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**CITY OF MARKSVILLE
MARKSVILLE, LOUISIANA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDING
JUNE 30, 1977**

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.

Release Date: SEP. 04 1978

Ducote & Company
Certified Public Accountants

P. O. Box 409
217 North Washington Street
Marksville, LA 71351

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June 30, 1987

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INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS

The Honorable John Ed Labarre, Mayor
and Members of the City Council
City of Marksville, Louisiana

We have audited the accompanying general-purpose financial statements of the City of Marksville, Louisiana as of and for the year ended June 30, 1997, as listed in the foregoing table of contents. These general-purpose financial statements are the responsibility of management of the City of Marksville. 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. 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. We believe that our audit provides a reasonable basis for our opinion.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated December 23, 1997, on our consideration of the City of Marksville, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

HONORABLE LEBOEUF and
Members of City Council

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information schedules contained in Appendix A as listed in the table of contents, are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of the City of Marksville. The accompanying schedule of expenditures of federal awards contained in Appendix B is presented for purposes of additional analysis as required by the U. S. Office of Management and Budget Circular A-135, Audits of States and Local Governments, and Non-Profit Organizations, and also is not a required part of the general-purpose financial statements. Such information has been subjected to the procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.


DUCOTE & COMPANY
Marksville, Louisiana
December 23, 1987

**GENERAL-PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

**CITY OF NASHVILLE, TENNESSEE
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1997**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds
ASSETS				
Assets				
Cash and cash equivalents	\$20,588	\$2,877,627	\$750,188	\$0
Accounts receivable	28,168	128,883	0	0
Due from other funds	3,771	1,831	0	15,000
Due from governmental units	50,730	0	0	192,000
Restricted Assets				
Cash and cash equivalents	0	0	0	0
Property, Plant and Equipment (net of accumulated depreciation)	0	0	0	0
Other Assets				
Amounts available in debt service	0	0	0	0
Amounts to be provided for retirement	0	0	0	0
TOTAL ASSETS	\$62,157	\$3,008,341	\$750,188	\$177,000
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$0	\$1,818	\$0	\$131
Contract payable	0	0	0	168,387
Accrued expenses	0	0	0	0
Due to other funds	50,110	1,831	0	0
Current Liabilities (from Restricted Assets)				
Water deposits	0	0	0	0
Revenue bonds payable	0	0	0	0
Accrued interest	0	0	0	0
LONG-TERM LIABILITIES				
Compensated absence payable	0	0	0	0
General obligation bonds payable	0	0	0	0
Revenue bonds payable	0	0	0	0
TOTAL LIABILITIES	50,110	3,650	0	168,518
FUND EQUITY				
Contractor/Debit	0	0	0	0
Investment in General Fund Assets	0	0	0	0
Reserve (Surplus)				
Reserved for revenue bond interest	0	0	0	0
Unreserved	0	0	0	0
Fund Balance				
Reserved for debt service	0	0	750,188	0
Designated for subsequent year expenses	0	0	0	15,000
Unreserved undesignated	262,188	1,204,432	0	0
TOTAL FUND EQUITY	262,188	1,204,432	750,188	15,000
TOTAL LIABILITIES AND FUND EQUITY	\$62,157	\$3,008,341	\$750,188	\$177,000

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

Enterprise Funds	Trust & Agency Fund	General Fund Assets Group	General Long-Term Debt Group	Memorandum Only Current Year	Memorandum Only FY04 Year
2000, 001	270,000	0	0	10,000,000	11,000,000
132,701	0	0	0	250,000	204,000
7,133	60,700	0	0	0	30,000
0	0	0	0	210,700	18,700
481,734	0	0	0	100,700	360,700
6,070,264	0	1,001,000	0	6,491,000	7,195,000
0	0	0	720,100	120,100	504,470
0	0	0	2,710,010	2,710,010	2,669,200
<u>10,211,000</u>	<u>270,000</u>	<u>1,001,000</u>	<u>6,440,710</u>	<u>10,612,010</u>	<u>11,989,200</u>

