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FINANCIAL REPORT
OF THE
TOWN OF HANCO, LOUISIANA
FOR THE YEAR ENDED
DECEMBER 31, 1998

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

Release Date 7-26-97

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INDEPENDENT AUDITOR'S REPORT

To the Mayor and Town Council
Town of Monro
State of Louisiana

I have audited the accompanying general purpose financial statements of the Town of Monro, Louisiana, as of and for the year ended December 31, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Monro, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards: Government Auditing Standards, issued by the comptroller general of the United States, and the provisions of office of Management and Budget Circular A-136, Standards of State and Local Governments. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The general purpose financial statements referred to above do not include financial activities of the Town of Monro Health Care Enterprise Fund, which should be included to conform with generally accepted accounting principles. This fund is audited by other auditors and the information is not available at the date of this issuance.

In my opinion, except for the effects on the financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Eunice, Louisiana, as of December 31, 1986, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Eunice, Louisiana
June 12, 1987

GENERAL PURPOSE FINANCIAL STATEMENTS

(Combined Statements-GovCoLaw)

FORM 101-0000
CONSOLIDATED BALANCE SHEET - (All Funds Types)
ALL ACCOUNT GROUPS
December 31, 1996

	GOVERNMENTAL FUNDS TYPE			BLINDING GROUPS		
	General	Special Revenue	Fund Detail	Proprietary Fund Type Enterprise	General Long-Term Debt	Special Fund Assets
ASSETS						
Cash	\$ 948					
Cash on Deposit	171,242	91,776	778	127,048		
Certificates of Deposit	2,174,278		100,440	182,487		
Restricted Cash, Where Applicable of All Income for Special Funds						
Accrued Interest			4,764	1,874		
Special Assessments Filed	4,374	1,743				
Monies Due of Other Funds for Unavailable Amounts				123,228		
Prepaid Expenses				17,876		
Due from Other Funds	150,257	54,560	1,287	4,982		
Restricted Assets						
Cash and Certificates of Deposit				227,217		
Fixed Assets Due of Other Funds for Unavailable Amount Available to Other Services Fund						1,258,705
Monies to be Provided for Retirement of General Long Term Debt					100,113	
					208,488	
TOTAL ASSETS	2,498,695	1,502,175	1,123,517	315,553	308,601	1,258,705

The accompanying notes are an integral part of these statements.

(Continued)

1966-67 BUDGET
UNIFIED BUDGET SHEET - ALL FUNDS TYPES
640 ACCOUNT GROUP
(MARCH 31, 1966)
 (Continued)

LIABILITIES	EXPERIMENTAL FUNDS TYPE			Proprietary Fund Type Operations	ACCOUNT GROUP	
	General	Special Revenue	State Debt (a)		General Long-Term Debt	General Fixed Assets
Accounts Payable	\$ 50,186	\$ 790	\$	\$ 50,976	\$	\$
Interest Payable				12,856		
Payable from Restricted Accounts						
Minor Deposits				187,800		
Revenue Bonds and Certificates of Indebtedness				187,800		
Due to Other Funds	73,770	28,853		167,800		
General Obligation Bonds					125,000	
Total Liabilities	\$ 123,956	\$ 29,643	\$ -	\$1,000,395	\$25,000	\$ -
ASSETS						
Investment in General Fixed Assets	\$	\$	\$	\$	\$	\$1,250,700
Contributed Capital				2,600,000		
Retained Earnings						
Reserve for Revenue Bond Refinancing	\$	\$	\$	\$ 10,000	\$	\$
Reserve				750,000		
Fund Balances						
Reserve for Debt Service		45,000	140,371			
Unreserved, Undesignated	1,137,796	50,327				
Total Restricted Surplus						
Fund Balances	\$1,137,796	\$10,327	\$140,371	\$ 750,000	\$ -	\$ -
Total Fund Equity	\$1,137,796	\$10,327	\$140,371	\$1,400,000	\$ -	\$1,250,700
Total Liabilities and Fund Equity	\$1,261,952	\$40,000	\$140,371	\$1,400,395	\$25,000	\$1,250,700

The accompanying notes are an integral part of this statement.

STATE OF MARYLAND
OFFICE OF COMPTROLLER OF GENERAL SERVICES AND FINANCE
FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL APPROPRIATIONS, FUND 0700
FOR THE YEAR ENDED DECEMBER 31, 1990

