revenue is recognized when the related expenditures are incurred.

Property tax revenues are recognized when they become available. Available means when due, on past due and receivable, and collected generally within 45 days after year end. See Note 4 for the property tax calendar.

Expenditures are recognized under the accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which are recognized when due in the debt service fund.

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. Accordingly, all proprietary funds are accounted for using the accrual basis of accounting. Revenue is recognized when earned, and expenses are recognized when they are incurred.

The revenues of the Electric, Gas, Water, and Sewer systems, which is based upon rates authorized by the governing boards, is determined by billings to customer. Earned but unbilled revenue is accrued and reported in the financial statements.

**Accruals**

The City does not follow the accruals method of accounting.

**Budget and Budgetary Accounting**

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

1. A proposed operating budget for the fiscal year is presented by the finance committee. The operating budget includes proposed expenditures and the means of financing them.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 2014**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (Continued)**

**Budgets and Budgetary Information (Continued)**

2. Budget 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 City Council.
3. All unexpended budget appropriations, except project budgets, lapse at the end of each fiscal year.
4. Budgets are adopted on GRAP basis.

**Cash**

Cash for the City includes the payroll cash account, cash on hand, and various funds' individual operating accounts.

All cash deposits are deposited to interest bearing checking accounts.

**Accounts Receivable and Bad Debt**

The City uses the direct charge-off method whereby uncollectible amounts due from all vendors, taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GRAP and it approximates the valuation method.

**Inventory**

Inventories for supplies are considered immaterial and are recorded as expenditures or expenses when purchased.

**Restricted Funds**

The City at its own discretion has restricted certain funds to be spent for specific purposes. See subsequent paragraphs to this note for the further explanation of reservation and designation of Fund Equity.

**Accumulated Unpaid Vacation and Sick Pay**

Accumulated unpaid vacation and sick pay is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick pay recorded in the governmental funds is that amount, adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liabilities are reported in the General Long-Term Debt Account Group. The guidelines of Financial Accounting Standards Board Statement (FASB) No. 43 "Accounting for Compensated Absences" were applied in determining the liability for both governmental and proprietary funds.

**COMBINED AND INDIVIDUAL FUND STATEMENTS**

## SPECIAL REVENUE FUNDS

Special Revenue Funds account for the proceeds of specific revenue sources (other than expendable trusts, or for major capital projects) that are legally restricted in expenditure for specific purposes.

### Sales Tax Fund

The Sales Tax Fund accounts for the receipt of a one per cent (1%) sales and use tax and its subsequent disbursement in accordance with the sales tax legislation.

The Sales Tax Ordinance requires that the avails of the City's sales tax be used for the purpose of constructing, acquiring, extending, improving and/or maintaining street and sidewalks including widening, surfacing, repaving and street lighting, waterworks (including water supply, treatment, storage, and distribution), drainage facilities, sewerage facilities, public buildings, and/or fire department stations and any work or permanent public improvement, including equipment and furnishings therefore, title to which shall be in the public; or for any use of same such purposes, or for any other lawful corporate purposes.

### HUD-Revenue & Program Fund

The HUD-Revenue & Program Fund is used to account for funds which are designated to aid low-income families to obtain decent, safe, and sanitary housing through a system of rental subsidies.

CITY OF NEW ROSS  
SPECIAL REVENUE FUNDS  
COMBINED BALANCE SHEET  
December 31, 1998

	Sales Tax Fund	H22-Section 8 Program Fund	Items Only Current Year	Items Only Prior Year
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$680,007	\$58,868	\$688,833	\$624,521
Due from other governmental units	5,143	0	5,143	3,737
<b>TOTAL ASSETS</b>	<b>\$685,150</b>	<b>\$58,868</b>	<b>\$693,976</b>	<b>\$628,258</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Due to other governmental units	0	\$5,418	\$5,418	\$4,810
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>\$5,418</b>	<b>\$5,418</b>	<b>4,810</b>
<b>FUND BALANCE</b>				
<b>Unreserved</b>				
Designated for grant	0	23,508	23,508	28,970
Undesignated	\$685,150	0	\$685,150	\$594,788
<b>TOTAL FUND BALANCE</b>	<b>\$685,150</b>	<b>23,508</b>	<b>\$693,976</b>	<b>\$623,698</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$685,150</b>	<b>\$58,868</b>	<b>\$693,976</b>	<b>\$628,258</b>