0	600,700	0	0	900,000	911,400
0	0	0	0	150,000	0
0	11,500	0	0	11,500	0
40,000	0	0	0	0	0
200,000	0	0	0	200,000	190,000
40,000	0	0	0	40,000	40,000
10,000	0	0	0	10,000	10,000
10,000	0	0	0	10,000	0
0	0	0	4,000,000	4,000,000	3,700,000
1,800,000	0	0	0	1,800,000	1,800,000
<u>2,210,700</u>	<u>600,000</u>	<u>0</u>	<u>4,440,710</u>	<u>6,660,000</u>	<u>6,672,100</u>

6,007,000	0	0	0	6,007,000	6,400,000
0	0	1,001,000	0	1,001,000	0
100,000	0	0	0	100,000	100,000
1,000,000	0	0	0	1,000,000	1,000,000
0	0	0	0	700,100	600,000
0	0	0	0	10,000	10,000
0	0	0	0	2,400,000	1,200,000
<u>7,207,000</u>	<u>0</u>	<u>1,001,000</u>	<u>0</u>	<u>11,011,100</u>	<u>8,910,100</u>
<u>10,211,000</u>	<u>270,000</u>	<u>1,001,000</u>	<u>6,440,710</u>	<u>10,612,010</u>	<u>11,989,200</u>

CITY OF MARKSVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 2007

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Project Funds	Memo Only Current Year
REVENUES					
Taxes	\$271,239	\$1,459,735	\$122,884	\$0	\$1,853,858
License and permits	192,887	0	0	0	192,887
Intra-governmental	222,054	0	0	\$49,000	1,072,774
Miscellaneous revenues	42,285	42,891	21,525	739	108,200
TOTAL REVENUES	578,465	1,502,626	144,409	49,739	3,177,727
EXPENDITURES					
General government	174,627	142,348	0	0	316,975
Public safety	400,428	0	0	0	400,428
Streets and drainage	382,851	0	0	0	382,851
Capital outlay	0	592,878	0	\$49,000	1,200,074
Debt service	0	0	529,575	0	529,575
TOTAL EXPENDITURES	1,019,907	635,226	529,575	\$49,000	3,115,818
Excess (deficiency) of revenues over expenditures	(441,442)	867,400	(385,166)	739	128,721
OTHER FINANCING SOURCES (USES)					
Operating transfers in	425,488	85,484	\$74,221	0	1,085,294
Operating transfers out	0	(7,227,225)	(77,288)	(24,722)	(7,389,000)
Grant proceeds	0	1,620,888	0	0	1,620,888
TOTAL OTHER FINANCING SOURCES (USES)	425,488	1,639,147	(2,546)	(24,722)	1,697,212
Excess (deficiency) of revenues over expenditures and other sources (uses)	88,929	1,428,487	190,778	(24,014)	1,852,863
Fund Balances at beginning of year	215,189	275,638	549,475	49,739	1,090,031
Fund Balances at end of year	\$304,118	\$1,703,974	\$740,253	\$25,725	\$2,037,865

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

CITY OF MONROVILLE, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - (BUDGET (GAAP BASIS) AND ACTUAL
GENERAL AND SPECIAL REVENUE FUND TYPES)
YEAR ENDED JUNE 30, 1997

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance- favorable (unfavorable)	Budget	Actual	Variance- favorable (unfavorable)
REVENUES						
Taxes	\$170,500	\$201,208	\$31,208	\$1,301,000	\$1,088,738	\$212,738
Licenses and permits	158,500	180,897	22,397	0	0	0
Intergovernmental	170,000	225,858	55,858	0	0	0
Miscellaneous revenues	100,000	41,208	(58,792)	75,000	48,951	27,049
TOTAL REVENUES	<u>599,000</u>	<u>649,161</u>	<u>50,161</u>	<u>1,376,000</u>	<u>1,137,689</u>	<u>239,689</u>
EXPENDITURES						
General government	188,076	174,947	13,129	48,075	141,048	(92,973)
Public safety	400,500	400,409	91	0	0	0
Streets and drainage	607,750	388,891	218,859	0	0	0
Capital outlay	0	0	0	600,000	600,000	0
TOTAL EXPENDITURES	<u>1,196,326</u>	<u>964,257</u>	<u>232,069</u>	<u>648,075</u>	<u>741,048</u>	<u>907,027</u>
(Excess (deficiency) of revenues over expenditures)	<u>(597,326)</u>	<u>(315,096)</u>	<u>(282,770)</u>	<u>(272,075)</u>	<u>(603,359)</u>	<u>(367,338)</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	488,888	481,480	\$7,410	800,000	80,000	(720,000)
Operating transfers out	0	0	0	(1,407,100)	(1,007,000)	390,100
Bond proceeds	0	0	0	0	1,500,000	1,500,000
TOTAL OTHER FINANCING SOURCES (USES)	<u>488,888</u>	<u>481,480</u>	<u>\$7,410</u>	<u>(607,100)</u>	<u>573,000</u>	<u>170,100</u>
(Excess (deficiency) of revenues over expenditures and other sources (uses))	<u>\$108,552</u>	<u>66,384</u>	<u>\$42,240</u>	<u>(879,175)</u>	<u>(730,359)</u>	<u>(197,238)</u>
Fund Balances at beginning of year		<u>210,150</u>			<u>587,580</u>	
Fund Balances at end of year		<u>\$276,534</u>			<u>(142,770)</u>	