	GENERAL	Special	State	Total
				Revenues
		Revenues	Revenues	Revenues
REVENUES:				
Taxes	\$ 294,440	\$ 494,470	\$	\$ 788,910
Licenses and Permits	94,880			94,880
Intergovernmental	42,177			42,177
Loans	900,000			900,000
Charges for Services	520			520
Fines and Penalties	48,480			48,480
Miscellaneous	21,860		2,800	24,660
Total Revenues	\$1,304,357	\$ 494,470	\$ 2,800	\$1,801,627
EXPENDITURES:				
Current:				
General Government	\$ 329,700	\$ 300	\$ 100	\$ 330,100
Education and Recreation	80,000	44,100		124,100
Highways and Streets	450,400			450,400
Public Safety - Police	104,100			104,100
State Service			70,400	70,400
Capital Outlay	100,000	10,000		110,000
Total Expenditures	\$1,064,200	\$ 454,100	\$ 70,500	\$1,588,800
EXCESS (DEFICIENCY) OF REVENUES	\$ 240,157	\$ 44,370	\$ 2,300	\$ 286,827
OTHER FINANCIAL SOURCE CHANGES:				
Interest Revenues	\$ 110,700	\$ 1,000	\$ 11,000	\$ 122,700
Operating Transfers In	100,000		50,000	150,000
State of Assets	900			900
Operating Transfers Out		(170,000)		(170,000)
Total Other Financing	\$ 211,600	\$ (169,000)	\$ 61,000	\$ 103,600
EXCESS (DEFICIENCY) OF REVENUES	AND OTHER FINANCIAL	CHANGES	AND OTHER CHANGES	IN FUND BALANCES
FOR THE YEAR ENDED DECEMBER 31, 1990	\$ 451,757	\$ 275,370	\$ 24,300	\$ 751,427
INITIAL FUND BALANCE	870,100			870,100
END BALANCE - REVENUES OF YEAR	1,356,457	750,740	78,600	2,185,800
END BALANCE - END OF YEAR	\$1,357,700	\$ 750,740	\$100,500	\$2,208,940

The accompanying notes are an integral part of this statement.

STATE OF MICHIGAN
FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET COMP. BUDGET, BUDGET AND ACTUALS
GENERAL AND SPECIAL REVENUE FUND, 1993
FOR THE FISCAL YEAR ENDED 12/31, 1993

	<u>BUDGET, FUND</u>		<u>ACTUAL, FUNDING FUNDS</u>	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes	\$ 331,000	\$ 334,000	\$ 333,000	\$ 334,000
Licenses and Permits	90,000	84,000		
Intergovernmental	42,000	42,000		
Loans	900,000	900,000		
Charges for Services	500	500		
Fines and Penalties	70,000	68,000		
Miscellaneous	20,000	21,000		
Total Revenues	\$1,353,500	\$1,373,500	\$1,333,000	\$1,368,000
EXPENSES:				
General Government	\$ 200,000	\$ 200,000	\$ 2,000	\$ 200
Police and Recreation	80,000	80,000	50,000	44,000
Debt Service			25,000	
Highways and Bridges	400,000	400,000		
Public Safety - Police	600,000	594,000		
Capital Outlay	80,000	70,000	60,000	50,000
1994 Expenditures	\$1,360,000	\$1,378,000	\$1,137,000	\$1,188,000
EXCESS (DEFICIENCY) OF REVENUES	OVER EXPENDITURES	OVER EXPENDITURES	\$216,000	\$180,000
OTHER FINANCING SOURCES AVAILABLE:				
Interest Revenue	\$ 150,000	\$ 150,000	\$ 1,000	\$ 1,000
Operating Transfers In	200,000	200,000		
Operating Transfers Out			(170,000)	(170,000)
Sale of Assets		500		
Total Other Financing Sources (Uses)	\$ 350,000	\$ 350,500	\$131,000	\$132,000
EXCESS (DEFICIENCY) OF REVENUES	AND OTHER SOURCES OVER	EXPENDITURES AND OTHER USES	\$567,000	\$312,000
BUDGET, FUND BALANCE	200,000	200,000		
	200,000			
FUND BALANCE, BEGINNING OF YEAR		1,173,500		1,173,500
FUND BALANCE, END OF YEAR		\$1,373,500		\$1,373,500

The accompanying notes are an integral part of this statement.

**BOOK OF ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET - PROPRIETARY FUND TYPE
DECEMBER 31, 1996 AND 1995**

ASSETS	1996	1995
Current Assets:		
Cash on Deposit	\$ 242,199	\$ 148,308
Accounts Receivable, Net Allowance For Unallowable Accounts (1996, \$18,438; 1995, \$20,849)	123,000	125,520
Accrued Interest Receivable	2,076	871
Prepaid Insurance	12,826	3,867
Due from Other Funds	4,382	3,821
Total Current Assets	<u>\$ 382,483</u>	<u>\$ 282,387</u>
Restricted Assets:		
Cash on Deposit For Water Bonds		
Bond Sinking Fund	\$ 21,047	\$ 26,476
Bond Reserve Fund	34,000	39,453
Bond Depreciation Fund	52,160	44,878
Water Deposit Reserve		
Certificates of Deposit	198,165	191,849
Cash on Deposit for Water Certificates of Indebtedness		
Indebtedness Sinking Fund	21,000	28,214
Total Restricted Assets	<u>\$ 327,272</u>	<u>\$ 329,870</u>
Plant Assets:		
Utility Plant in Service, at cost, Net of Accumulated Depreciation, (1996, \$2,115,253; 1995, \$1,878,387)	<u>\$3,881,173</u>	<u>\$3,889,609</u>
TOTAL ASSETS	<u>\$4,591,828</u>	<u>\$4,522,326</u>

The accompanying notes are an integral part of this statement.