CITY OF NEW BRIDGE  
SPECIAL REVENUE FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET (BARF BASIS) AND ACTUAL  
Year Ended December 31, 1998

	Sales Tax Fund		Variance Favorable (unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Taxes	\$234,808	\$710,420	\$475,612
Intergovernmental revenue	\$	0	0
Miscellaneous	22,800	30,272	8,472
<b>TOTAL REVENUES</b>	<u>257,608</u>	<u>740,692</u>	<u>484,184</u>
<b>EXPENDITURES</b>			
General government	580	301	279
Welfare	0	\$	\$
<b>TOTAL EXPENDITURES</b>	<u>580</u>	<u>301</u>	<u>279</u>
Excess (deficiency) of revenues over expenditures	<u>257,028</u>	<u>737,391</u>	<u>483,905</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(530,800)	(530,080)	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(530,800)</u>	<u>(530,080)</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 126,228</u>	<u>207,311</u>	<u>\$24,905</u>
Fund Balances at beginning of year		<u>281,738</u>	
Fund Balances at end of year		<u>\$489,049</u>	

H&D-Section 8  
Program Fund

Memorandum Only  
Current Year

Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$834,000	\$718,400	\$115,600
149,321	88,487	(59,894)	149,321	88,487	(59,894)
0	3,824	3,824	22,083	33,295	11,212
149,321	88,487	(59,894)	805,621	839,203	33,412
0	0	0	880	381	(499)
149,321	88,833	(59,488)	149,321	88,833	(59,488)
149,321	88,833	(59,488)	149,821	94,134	(55,687)
8	4,898	4,898	595,808	745,898	150,090
8	0	8	(538,800)	538,808	0
0	8	8	(538,800)	538,808	0
80	4,898	\$4,898	\$128,080	\$15,089	(112,991)
	28,218			823,648	
	\$33,098			\$838,747	



## DEBT SERVICE FUNDS

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

### 1994 \$1,525,000 General Obligation Bonds

The 1994 General Obligation Bonds Debt Service Fund is used to accumulate monies for the repayment of the \$1,525,000 1994 Certificates of Indebtedness. These bonds are financed by General Fund revenues. These Certificates were defined in 1994 through the issuance of refunding bonds.

### 1994 \$1,525,000 General Obligation Bonds

The 1994 General Obligation Bonds Debt Service Fund is used to accumulate monies for the repayment of the \$1,525,000 1994 Certificates of Indebtedness. These bonds are financed by General Fund revenues. These Certificates mature on May 1 of each year beginning in 1997, with the final payment due in the year 1999, with an interest rate of 5.00%. The bonds were issued to defund the 1994 Series Bonds and to provide resources for various City Capital improvement projects.

CITY OF NEW ROADS  
DEBT SERVICE FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
Year ended December 31, 1988

	1988 \$1.53 Bonds Debt Service Fund	1988 \$1.53 Bonds Debt Service Fund	Waste Only Current Year	Waste Only Prior Year
<b>REVENUES</b>				
Interest	\$4,221	\$484	\$4,705	\$10,874
<b>TOTAL REVENUES</b>	<u>4,221</u>	<u>484</u>	<u>4,705</u>	<u>10,874</u>
<b>EXPENDITURES</b>				
Debt service	290	28,772	28,932	217,420
<b>TOTAL EXPENDITURES</b>	<u>290</u>	<u>28,772</u>	<u>28,932</u>	<u>217,420</u>
Excess (deficiency) of revenues over expenditures	4,021	(28,288)	(24,227)	(206,546)
<b>OTHER FINANCING SOURCES (USES)</b>				
Operating transfers in	\$0,518	\$42,021	\$22,528	\$88,848
Operating transfers out	(285,495)	0	(285,495)	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>(284,977)</u>	<u>42,021</u>	<u>(262,967)</u>	<u>88,848</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(280,956)	13,733	(284,232)	(217,698)
Fund Balances at beginning of year	208,995	0	208,995	207,995
Fund Balances at end of year	<u>28</u>	<u>\$13,733</u>	<u>\$13,733</u>	<u>\$90,297</u>

### CAPITAL PROJECT FUNDS

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

#### Capital Projects

Fund - To account for various City capital improvement projects funded with monies derived from the \$1,500,000 1990 refunding bond issue and transfers of monies received from various City funds.