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

CITY OF BIRMINGHAM, LOUISIANA
 PROPRIETARY FUND TYPES - ALL ENTERPRISE FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS
 FOR THE YEAR ENDED JUNE 30, 2007

	Sewer System Fund	Water System Fund	Memorandum Only Current Year	Memorandum Only Prior Year
OPERATING REVENUES				
Operating revenue	\$50,062	\$21,170	\$99,238	\$99,778
TOTAL OPERATING REVENUES	50,062	21,170	99,238	99,778
OPERATING EXPENSES				
Salaries	80,124	198,490	247,234	229,500
Payroll taxes	6,884	11,374	18,258	18,428
Group insurance	3,250	7,391	10,791	12,040
Bad debt expense	1,000	3,499	3,288	8,088
Fuel	6,937	8,991	7,388	6,720
Lubricants	20,000	34,705	50,870	52,070
Stationery, postage & telephone	483	7,369	7,628	12,111
Miscellaneous	287	1,283	1,691	148
Legal and professional	13,889	7,333	21,662	22,771
Parts, repairs, and maintenance	81,280	124,288	226,528	271,684
Insurance	1,000	17,411	19,941	24,880
Depreciation	141,111	188,768	249,974	223,088
Laboratory fee	6,250	0	5,250	3,000
TOTAL OPERATING EXPENSES	392,148	579,973	899,417	852,498
Operating income	23,814	17,297	90,421	91,771
NONOPERATING REVENUES (EXPENSES)				
Interest income	74,100	18,870	33,128	29,431
Grant revenue	0	0	0	188,660
Interest expense	(24,892)	(27,273)	(73,493)	(24,892)
TOTAL NONOPERATING REVENUES (EXPENSES)	49,208	(8,403)	(40,365)	193,200
Income before operating transfers	23,278	11,189	50,056	239,437
OPERATING TRANSFERS				
Operating transfers in	24,792	0	24,792	0
Operating transfers out	0	(11,004)	(11,004)	(27,478)
TOTAL OPERATING TRANSFERS	24,792	(11,004)	13,788	(27,478)
Net income	50,868	11,200	63,868	208,968
Add depreciation on fixed assets incurred by grantees, and shared revenues externally received for capital acquisitions and contribution that reduces contributed capital				
	80,800	84,300	141,638	141,008
Retained Earnings (beginning of year)	171,178	213,888	1,737,911	1,437,281
Retained Earnings (end of year)	302,806	309,388	1,923,217	1,786,468

The accompanying notes are an integral part of the financial statements.

CITY OF MARKSVILLE, LOUISIANA
PROPERTY TAX FUND (TYPE 1) ALL SIX MONTH PERIOD
COMPARISON STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2007