(Continued)

TOWN OF BAHNS
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEET - RESTRICTED FUND TYPE
DECEMBER 31, 1978 AND 1980

(Continued)

	1978	1980
Liabilities and Equity		
Current Liabilities:		
(Payable from Current Assets)		
Accounts Payable	\$ 55,893	\$ 37,088
Interest Payable	<u>47,388</u>	<u>33,866</u>
Total	<u>\$ 103,281</u>	<u>\$ 70,954</u>
(Payable from Restricted Assets)		
Current Bonds & Certificates Payable	\$ 26,850	\$ 60,780
Gas Customer Meter Deposits	342,901	334,374
Water Customer Meter Deposits	<u>55,328</u>	<u>60,322</u>
Total	<u>\$ 725,079</u>	<u>\$ 755,476</u>
Total Current Liabilities	<u>\$ 828,360</u>	<u>\$ 826,430</u>
Long-Term Liabilities:		
Senior Bonds Payable	\$ 153,000	\$ 149,000
Revenue Bonds Payable	<u>608,738</u>	<u>618,580</u>
Total Long-Term Liabilities	<u>\$ 761,738</u>	<u>\$ 767,580</u>
Due to Other Funds:		
Due to Other Funds	\$ 147,536	\$ 41,856
Total Other Liabilities	<u>\$ 147,536</u>	<u>\$ 41,856</u>
Total Liabilities	<u>\$1,637,634</u>	<u>\$1,635,946</u>
Fund Equity:		
Contributed Capital (net of amortizations for capital grants)	<u>\$2,618,128</u>	<u>\$2,903,828</u>
Retained Earnings:		
Reserve for Revenue Bond Retirement	\$ 38,800	\$ 40,780
Unreserved	<u>784,083</u>	<u>613,021</u>
Total Retained Earnings	<u>\$ 822,883</u>	<u>\$ 653,801</u>
Total Equity	<u>\$3,441,011</u>	<u>\$3,557,629</u>
Total Liabilities and Equity	<u>\$5,078,645</u>	<u>\$5,193,575</u>

The accompanying notes are an integral part of this statement.

TOWN OF MAJOR
UTILITY FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
YEARS ENDED DECEMBER 31, 1978 AND 1977

	1978	1977
Operating Revenues:		
Charge for Services:		
Gas Sales	\$ 619,443	\$ 619,632
Water Sales	299,037	299,483
Sewer Service Charges	192,177	175,986
Garbage Collection Fees	118,289	109,877
Transfers, Reconnect Fees and Tapping	<u>35,382</u>	<u>7,827</u>
Total Operating Revenues	<u>\$1,372,328</u>	<u>\$1,306,805</u>
Operating Expenses:		
Gas Department Expenses	\$ 424,437	\$ 424,880
Water Department Expenses	172,348	139,485
Sewerage Department Expenses	285,996	256,381
Garbage Collection Department	181,800	161,386
Depreciation Expense	<u>236,885</u>	<u>236,881</u>
Total Operating Expenses	<u>\$1,321,466</u>	<u>\$1,227,933</u>
Operating Income	<u>\$ 50,862</u>	<u>78,872</u>
Non-Operating Income (Expense):		
Interest Earned	\$ 24,869	\$ 24,298
Business Expense	<u>\$ 28,283</u>	<u>\$ 65,293</u>
Total Non-Operating (Expense)	<u>\$ 3,416</u>	<u>\$ 41,005</u>
Income (Loss) Before Operating Transfers	<u>\$ 47,446</u>	<u>\$ 119,877</u>
Other Financing Sources (Uses):		
Operating Transfers	\$ 120,159	\$ 90,290
Total Other Financing Sources (Uses)	<u>\$ 120,159</u>	<u>\$ 90,290</u>
Net Income (Loss)	\$ 174,605	\$ (107,766)
Add: Depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	102,876	144,973
Retained Earnings, Beginning of Year	<u>516,632</u>	<u>621,498</u>
Retained Earnings, End of Year	<u>\$ 619,443</u>	<u>\$ 676,732</u>

The accompanying notes are an integral part of this statement.

FORM OF REPORT
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FINANCIAL YEAR 1995
 YEARS ENDED DECEMBER 31, 1994 AND 1995

	1995	1994
Cash flows from operating activities:		
Net income (loss) from operating activities	\$(78,800)	\$ 29,221
Adjustments to reconcile net income/(loss) to net cash provided (used) by operating activities:		
Depreciation	\$ 256,895	\$ 214,862
(Increase)/Decrease in receivables	2,322	(30,111)
(Decrease)/Increase in payables	(8,549)	4,345
Increase/(Decrease) in accounts payable	18,801	(8,327)
Increase/(Decrease) in interest payable	(1,588)	(1,376)
Increase/(Decrease) in inter deposits		
Institutions	11,184	7,940
(Increase)/Decrease in loans to other funds	128,324	73,683
Total adjustments	<u>\$ 385,183</u>	<u>\$ 260,867</u>
Net cash provided by operating activities	<u>\$ 306,383</u>	<u>\$ 290,088</u>
Cash flows from non capital financing activities:		
Payments (to)/from other funds	\$ 138,133	\$ 58,326
Net cash used for non capital financing activities	<u>\$ 138,133</u>	<u>\$ 58,326</u>
Cash flows from capital and related financing activities:		
Payments for property, plant, and equipment	\$(428,441)	\$(519,378)
Bond principal payments	(8,782)	(8,738)
Note principal payments	(21,082)	(45,000)
Contributions to capital	<u>321,226</u>	<u>388,362</u>
Net cash provided (used) by capital and related financing activities	<u>\$(136,979)</u>	<u>\$(184,754)</u>
Cash flows from investing activities:		
Interest received	\$ 20,949	\$ 16,536
Interest paid	<u>(28,385)</u>	<u>(42,277)</u>
Net cash used for investing activities	<u>\$ (7,436)</u>	<u>\$ (25,741)</u>
Net increase (decrease) in cash and cash equivalents	\$ 190,578	\$(20,413)
Cash and cash equivalents at beginning of year	<u>478,874</u>	<u>499,287</u>
Cash and cash equivalents at end of year	<u><u>\$ 669,452</u></u>	<u><u>\$ 478,874</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF MONROE
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1994