1990 LCRRS - To account for the \$250,000 1990 LCRRS Grant awarded to the City, the proceeds of which are to be used to repair streets within the City of New Rochelle.

CITY OF NEW HOVSE  
CAPITAL PROJECT FUNDS  
COMBINED BALANCE SHEET  
December 31, 1988

	Capital Projects Fund	Local Street Improvements	Memo Only Current Year	Memo Only Prior Year
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$807,483	\$1	\$807,484	\$0
Due from other governmental units	0	9,748	9,748	19,822
<b>TOTAL ASSETS</b>	<b>\$807,483</b>	<b>\$9,749</b>	<b>\$817,232</b>	<b>\$19,822</b>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Contracts payable	\$75,862	\$9,749	\$85,611	\$0
Due to other funds	0	0	0	19,822
<b>TOTAL LIABILITIES</b>	<b>75,862</b>	<b>9,749</b>	<b>85,611</b>	<b>19,822</b>
<b>FUND BALANCE</b>				
<b>Unreserved</b>				
Designated for capital projects	731,621	0	731,621	0
<b>TOTAL FUND BALANCE</b>	<b>731,621</b>	<b>0</b>	<b>731,621</b>	<b>0</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$807,483</b>	<b>\$9,749</b>	<b>\$817,232</b>	<b>\$19,822</b>

CITY OF NEW ROSS  
 CAPITAL PROJECT FUNDS  
 COMBINE STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year ended December 31, 1996

	Capital Projects Fund	LEDDG Street Improvements	Water Only Current Year	Water Only Prior Year
<b>REVENUES</b>				
Intergovernmental revenue	\$40,800	\$258,151	\$216,121	\$211,126
Interest	8,571	0	9,571	0
<b>TOTAL REVENUES</b>	<u>49,371</u>	<u>258,151</u>	<u>225,692</u>	<u>211,126</u>
<b>EXPENDITURES</b>				
Capital outlay	753,987	205,181	1,010,148	218,411
<b>TOTAL EXPENDITURES</b>	<u>753,987</u>	<u>205,181</u>	<u>1,010,148</u>	<u>218,411</u>
Excess (deficiency) of revenues over expenditures	<u>(704,616)</u>	<u>0</u>	<u>(784,456)</u>	<u>22,695</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds of refunding bonds	1,520,000	0	1,520,000	0
Operating transfers in	187,480	0	807,880	0
Payments to refunded bond escrow agent	(921,488)	0	(823,840)	0
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,485,992</u>	<u>0</u>	<u>1,493,040</u>	<u>0</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>781,376</u>	<u>0</u>	<u>708,584</u>	<u>22,695</u>
Fund Balances at beginning of year	<u>0</u>	<u>0</u>	<u>0</u>	<u>(22,695)</u>
<b>Fund Balances at end of year</b>	<u>\$781,376</u>	<u>0</u>	<u>\$708,584</u>	<u>\$0</u>

### **Enterprise Funds**

Enterprise Funds account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of governing body is that the costs (revenues, including the 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 the periodic determination of revenues earned, expenses incurred, and/or net income is appropriated for capital maintenance, public policy, management control, accountability, or other purposes.

#### **Electric Utility System Fund -**

The Electric Utility System Fund is used to account for the provision of electric, electric services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, debt service, and billing and collections.

#### **Natural Gas Utility System Fund -**

The Natural Gas Utility System Fund is used to account for the provision of natural gas services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing, billing, and collections.

#### **Water and Sewer Utilization System Fund -**

The Water and Sewer System Fund is used to account for the provision of the water and sewer services to the residents of the City and some residents of the Parish. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, debt service, and billing and collections.