	<u>Water</u>	<u>Water</u>	<u>Water Only</u>	<u>Water Only</u>
	<u>System</u>	<u>System</u>	<u>Current Year</u>	<u>Prior Year</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Net Income (Loss)	\$68,068	1,012,200	\$68,068	\$208,868
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation and amortization	141,177	168,793	(342,095)	(225,888)
(Increase) decrease in:				
Prepaid expenses	(7,884)	(7,329)	(8,082)	190,243
Increase (decrease) in:				
Trade accounts payable	25,454	(17,200)	(23,494)	2,862
Other payables	3,944	21,240	21,194	(222,478)
Accrued liabilities	(4,875)	12,718	16,292	(7,587)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>232,089</u>	<u>1,122,322</u>	<u>337,185</u>	<u>436,532</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Purchases of property and equipment	(8,881)	0	(8,881)	(127,000)
NET CASH PROVIDED (USED) FROM (IN) INVESTING ACTIVITIES	<u>(8,881)</u>	<u>0</u>	<u>(8,881)</u>	<u>(127,000)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Principal paid on bonds and leases (contracted serially issue)	(11,832)	(25,000)	(28,832)	(21,000)
	25,000	0	0	0
NET CASH PROVIDED (USED) FROM (FOR) CAPITAL AND RELATED FINANCING ACTIVITIES	<u>13,168</u>	<u>(25,000)</u>	<u>(28,832)</u>	<u>(21,000)</u>
NET (increase) (decrease) in CASH AND CASH EQUIVALENTS	<u>236,376</u>	<u>1,097,322</u>	<u>300,742</u>	<u>308,532</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>375,832</u>	<u>64,000</u>	<u>1,079,321</u>	<u>819,832</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$612,208</u>	<u>\$1,741,322</u>	<u>\$1,380,063</u>	<u>\$1,128,364</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statement
June 30, 1987

INTRODUCTION

The City of Marksville was incorporated in June 1, 1837, by special act of the Louisiana Legislature in 1837 (Act 128), and operates under a special charter. The City functions under a Mayor-Council form of government and provides the following services to residents within the city limits: public safety (police and fire), streets, drainage, wastewater, public improvements, planning and zoning, water and sewer services, and general administrative services.

NOTE 1. SUMMARY OF ACCOUNTING POLICIES

The accounting and reporting policies of the City of Marksville conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and the industry audit guide, *Audit of State and Local Governmental Units*.

A. The Reporting Entity

Governmental Accounting Statement 14 established criteria for determining which component units should be considered part of the City of Marksville, 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. These 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 financially dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature or 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:

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1987

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following component unit has been presented as a blended component unit:

Marksville Volunteer Fire Department

The Marksville Volunteer Fire Department is governed by a group of volunteer citizens. The Marksville Volunteer Fire Department is not financially dependent upon the City of Marksville; however, the City of Marksville includes revenues received and expenditures paid for the Fire Department as part of its general fund. The City of Marksville also provides for the Fire Department facilities and equipment and the Marksville Volunteer Fire Department provides public safety service almost exclusively to benefit the City of Marksville; therefore, these general-purpose financial statements include expenditures incurred directly by the Marksville Volunteer Fire Department from public funds in a special revenue fund. These general-purpose financial statements do not include operating expenditures paid with self-generated funds of the Marksville Volunteer Fire Department, which are immaterial for the fiscal year ended June 30, 1987.

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

Marksville City Court

The Marksville City Court is staffed by independently elected officials. Although the city does provide facilities and some of its financing, no control is exercised over its operations.

Marksville Housing Authority

The Marksville Housing Authority was chartered by the City of Marksville, and its board of directors is appointed by the Mayor. However, the City's oversight responsibilities in the management, operations and financial accountability of the authority are minimal. The 1986 payment in lieu of taxes has not been recorded in the June 30, 1987 financial statements as the amount had not yet been determined.

B. Fund Accounting

The accounts of the City of Marksville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

CITY OF MONROVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Governmental 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 financial statements in this report, into six general fund types, three local fund categories, and two account groups as follows:

Governmental Funds

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments or major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary fund, special assessment funds, and trust funds).

Proprietary Funds

Enterprises Funds

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

Fiduciary Funds

Trust and Agency Funds

Trust and agency funds are used to account for assets held by the City in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results or operations.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

General Fixed Assets Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. These assets are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public works ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including streets, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

General Long-Term Debt Group

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

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds and agency funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues are recognized when they become measurable and available as current assets.

Taxes are considered as "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue of that time. All various taxes are recognized as revenue in the year in which such taxes are billed and collected. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, franchise fees and interest on investments. Licenses and permits are recognized when received because they are not objectively measurable. Anticipated receipts of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized as an expenditure when due.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds and non-expendable trust funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

D. Unbilled utility services

Unbilled water and sewer revenues between the date of the last meter reading billed before the end of June and the reading at or near the end of June billed in July are accrued based on the July billing amounts.