Note B-Summary of Significant Accounting Policies

The Town of Monroe, Louisiana was incorporated January 4, 1811, under the provisions of the Lawason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The financial statements of the Town of Monroe, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

Reporting Entity

In evaluating how to define the government, for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth in GAAP. The basic-but not the only-criterion for including a potential component unit within the reporting entity is the governing body's ability to exercise oversight responsibility. The most significant manifestation of this ability is financial interdependency. Other manifestations of the ability to exercise oversight responsibility include, but are not limited to, the selection of governing authority, the designation of management, the ability to significantly influence operations, and accountability for fiscal matters. A second criterion used in evaluating potential component units is the scope of public services. Application of this criterion involves considering whether the activity benefits the government and/or its citizens, or whether the activity is conducted within geographic boundaries of the government and is generally available to its citizens. A third criterion used to evaluate potential component units for inclusion or exclusion from the reporting entity is the existence of special financing relationships, regardless of whether the government is able to exercise oversight responsibilities. Based upon the application of these criteria, the following is a brief review of each potential component unit addressed in defining the government's reporting entity.

TOWN OF HAMMO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Excluded from the Reporting Entity:

TOWN OF HAMMO HEALTH CARE ENTERPRISE FUND.
The Town of Hammo owns the physical plant operated by Sorey Medical Center, Inc. The Town appoints five of the fifteen members of the governing board.

Fund Accounting

The Accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting activity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped in the Financial Statements in this report, into Governmental Fund Types and Broad Fund Categories as follows:

Governmental Funds

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

Special Revenue Funds - The Special Revenue Funds account for revenue derived from special taxes or other earmarked revenue sources. The Sales Tax Fund is a special fund used to account for proceeds of a 2% Sales and Use Tax in the Town of Hammo.

Debt Service Funds - The Debt Service Funds are used to account for the accumulation and payment of monies for long-term debt.

Proprietary Funds

Enterprise Fund - The Utility Fund is used to account for the operation of the Natural Gas and Water Sales, and sewerage and garbage collection Service Enterprise Fund. The Health Care Fund is used to account for the operations of the hospital. Enterprise Funds are used to account for operations (a) which

STATE OF MICHIGAN
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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 (2) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purpose.

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 operating or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund Operating Statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) 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 and infrastructure assets such as roads, etc. (General Fixed Assets) are accounted for in the General Fixed Assets Account Group, rather than in Governmental Funds. No depreciation has been provided on General Fixed Assets.

\$1,315,143 of fixed assets are valued at historical cost. \$35,400 of fixed assets are valued at estimated historical cost by management.

The General Fixed Asset Account Group is not a "fund." It is concerned only with measurement of financial position. It is not involved with measurement of results of operations.

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 General Long-Term Debt Account Group is not a "fund." It is concerned only with measurement of financial position. It is not involved with measurement of results of operations.

TOWNS OF BRANCO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types is limited to exclude amounts represented by non-current 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.

All Proprietary Funds are accounted for on a cost of service or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary Fund Type Operating Statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all depreciable fixed assets used by Proprietary Funds is charged as an expense against their operations. accumulated depreciation is reported on Proprietary Fund Balance Sheets. Depreciation has been provided over the estimated useful lives using the straight line method. The estimated useful lives are as follows:

Natural Gas Utility:	
Automotive Equipment	4-5-10 Years
Gas Lines	25 Years
Gas Meters	12 Years
Radios	12 Years
Office Equipment	12 Years
Fences	20 Years
Water Utility:	
Wells	57 Years
Water Lines	25-37 Years
Rebuild Water Tank	28 Years
Motors, Etc.	4-8 Years
Water System Improvements	50 Years
Sewerage Utility:	
Disposal Plant	22 Years
Collection System	12 Years
Line Extension and Relocations	25 Years
Lift Stations	25 Years
Transit Level, Sprayer, Etc.	8 Years
Automotive Equipment	3 Years
Garbage Collection Utility:	
Solid Waste Incinerator System and Building	20 Years
Automotive Equipment	18 Years

TOWN OF NARRO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Basis of Accounting

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

All Governmental Funds and Agency Funds are accounted for using the Modified Accrual Basis of Accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenues when levied even though a portion of the taxes may be collected in subsequent years. Miscellaneous revenues are recorded when received in cash because they are generally not measurable until actually received. Franchise Taxes, Sales Taxes, Inter-Governmental Revenue, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Gross Sales Taxes are considered "measurable" when collected and are recognized as revenue at that time.