**CITY OF NEW ROADS  
ENTERPRISE FUNDS  
COMBINED BALANCE SHEET  
December 31, 1995**

	Electric Utility System	Natural Gas Utility System	Water & Sewer Utility System	Month-Only Current Year
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$168,991	\$275,064	\$423,436	\$867,511
Investments	11,195	0	0	11,195
Accounts receivable	582,290	0	0	582,290
Due from other funds	27,216	326,272	1,688	355,176
Prepaid expenses	14,598	6,098	7,825	28,521
<b>Restricted Assets</b>				
Cash	2,189,613	280,788	425,897	2,896,304
Investments	285,803	0	347,708	633,511
Property, Plant & Equipment (net of accumulated depreciation)	3,230,882	118,871	5,808,843	9,158,596
<b>TOTAL ASSETS</b>	<b>\$6,478,251</b>	<b>\$690,723</b>	<b>\$6,478,892</b>	<b>\$14,148,728</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$124,475	\$128,858	\$18,952	\$272,285
Accrued liabilities	2,804	1,808	1,773	6,390
Due to other funds	328,414	0	38,585	366,999
Due to other gov't units	26,000	0	0	26,000
<b>Current Liab. (from Restr. Assets)</b>				
Bonds payable	75,000	0	75,000	150,000
Deposits	168,043	3,552	0	171,595
<b>Long-Term Liabilities</b>				
Bond payable	2,895,080	0	2,895,080	5,790,160
<b>TOTAL LIABILITIES</b>	<b>3,418,675</b>	<b>134,117</b>	<b>2,973,090</b>	<b>6,222,690</b>
<b>FUND EQUITY</b>				
<b>Contributed Capital:</b>				
Municipalities	\$26,588	6,512	1,789,540	2,122,640
Customers	368,882	0	0	368,882
Grants	\$15,585	0	484,680	1,180,245
<b>Retained Earnings:</b>				
<b>Unreserved</b>				
Designated for capital addns.	1,682,521	281,287	153,858	2,117,666
Unreserved	(544,535)	589,621	760,983	814,969
<b>Reserved</b>				
Reserved for possible refunds	0	11,508	0	11,508
Reserved for bonded indebtedness	694,788	0	694,453	1,389,241
<b>TOTAL FUND EQUITY</b>	<b>3,059,576</b>	<b>686,134</b>	<b>3,795,818</b>	<b>7,926,038</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$6,478,251</b>	<b>\$690,723</b>	<b>\$6,478,892</b>	<b>\$14,148,728</b>

**Memo Only****Prior Year**

5805,878

18,508

718,802

-492,264

22,773

3,021,089

283,884

3,295,300\$14,254,192

3202,808

4,258

527,458

41,853

108,000

174,882

3,085,0808,170,237

2,521,820

280,882

1,302,289

2,358,882

1,211,828

11,211

828,9038,192,858\$14,254,192



**CITY OF NEW ROADS**  
**ENTERPRISE FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**Year Ended December 31, 1996**

	Electric Utility System	Natural Gas Utility System	Water & Sewer Utility Systems	Mass. Only Current Year
<b>OPERATING REVENUES</b>				
Charges for services	\$2,007,871	\$855,800	\$767,080	\$4,630,751
Miscellaneous	82,858	1,189	0	84,047
Total operating revenues	2,090,729	856,989	767,080	4,714,807
<b>OPERATING EXPENSES</b>				
Personal services	164,987	80,200	114,228	359,415
Contracted services	0	0	7,875	7,875
Operating costs	1,713,794	703,821	94,303	2,511,918
Maintenance and supplies	79,634	25,908	51,701	157,243
Insurance	42,607	12,714	33,719	89,040
Utilities	447	0	78,088	78,535
Depreciation	170,418	17,073	233,233	420,724
Total operating expenses	2,221,862	804,986	628,258	3,755,106
Operating income	868,867	52,003	138,822	1,059,692
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Miscellaneous	541,481	35,653	78,842	655,976
Intergovernmental revenue	0	0	75,808	75,808
Net debts recovered	5,383	0	0	5,383
Interest and fiscal charges	(182,788)	0	(458,348)	(641,136)
Loss on sale of fixed assets	0	0	0	0
Loss on sale of investments	0	0	0	0
Bad debts written off	82,618	(8,882)	(3,440)	70,296
Total nonoperating revenues (expenses)	57,148	26,771	(42,498)	41,421
Income before operating transfers	926,015	78,774	96,324	1,101,113
<b>OPERATING TRANSFERS</b>				
Transfers in	0	0	0	0
Transfers out	(1,112,093)	(80,000)	(148,808)	(1,340,901)
Total operating transfers	(1,112,093)	(80,000)	(148,808)	(1,340,901)
Net income	(186,078)	(1,221,226)	(28,484)	(1,435,788)
Retained Earnings at beginning of year	1,084,591	1,131,848	1,458,082	4,580,191
Retained Earnings at end of year	\$898,513	\$910,622	\$1,429,598	\$3,144,403