E. Budget and budgetary accounting

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

1. The Mayor, Finance Chairman, and Secretary-Treasurer prepare a proposed budget and submit it to the City Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. 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 City Council. Such amendments were not material in relation to the original appropriations.
8. Budgetary control is exercised at the fund level.
9. The Marksville Volunteer Fire Department (a component unit of the City of Marksville) did not prepare or adopt a formal budget for the fiscal year ended June 30, 1997 as its expenditures were under \$250,000.

CITY OF MONROE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

F. Encumbrances

The City does not utilize encumbrance accounting.

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

H. Bad debts

Uncollectible amounts due for customers' utility invoices are recognized as bad debts when they are no longer deemed collectible at the time information becomes available which would indicate the uncollectibility of the particular receivable. Uncollectible amounts recorded in the year ended June 30, 1997 were \$0.00.

I. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units are excluded separately from interfund balances as due to/from component units.

J. Advances to Other Funds

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

K. Inventories

Purchases of various operating supplies are recorded as expenditures at the time purchased. Inventories of such supplies (if any) are not recorded as assets at the end of the fiscal year due to their perishability.

CITY OF MONROVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES. (continued)

L. Prepaid Items

The City of Monroville's financial statements do not include any prepaid items for the year ended June 30, 1997.

M. Restricted Assets

Certain cash and investments balances in the enterprise funds are restricted because they represent customer meter deposits held on be behalf of utility customers.

Also certain resources are set aside for repayment of enterprise fund revenue bonds and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

N. Compensated Absences

The City of Monroville has the following policy regarding annual leave and sick leave:

Annual Leave

After 1 year of full time employment	10 days
After 5 years of full time employment	15 days

An employee can accumulate up to 348 hours of annual leave. It is paid upon termination or retirement.

For the governmental fund types, the City's liability for accumulated unpaid vacation has been recorded in the general long-term debt group of accounts. For the proprietary fund type, the liability has been accrued within that fund. No payment is made for accrued and unused sick leave.

CITY OF MARKOVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

G. Fixed Assets

Depreciation of all depreciable fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives of the assets using the straight line method.

The estimated useful lives are as follows:

	Sewer Systems	Water Systems
Water Wells	-	20
Water Well Improvements	-	10
Motors	-	10
Pumps, Motors, Compressors	5	10
Lines & Other System Installations	20	20
Vehicles & Movable Equipment	3-5	3-5
Office Furniture & Fixtures	-	10

All fixed assets are reported at historical cost (less plus balloon allowances, if applicable). Depreciated fixed assets, if any, are stated at their estimated fair value on the date created.

The City follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use.

Depreciation expense on fixed assets used by proprietary funds for the fiscal year ended June 30, 1997 was \$240,576.

F. Long-Term Obligations

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

G. Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developer's, customers, or other funds when such resources are restricted for the acquisition or construction from such resources. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

CITY OF MARRISVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Interfund Transactions

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Manufacturing or executive permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers. Transfers between the primary government and discretely presented component units are reported separately from interfund transfers as transfers to/from component units.

S. Total Columns on Combined Statements

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

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 1997, the City has cash and cash equivalents (book balances) totaling \$4,388,162, as follows:

Cash on hand	\$ 3,748
Demand Deposits	1,100,000
Certificates of Deposit	250,000
Time Deposits	3,034,414
Total	<u>\$4,388,162</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or collateral bank that is mutually acceptable to both parties. At June 30, 1997, the City has \$4,432,696 in deposits (collected bank balances). These deposits are secured from risk by \$1,035,056 of federal deposit insurance and \$1,708,788 of pledged securities held by the collateral bank in the name of the fiscal agent bank (LSRSB Category 3). The remainder of the balances, \$211,642 was uninsured and uncollateralized as of June 30, 1997, which is a violation of state law.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 26:1229 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within 90 days of being notified by the City that the fiscal agent has failed to pay deposited funds upon demand.