Expenditures are generally recognized under the Modified Accrual Basis of Accounting when the related fund liability is incurred.

All Proprietary Funds are accounted for using the Accrual Basis of Accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

Budgets and Budgetary Accounting - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Town Treasurer prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
3. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated requires the approval of the Board of Aldermen.

TOWN OF NASSAU
NOTES TO FINANCIAL STATEMENTS, CONTINUED

4. All budgetary appropriations lapse at the end of each fiscal year.
5. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. The budget for the Debt Service Fund was not adopted.

Investments - Investments are in Certificates of Deposit and are stated at cost. Interest receivable on the Certificates of Deposit are accrued to the balance sheet date.

Unbilled Services - Unbilled services are not reported as receivables due to immateriality.

Inventories - Inventories are not recorded in the financial statements of the funds due to immateriality.

Restricted Assets

These assets consist of cash and Certificates of Deposit restricted for water works and Sewer Rehabilitation Fund Debt Service.

Reserves

The Town records reserves to indicate that a portion of the Fund Balance is legally segregated for a special future use.

Following is a list of all reserves used by the Town and a description of each:

Reserved for Debt Service - An amount used to segregate a portion of Fund Balance for Debt Service Resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years.

Reserved for Revenue Bond Retirement - An amount used to segregate a portion of Fund Balance for Debt Service Resources legally restricted to the payment of long-term debt principal and interest amounts maturing in future years when sufficient amounts are not reserved in Bond Debt Service accounts.

Reserved for Revenue and Contingency - An amount to segregate a portion of Fund Balance for Debt Service Resources restricted to the payment of long-term debt principal and interest amounts maturing in the future years when sufficient amounts are not reserved in the Debt Service and Bond Retirement Reserve accounts.

TOWN OF BRANT
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of March 15, of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on March 15, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

For the year ended December 31, 1996 taxes of 19.66 Mills were levied on property with assessed valuations totaling \$7,882,998 and were dedicated as follows:

General Corporate Purposes	7.48 Mills
Street Maintenance	11.70 Mills
Recreation Maintenance	.53 Mills
Total	19.66 Mills

Total taxes levied were \$151,189.81.

Municipal Police Employees' Retirement System (MPERS)

Plan Description and Provisions:

Two of the Town's full-time police employees, participate in the MPERS, a multiple-employer, cost-sharing pension plan. The payroll for the employees covered by the MPERS for the year ended December 31, 1996 was \$34,998; the Town's total police payroll was \$329,322. A census of the group is not available at December 31, 1996.

Employees attaining the earlier age of 50 with 20 years of service or age 55 with 15 years of service are entitled to a monthly benefit of 3 and 1/3 per cent of average final compensation times years of creditable service (as defined in the plan), not to exceed 100 per cent of final salary. Active employees who become disabled with at least 5 years of creditable service receive 3 per cent of average final compensation (as defined in the plan) multiplied by years of creditable service, but not less than 40 per cent nor more than 60 per cent of average final compensation. If an active employee dies, his designated beneficiary receives the retirement benefit the member has earned to his date of death, but not less than 40 per cent and not more than 60 per cent of the member's average final compensation.

TOWN OF BRADFORD
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Description of Funding Policy:

Covered employees are required by state statute to contribute 7.8 per cent of their salary to MPERS. The Town is required by this statute to contribute 9 per cent of covered salaries to the system; plus, the system receives a State appropriation of the gross direct premiums received by Louisiana Insurance Rating Commission, to meet actuarial funding requirements. The contribution requirements for the year ending December 31, 1996, was \$9,779 which consisted of \$3,150 (9% of covered payroll) from the Town and \$6,629 (7.8% of covered payroll) from the covered employees.

The pension benefit obligation is not available at December 31, 1996. Future deficits in the system will be financed by the State and the Town has no further liability to the system, other than required current contributions.

Bad Debts

Bad debts are written off when they are deemed to be uncollectible by Town officials. An allowance is made each year for the amount of receivables which are anticipated to be uncollectible based on prior experience and current conditions. Amounts written off as bad debts for 1996 are as follows:

General Fund	\$ 3,000
Utility Fund	2,100
Total Bad Debts	<u>\$5,100</u>

Comparative Data

Comparative Data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Comparative Data for the prior year is presented for the year ended December 31, 1995.

Total Columns on Combined Statements

Total Columns on Combined Statements - Overview are captioned memorandums only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes

TOWN OF MERRIM
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

In financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Capitalization of Interest Cost

Interest accrued during construction of projects is capitalized as a component of the project. There was no interest capitalized during the year ended December 31, 1996.