Items Only  
Fiscal Year

84,012,280  
85,585

4,087,800

380,300  
44,354  
2,280,188  
198,807  
105,504  
87,800  
458,800

3,487,841

1,218,760

389,617  
0  
2,776  
[370,640]  
[5,097]  
[5,807]  
[21,171]

[7,601]

1,808,241

528,204  
[1,478,280]

[1,058,000]

58,741

4,448,380

84,500,181

**CITY OF NEW ROSE**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ENTERPRISE FUNDS**  
**Year Ended December 31, 1998**

	Electric Utility Fund	Natural Gas Fund	Water & Sewer Fund	Misc. Only Current Year
<b>Cash flows from operating activities:</b>				
Operating income (loss)	\$864,782	\$707,073	\$117,268	\$1,689,123
Adjustments to reconcile operating income to net operating cash provided by operating activities:				
Depreciation	170,418	17,075	228,233	415,726
Loss on sale of fixed asset	0	0	0	0
Loss on sale of investment	0	0	0	0
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(48,203)	0	0	(48,203)
(Increase) Decrease in other receivables	(27,217)	102,318	88,304	153,405
(Increase) Decrease in prepaid expenses	(1,880)	(1,188)	(2,363)	(5,431)
Increase (Decrease) in accounts payable	881	68,510	(2,378)	66,813
Increase (Decrease) in other payables	(160,722)	0	(15,683)	(176,405)
Increase (Decrease) in accrued expenses	(4,488)	870	282	(3,336)
Increase (Decrease) in inter-deposits	8,882	0	0	8,882
<b>Net cash provided (used) by operating activities</b>	<u>588,408</u>	<u>286,800</u>	<u>201,418</u>	<u>1,670,821</u>
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in	0	0	0	0
Operating transfers out	(1,112,083)	(480,083)	(140,083)	(1,692,249)
<b>Net cash provided from (used) for noncapital financing activities</b>	<u>(1,112,083)</u>	<u>(480,083)</u>	<u>(140,083)</u>	<u>(1,692,249)</u>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and cost of capital assets	0	0	(43,043)	(43,043)
Contribution of asset acquired through grant	0	0	0	0
Principal payments	(88,083)	0	(18,083)	(106,166)
<b>Net cash provided from (used) from capital and related financing activities</b>	<u>(88,083)</u>	<u>0</u>	<u>(113,043)</u>	<u>(159,209)</u>
<b>Cash flows from investing activities:</b>				
Purchase of investments	(12,804)	0	(12,804)	(25,608)
Proceeds from sale of investments	0	0	0	0
Proceeds from sale of fixed assets	0	0	0	0
<b>Net cash provided (used) from investing activities</b>	<u>(12,804)</u>	<u>0</u>	<u>(12,804)</u>	<u>(25,608)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>(191,459)</u>	<u>(193,283)</u>	<u>(124,679)</u>	<u>(180,776)</u>
<b>Cash and cash equivalents at beginning of year</b>	<u>2,820,811</u>	<u>658,858</u>	<u>718,178</u>	<u>3,897,847</u>
<b>Cash and cash equivalents at end of year</b>	<u>\$2,629,352</u>	<u>\$465,575</u>	<u>\$593,500</u>	<u>\$3,717,071</u>

Items Only  
Prior Year

\$1,200,741

438,033

3,017

5,837

(130,483)

(136,727)

4,541

(33,181)

173,378

845

2,433

1,528,218

328,264

CL478,264

CL180,083

(548,884)

484,680

(130,693)

(134,214)

(27,842)

980,834

10,408

172,862

267,864

3,548,054

\$3,887,049

**OTHER REPORTS REQUIRED BY  
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain reports on the internal control structure and compliance with laws and regulations required by Governmental Auditing Standards issued by the Comptroller General of the United States. The report on internal control structure is based on the audit of the financial statements and includes, where appropriate, any reportable conditions and/or material weaknesses. The report on compliance with laws and regulations is, likewise, based solely on the audit of the presented financial statements and presents, where applicable, compliance matters that would be material to the presented financial statements.