NOTE B - PROPERTY, PLANT, AND EQUIPMENT

A summary of Proprietary (Utility) Fund Type Property, Plant and Equipment at December 31, 1996 follows:

Natural Gas Utility:		
Automotive Equipment	\$	334,899
Gas Lines		480,729
Meters, Air compressors, Radio		
Equipment, Etc.		63,296
Office Equipment		10,948
Real Estate		10,958
Water Utility:		
Plant and Equipment		438,884
Office Equipment		894
Automotive Equipment		30,618
Water System Improvements		1,800,214
Sewerage Utility:		
Sewerage Lines and Disposal Plant		3,303,631
Land		63,810
Machinery and Equipment		308,680
Auto		1,000
Garbage Collection:		
Machinery and Equipment		223,232
Total	\$	5,798,428
Less: Accumulated Depreciation		2,415,233
Net	\$	<u>3,383,195</u>

TOWN OF MONROE
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note C - Changes in Long-Term Debt

The following is a summary of changes in Long-Term Debt of the Town for the year ended December 31, 1996:

	Balance January 1, 1996	Additions	Retirements	Balance December 31, 1996
General Obligation Bonds	\$21,000	1,000	\$21,000	\$21,000
Total	\$21,000	1,000	\$21,000	\$21,000

Bonds and Notes Payable are comprised of the following:

General Obligation Bonds:

\$221,000 Public Improvement Sales Tax Refunding Bonds, Series 1995, of the Town of Monroe, State of Louisiana, Dated June 1, 1995, due in Annual Installments beginning April 1, 1996, Interest at 6 1/2 per annum.

Payments to Maturity are as follows:

YEAR	Amount
1997	\$ 48,000
1998	51,000
1999	55,000
2000	58,000
2001	61,000
2002	67,000
2003	78,000
2004	73,000
2005	61,000
2006	55,000
Total	\$628,000

These bonds and notes are secured by sales tax collections.

TOWN OF NAMCO
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note B - Enterprise Fund Debt:

Revenue Bonds:

\$461,700 of Water Revenue Bonds of the Town of Namco, State of Louisiana, dated April 6, 1988, bearing interest at the rate of 11% per annum payable annually beginning April 1, 1990.

Payment Date	Amount
1997	\$ 8,850
1998	8,850
1999	10,010
2000	12,390
2001	15,760
2002	20,140
2003	21,910
2004	22,670
2005	23,500
2006	28,770
2007	34,090
2008	37,860
2009	38,760
2010	41,180
2011	46,830
2012	17,310
Total	<u>\$418,560</u>

Certificates of Indebtedness:

\$245,000 of Certificates of Indebtedness dated August 1, 1986, bearing interest at the rate of 8.5% per annum payable semiannually beginning February 1, 1987. The final payment on these certificates was made during 1998.

\$200,000 of certificates of indebtedness dated June 1, 1994, bearing interest at a rate of 8.5% per annum payable semiannually beginning December 1, 1994.

TOWN OF HANCO
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Payments to maturity are as follows:

Year	Amount
1997	\$ 17,000
1998	18,000
1999	19,000
2000	20,000
2001	22,000
2002	23,000
2003	24,000
2004	<u>25,000</u>
Total	<u>\$163,000</u>

Note E - Internal Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The General and Sales Tax Funds' Financial Statements generally reflect such transactions as transfers, except in cases where transfers are believed to be advances and reimbursement is anticipated. Individual Fund Interfund Receivable and Payable balances at December 31, 1996 arising from these transactions were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$180,857	\$ 73,710
Special Revenue Funds	29,340	28,813
Utility Fund	4,943	147,536
Debt Service Fund	5,919	-
Totals	<u>\$221,059</u>	<u>\$349,059</u>

Note F - Litigation

In the opinion of the Town attorney the claims and potential claims against the Town not covered by insurance would not materially affect the Financial Statements of the Town.

**TOWN OF RAMBO
NOTES TO FINANCIAL STATEMENTS, CONTINUED**

Note B - Compensation of Mayor and Board of Aldermen

A schedule of compensation paid to the Mayor and Board of Aldermen is as follows:

	Salary	Expenses	Total
Warren Fierrock (Mayor)	\$ 3,800	\$ 2,400	\$ 6,200
Nicky Buzanec	2,800	1,800	4,600
J. L. Sauter	2,400	1,800	4,200
Myllia Bellows	2,600	1,800	4,400
Bobby Buzan	2,600	1,800	4,400
Kerrel Arlein	<u>2,600</u>	<u>1,800</u>	<u>4,400</u>
Total	<u>\$17,400</u>	<u>\$11,600</u>	<u>\$29,000</u>

Note C - Collateralization of Cash

All cash was adequately collateralized by securities held by the Town or in the Town's name, or insured for the year ended December 31, 1988.

Note D - Statement of Cash Flows

Under Governmental Accounting Standards Board Statement No. 9, all governmental entities, whose fiscal year begins after December 15, 1989, must adopt a statement of cash flows to replace the statement of changes in financial position for all proprietary funds.

A statement of cash flows presents cash and cash equivalents at the beginning and end of the period. Cash equivalents are defined as short-term, highly liquid investments that are both:

- Readily convertible to known amounts of cash.
- So near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

A statement of cash flows focuses on cash receipts and cash payments resulting from operating, non capital financing, capital and related financing, or investing activities.