# Major & Ducote

Certified Public Accountants

YANN MAJOR, CPA, PC  
ALYSSIA C. DUCOTE, CPA, PC  
JOAN E. DUCOTE, CPA, PC  
JOHN L. HERRINGTON, SA, CPA, PC

MEMBERS:  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF CHARTERED  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PREPARED IN ACCORDANCE WITH GOVERNMENT ACCOUNTING STANDARDS

The Honorable Sylvester Muckelroy  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of the City of New Roads, Louisiana, for the year ended December 31, 1994, and have issued our report thereon dated June 11, 1995.

We conducted our audit in accordance with generally accepted auditing standards. Government Accounting Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-129, "Audit of State and Local Governments." Those standards and OMB Circular A-129 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 City of New Roads, 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 information, not yet available, whenever 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, prevention of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the general purpose financial statements of the City of New Roads, Louisiana, for the year ended December 31, 1994, we considered its 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.

**Major & Ducco**  
Certified Public Accountants

YVES MAJOR, CPA, PC  
ALDYCE L. DUCOITE, CPA, PC  
KAREN S. DUCOITE, CPA, PC  
KATH L. HARRINGTON, BA, CPA, PC

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Sylvester Buckelroy  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of the City of New Roads, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 13, 1997.

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-134, "Audits of State and Local Governments." Those standards and OMB Circular A-134 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 City of New Roads, Louisiana, is the responsibility of the City of New Roads, Louisiana's, management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instances of noncompliance that are required to be reported under Government Auditing Standards for which the applicable regulation cannot be presently determined. Accordingly, no provision for any liability that may result has been recognized in the City of New Roads, Louisiana's 1996 financial statements.

**Condition #1:**

The bank balances as of December 31, 1996 were insufficiently collateralized in accordance with Louisiana R. S. 18:1228. Per this statute, security must be provided equal to 100 percent of the collected funds on deposit, except for that portion of the deposits insured by Federal Depository Insurance. At December 31, 1996, the uninsured portion of the collected funds on deposits was \$336,294.

**Criteria and Possible Effects:**

This condition is a direct violation of Louisiana R. S. 39:1221 and also leaves a portion of the City's assets uninsured and at risk for a material loss.

**Management's Response:**

The City has a financial agency agreement with local bank and maintains all of its funds on deposit with this bank. The City was of the understanding that the bank was monitoring the collected funds on deposits and maintaining appropriate security for the deposits. The bank agrees that it should have more closely monitored the funds on deposit and the respective security. In the future, the bank will monitor the security more closely; also, the Finance Director for the City will receive reports more regularly and monitor the deposits and security more closely.

**Condition #2:**

A purchase was made for police barricades in the amount of \$4,848 and three telephones or facsimile quotations were not obtained. Louisiana R. S. 38:2212 requires that purchases for materials, supplies and equipment of \$5,000 or more, but less than \$10,000, shall be made by obtaining not less than three telephones or facsimile quotations.

**Criteria and Possible Effect:**

This condition is a violation of Louisiana R. S. 38:2212 and the failure to comply with this statute does not ensure that the equipment was purchased at the most favorable price available to the City.

**Management's Response:**

The City has always made a concerted effort to adhere to all requirements of the public bid law. Due to management and other personnel changes in the Police Department during 1991, this procedure was made and the City inadvertently failed to comply with the public bid law. Management will continue to make all effort to comply with the requirements of the public bid law in all situations to which it is applicable.

**Condition #3:**

During the course of the audit and as a result of a consulting services agreement, we noted some inconsistencies in the application of Council approved and adopted purchasing and cash disbursement policies.

**Criteria and Effect:**

The results of our testing in this area revealed instances of improperly approved and/or unauthorized purchases and subsequent disbursements for these purchases. The deviations consisted of incomplete or the absence of requisitions, purchase orders, and/or management approval as required by the City's purchasing policies.