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing

TOWN OF MANCO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.

Non capital financing activities include borrowing money for purposes other than to acquire, construct, or improve capital assets and repaying those amounts borrowed, including interest. This category includes proceeds from all borrowings (such as revenue anticipation notes) not clearly attributable to acquisition, construction or improvement of capital assets, regardless of the form of the borrowing. Also included are certain other interfund and intergovernmental receipts and payments.

Capital and related financing activities include (a) acquiring and disposing of capital assets used in providing services or producing goods, (b) borrowing money for acquiring, constructing, or improving capital assets and repaying the amounts borrowed, including interest, and (c) paying for capital assets obtained from vendors on credit.

Investing activities include making and collecting loans and acquiring and disposing of debt or equity instruments.

Note J - Changes in Contributed Capital - Utility Fund

Beginning Balance, January 1, 1998	\$2,881,828
Additions: Grants for Sewer Construction	311,224
Deletions: Depreciation attributable to grants	(1,182,874)
Ending Balance, December 31, 1998	<u>\$2,009,178</u>

Note K - Changes in General Fixed Assets

Beginning Balance, January 1, 1998	\$ 855,513
Additions	285,138
Ending Balance, December 31, 1998	<u>\$1,140,651</u>

NOTE L - Deferred Debt

On June 1, 1985 the Town of Manco issued Public Improvement Sales Tax Refunding Bonds of \$693,600 with an interest rate of 8% to advance refund term bonds with an interest rate ranging between 8% and 12%. The term bonds mature on April 1, 2008, and were called on April 1, 1998. The Refunding Bonds were issued for \$693,600, and were used to purchase U. S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the term bonds were called on April 1, 1998. The advance refunding met the requirements of an in-substance

TOWN OF MANCOW
NOTES TO FINANCIAL STATEMENTS, CONTINUED

debt defeasance and the term bonds were removed from the Town's General Long-Term Debt Account Group.

As a result of the advance refunding, the Town reduced its total debt service requirements by \$43,343, which resulted in an economic gain (difference between the present value of the debt service payments on the old and new debt) of \$16,887.

Note M - Hospital Lease

The Town of Mancow owns a hospital facility in the Town of Mancow. In January of 1988 the Town terminated its operating agreement with Sovey Medical Center, Inc., and signed a lease with Columbia Health Care. The Town receives \$73,000 per month in lease payments for a period of 10 years with four, 5 year options.

Note N - Missing Evidence

Evidence was taken from the police Department during 1986. An investigation is continuing into the facts of the theft. This is not believed to have a material effect on the Town's financial statements.

Note O - Residual Equity Transfer

construction of the new Intensive Care Unit at the hospital facility owned by the Town of Mancow was completed in 1986. The residual equity transfer into the general Fund consisted of monies remaining in the hospital construction account after the completion of the new Intensive Care Unit.

Note P - Purchase of Town Hall

The Town of Mancow purchased land/building combination during 1988 to be used as a new Town Hall. The purchase was not subject to bidding requirements. However, in order to meet the obligation of prudent management of public funds, the Town of Mancow's management should have advertised its intent to purchase land/building, accept proposals, and subjected such property to appraisal. The Town did none of the above, as they were unaware of this requirement.

MICHAEL W. JOHNSON

Certified Public Accountant

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MEMBER AND CERT. PUBLIC ACCT.
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NATIONAL BOARD OF ACCOUNTANTS

MEMBER PUBLIC ACCT.
OF
LOUISIANA BOARD OF PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

To the Mayor and Town Council:
Town of Mamou, Louisiana

I have audited the general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1994, and have issued my report thereon dated June 13, 1997. Those general purpose financial statements are the responsibility of the Town of Mamou, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-138, Audits of State and Local Governments. Those standards and OMB Circular A-138 require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Mamou, 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 my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Monroe, Louisiana
June 12, 1997

TABLE OF WORKS
SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
WISCONSIN FISCAL YEAR
FOR THE FISCAL YEAR ENDING DECEMBER 31, 1970

Federal Grants/Pass Through (CONTRACT/GRANT TITLE)	Federal FSA Revel.	Pass-Through Grants/Pass Revel.	Program or Fund Amount	Grant Revel.	Expenditures
U. S. DEPARTMENT OF EDUCATION					
Pass-Through Items					
Department of Education Summer Reading Program	10,000	4400075	\$ 14,000	\$ 14,000	\$ 14,000
Total Department of Education			\$ 14,000	\$ 14,000	\$ 14,000
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT					
Pass-Through Grant Division of Administration - 1968					
	74,000	501-0075	\$501,000	\$511,000	\$511,000
Total Department of Housing and Urban Development			\$501,000	\$511,000	\$511,000
U. S. DEPARTMENT OF JUSTICE					
Grant					
84-10-CF-80-0990	15,000	84	\$ 15,000	\$ 15,000	\$ 15,000
Total Department of Justice			\$ 15,000	\$ 15,000	\$ 15,000
U. S. DEPARTMENT OF AGRICULTURE					
Pass-Through Items					
Department of Agriculture	10,000	51776	\$ 10,000	\$ 10,000	\$ 10,000
Total Department of Agriculture			\$ 10,000	\$ 10,000	\$ 10,000

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MEMBER, SOCIETY
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INTERNAL CONTROLS AND RISK MANAGEMENT

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

Honorable Warren Pierrotti, Mayor, and
Members of the Board of Aldermen
Town of Mamou, Louisiana

I have audited the general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1996, and have issued my report thereon dated June 12, 1997.