As a result of these transactions, some City employees were allowed to purchase supplies for personal use on terms more favorable than would have normally been obtained by the employees.

In addition to deviations from the City's purchasing policies, some of the purchases were also violations of Louisiana R.S. 42:1111, 42:1112 and/or 42:1113. In a separate report dated June 13, 1993, we noted the results of the procedures performed in the consulting services agreement.

**Management's Response:**

Appropriate action has been taken in dealing with the employees involved in this situation. Also, management will more closely follow and adhere to the Council adopted and approved purchasing and cash disbursement policies and procedures.



Mayor Machelroy  
Page 2  
June 12, 1997

We considered these instances of noncompliance in forming our opinion on whether the City of New Roads, Louisiana's December 31, 1996 general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report dated June 12, 1997 on those general purpose financial statements.

We noted certain immaterial instances of noncompliance that we have reported to the management of the City of New Roads in a separate letter dated June 11, 1997.

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



MESSER & DECOTE  
New Roads, Louisiana  
June 12, 1997

**OTHER REPORTS REQUIRED BY  
OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR 5-128**

The following pages contain reports on internal control and compliance with laws and regulations required by OMB Circular 5-128. The report on internal accounting and administrative controls relates to matters that could be significant and/or material to Federal financial assistance programs. The report on compliance with laws and regulations is, likewise, related to tests of compliance with laws and regulations relating to Federal financial assistance programs.

# Major & Duncote

Certified Public Accountants

YEN FLANIGAN, CPA, PC  
ALONZA C. DUNCOTE, CPA, PC  
EMMA E. DUNCOTE, CPA, PC  
JOHN L. MORGAN, III, CPA, PC

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITERS' REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Sylvester Mackelroy  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of the City of New Roads, Louisiana, for the year ended December 31, 1994, and have issued our report thereon dated June 11, 1995. These general purpose financial statements and the responsibility of the City of New Roads, Louisiana's, management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of the Office of Management and Budget Circular A-133, "Standards of State and Local Governments." These 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of City of New Roads, Louisiana, taken as a whole. The accompanying schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

*Major & Duncote*  
MAJOR & DUNCOTE  
New Roads, Louisiana  
June 11, 1995

City of New Roads, Louisiana  
 RECEIPTS OF FEDERAL FINANCIAL ASSISTANCE  
 For Year Ended December 31, 1964

<u>Federal Grantor/ Pass-Through Grantor/ PROGRAM NAME</u>	<u>Federal CFDA NUMBER</u>	<u>Expenditures</u>
United States Forest Service Indirect: Passed Through: State of Louisiana Office of Forestry Cooperative Forestry Program	18.044	14,870
United States Dept of Housing and Urban Development  Direct: Section 8 - Housing Assistance Program	14.154	33,833
Indirect: Passed Through: State of Louisiana Division of Administration 1964 Comm. Dev. Block Grant	14.228	188,181
United States Dept of the Interior  Indirect: Passed Through: State of Louisiana Dept of Culture, Recreation & Tourism 18th Street Community Park	15.818	7,878
Federal Emergency Management Agency  Direct: Disaster Assistance	93.218	<u>27,243</u>
Total (All Federal)		<u>248,902</u>

**Major & Ducoite**  
Certified Public Accountants

YANF MAJOR, CPA, PC  
ALYDIA D. MAJOR, CPA, PC  
JEAN S. MAJOR, CPA, PC  
JENN L. ROBERTSON, II, CPA, PC

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL  
STRUCTURES USED IN ADMINISTERING FEDERAL  
FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Sylvester Metchieiry  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of the City of New Roads, Louisiana for the year ended December 31, 1998 and have issued our report thereon dated June 11, 1999.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments. These 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.

In planning and performing our audit for the year ended December 31, 1998, we considered the internal control structure of the City of New Roads, Louisiana in order to determine our auditing procedures for the purpose of expressing our opinion on the City of New Roads, Louisiana's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-133. 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 June 11, 1999.

The management of the City of New Roads, 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; 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.