I conducted my 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-130, Audits of State and Local Governments. These standards and OMB Circular A-130 require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

In planning and performing my audit of the general purpose financial statements of the Town of Natchez, Louisiana, for the year ended December 31, 1998, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

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

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following matters involving the internal control structure and its operation that I consider to be material weaknesses as defined above. These conditions were considered in determining the nature, timing, and extent of the procedures to be performed in my audit of the financial statements of the Town of Natchez, Louisiana, for the year ended December 31, 1998.

Finding: Delinquent utility bills (predominantly, water and sewerage) were allowed for some residents of the Town of Hallow without cutting off the utilities.

Cause: Lack of implementation of the Town's policies.

Recommendation: Policies for all delinquent utility bills should be enforced for all residents. Delinquent residents should have all utilities cut-off on the designated cut-off date and should be required to pay the balance in full and the reconnect fee before reconnecting the utilities.

Management's Response: We are working toward being able to cut off utilities for residents who do not pay without cutting off paying customers. We are closely monitoring this situation.

Finding: There was a lack of controls over police tickets issued and turned in.

Cause: New personnel in police department were not aware of the importance of accounting for all police tickets.

Recommendation: Implement controls over police tickets to account for all police tickets.

Management's Response: We concur in the finding and are implementing the recommendation.

Finding: Management purchased land/building to be used as a new Town Hall without first advertising its intent to purchase, accepting proposals, and subjecting such property to appraisal as would have been required of prudent business management.

Cause: Management was unaware of this requirement.

Recommendation: Advertise intent to purchase, accept proposals, and subject property to appraisal for future purchases of land/building.

Management's Response: We concur in the finding and are implementing the recommendation.

All findings of prior year have been corrected unless specified above.

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

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Kenner, Louisiana
June 12, 1997

MICHAEL W. JOHNSON

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

To the Town Council
Town of Mamou, Louisiana

I have audited the general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1986, and have issued my report thereon dated June 12, 1987.

I conducted my 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-128, Audits of State and Local Governments. These standards and OMB Circular A-128 require that I 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 my audit for the year ended December 31, 1986, I considered the internal control structure of the Town of Mamou, Louisiana, in order to determine my auditing procedures for the purpose of expressing my opinion on the Town of Mamou, Louisiana's general purpose financial statements, and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses my consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to Federal financial assistance programs. I have addressed internal control structure policies and procedures relevant to my audit of the general purpose financial statements in a separate report dated June 12, 1987.

The management of the Town of Mamou, 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.

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

- .receipts
- .disbursements
- .payroll

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

During the year ended December 31, 1990, the Town of Mamou, Louisiana, had no major federal financial assistance programs and expended 100 percent of its total federal financial assistance under nonmajor federal financial assistance listed on the Schedule of Federal Financial Assistance.

I performed tests of controls, as required by OMB circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that I considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Town of Mamou, Louisiana's nonmajor federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance. My procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, I do not express such an opinion.

My 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 be 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 the 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. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above.

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

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Burien, Louisiana
June 12, 1997

MICHAEL W. JOHNSON

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

To the Mayor and Town Council
Town of Mamou, Louisiana

I have audited the general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1994, and have issued my report thereon dated June 13, 1997.

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

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

The results of my tests disclosed the following instances of noncompliance that are required to be reported under Government Auditing Standards.

Finding:	Management purchased land/building to be used as a new Town Hall without first advertising its intent to purchase, accepting proposals, and subjecting such property to appraisal as would have been required of prudent business management.
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Cause: Management was unaware of this requirement.

Recommendation: Advertise intent to purchase, accept proposals, and subject property to appraisal for future purchases of land/building.

Management's Response: We concur in the finding and are implementing the recommendation.

I considered this instance of noncompliance in forming my opinion on whether the Town of Monro, Louisiana's 1998 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 these general purpose financial statements.

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

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Monro, Louisiana
June 12, 1997

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

To the Town Council
Town of Mamou, Louisiana

I have audited the general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1988, and have issued my report thereon dated June 12, 1989.

I have applied procedures to test the Town of Mamou, 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, 1988:

- Political Activity
- Davis-Bacon Act
- Civil Rights
- Cash Management
- Relocation Assistance
- Real Property Acquisition
- Federal Financial Reports
- Allowable Costs/Cost Principles
- Drug-Free Workplace Act

My procedures were limited to the applicable procedures described in the Office of Management and Budget's Compliance Supplement for Single Audits of State and Local Governments. My procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Mamou, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, I 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 my attention that

caused me to believe that the Town of Monro, Louisiana, had not complied, in all material respects, with these requirements. Also, the results of my procedures did not disclose any immaterial instances of noncompliance with these requirements.

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

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Monro, Louisiana
June 12, 1997

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

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Monroe, Louisiana
June 12, 1997