Nancy Mankelroy  
Page 2  
June 11, 1997

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:

**General Requirements:**

- ..Political activity
- ..Davis-Bacon Act
- ..Civil rights
- ..Cash management
- ..Federal financial reports
- ..Allocable costs
- ..Drug-free workplace
- ..Administrative requirements

**Specific Requirements:**

- ..Types of services allowed or not allowed
- ..Eligibility
- ..Reporting
- ..Claims for reimbursement

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

During the year ended December 31, 1996, the City of New Roads, Louisiana had no major federal financial assistance programs and expended 84% of its total federal financial assistance under the following major federal financial assistance programs:

**1996 Community Development Block Grant**

We performed tests of controls, as required by OMB Circular A-129, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for reimbursements that are applicable to the administered major programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

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

Mayor Markelroy  
Page 1  
June 11, 1987

However, we noted certain matters involving the internal control structure and its operation that we have reported to the management of the City of New Orleans, in a separate letter dated June 11, 1987.

This report is intended solely for the use of the City Council and the Legislative Auditors of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



MESSER & MESSER  
New Orleans, Louisiana  
June 11, 1987

**Major & Duncan**  
Certified Public Accountants

YANN MARIN, CPA, PC  
ALYCELA C. BENOISTE, CPA, PC  
JEANNE D. DUBOIS, CPA, PC  
JOHN L. WARRINGTON, III, CPA, PC

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE  
WITH THE GENERAL REQUIREMENTS APPLICABLE TO  
FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Sylvester Mathelony  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of City of New Roads, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated June 15, 1997.

We have applied procedures to test the City of New Roads, 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 December 31, 1996:

- General Requirements
- Political Activity
  - Davis-Bacon Act
  - Civil Rights
  - Cash Management
  - Federal Financial Reports
  - Allowable Costs
  - Drug-Free Workplace
  - Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's "Compliance Requirements for Single Audits of State and Local Governments". Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of New Roads, 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 not tested nothing came to our attention that caused us to believe that the City of New Roads, Louisiana, had not complied, in all material respects, with these requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with these requirements.

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

*Major & Duncan*  
Major & Duncan  
New Roads, Louisiana  
June 15, 1997



# Major & Ducoite

Certified Public Accountants

TAMM HAZEL, CPA, PC  
SCYTHIA C. DUCOTE, CPA, PC  
JOHN S. DUCOTE, CPA, PC  
JOHN L. HERRINGTON, III, CPA, PC

MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

The Honorable Sylvester Mackelroy  
and Members of the City Council  
City of New Roads, Louisiana

We have audited the general purpose financial statements of City of New Roads, Louisiana, as of and for the year ended December 31, 1994, and have issued our report thereon dated June 13, 1995.

In connection with our audit of the general purpose financial statements of the City of New Roads, Louisiana, and with our consideration of the City of New Roads, Louisiana, control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audit of State and Local Governments," we selected certain transactions applicable to certain nonmajor Federal financial assistance programs for the year ended December 31, 1994. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services and costs allowed or unallowed and eligibility. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of New Roads, Louisiana's, compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of these procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of New Roads, Louisiana, had not complied, in all material respects, with these requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with these requirements.

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

*Major & Ducoite*  
MAJOR & DUCOTE  
New Roads, Louisiana  
June 13, 1995

**City of New Orleans, Louisiana**  
**Schedule of Insurance**  
**Discontinued**  
**December 31, 1996**

<u>Insurance Company</u>	<u>Policy Term</u>	<u>Policy Description</u>	<u>Policy Limits</u>
Hartford Steam Boiler Ins. Co.	6/1/96- 6/1/97	Boiler and Machinery	\$2,000,000 limit; \$2,000 deductible (10 actual cash value of equipment depending on age of equipment)
All State Insurance Co.	1/1/98- 1/1/99	Fire Standard Blanket Policy on Bid & Prop.	\$2,000,000 limit; \$25 Co-insurance; \$1,001,100 Blanket; \$1,000 deductible
Titan Insurance	4/1/96- 4/1/97	General Liability	\$1,000,000; no deductible

City of New Roads, Louisiana  
Schedule of Electric Customers  
Unaudited  
December 31, 1990

Number of metered electric customers	1889
Number of unmetered electric customers	_____
Total electric customer	<u>1889</u>