CITY OF MONROVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 5. RECEIVABLES

Accounts receivable in the general fund consisted of the following at June 30, 1997:

Cable Franchise Fee	\$ 4,632
Electric Franchise Fee	18,276
Insurance Refunds	<u>3,230</u>

\$26,138

Intergovernmental receivables in the general fund at June 30, 1997 consisted of:

Tobacco Tax	\$ 7,017
Race Tax	4,240
Fine Insurance	309
Police Fines	1,424
Video Poker	4,565
Gaming Shows	39,694
Recreation Park Grant	<u>12,380</u>

\$79,135

Accounts receivable in the special revenue funds consisted of the following at June 30, 1997:

Sales Tax Revenue	<u>\$126,500</u>
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Accounts receivable in the enterprise funds consisted of the following at June 30, 1997:

Accounts Receivable:	
Water System Fund	\$ 38,842
Sewer Fund	23,242
Unbilled Receivables:	
Water System Fund	34,402
Sewer Fund	<u>18,500</u>

\$114,986

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 4. INTERFUND RECEIVABLES, PAYABLES

Interfund receivables and payables at June 30, 1997 consisted of the following:

	Interfund Receivables	Interfund Payables
General Fund	\$ 4,771	\$ 38,178
Special Revenue Funds:		
1 Cent Sales Tax Fund	1,631	-
1/2 Cent Sales Tax Fund	-	1,631
Capital Projects Funds:		
Sewer Improvement Project	15,828	-
Enterprise Funds:		
Water System Fund	3,158	21,240
Sewer System Fund	3,904	28,880
Trust and Agency Funds:		
Payroll Clearing Fund	-	8,280
Accounts Payable Clearing Fund	(88,708)	-
	<u>\$ 25,888</u>	<u>\$ 25,888</u>

NOTE 5. RESTRICTED ASSETS - PROPRIETARY FUNDS

Restricted assets consisted of the following accounts at June 30, 1997:

Customer Meter Deposits	\$ 336,800
Bond and Interest Sinking Funds	58,750
Bond Reserve Funds	77,273
Depreciation and Contingencies Funds	81,288
Sewer Construction Account	(1,333)
	<u>\$ 452,578</u>

CITY OF BARKERVILLE, LOUISIANA
Notes to Financial Statements. (Continued)
June 30, 1997

NOTE 4. CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets for the year ended June 30, 1997 is as follows:

	Balance 6/30/96.	Additions	Deletions	Balance 6/30/97
Land	\$ 186,879	\$ -	\$ -	\$ 186,879
Buildings	91,148	-	-	91,148
Improvements other than Buildings	81,876	24,780	-	106,656
Equipment	587,484	902,616	21,868	1,468,232
Total General Fixed Assets	\$1,847,387	\$927,396	\$21,868	\$2,752,915

For the year ended June 30, 1997 the City expended \$949,858 on construction in progress for sewer improvements. These expenditures are recorded in capital project funds and will be transferred into the Sewer Utility Fund upon the completion of the projects.

A summary of enterprise fund type property, plant and equipment at June 30, 1997 follows:

	Balance 6/30/96.	Additions	Deletions	Balance 6/30/96.
Land	\$ 77,440	\$ 6,581	\$ -	\$ 84,021
Equipment	198,334	-	-	198,334
Utility Systems	10,884,800	-	-	10,884,800
Construction in Progress	12,982	-	-	12,982
	11,143,556	<u>\$ 6,581</u>	<u>\$ -</u>	\$ 11,150,137
Less:				
Accumulated depreciation	1,2,624,227	<u>\$ 249,839</u>	<u>\$ -</u>	\$1,2,054,224
	<u>\$ 8,519,329</u>			<u>\$ 8,519,329</u>

CITY OF MARKOVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 7. INTERFUND TRANSFERS

Transfers between funds for the year ended June 30, 1997, were:

	Transfers In	Transfers Out
General Fund -		
1% Sales Tax Fund	\$ 205,480	\$ -
10% Sales Tax Fund	186,308	-
7% Public Safety Sales Tax Fund	29,888	-
Special Revenue Funds:		
Capital Outlay Fund-		
1% Sales Tax Fund	15,583	-
10% Sales Tax Fund	5,098	-
7% Public Safety Sales Tax	40,134	-
Water System Fund	11,004	-
Debt Service Fund	17,358	-
7% Sales Tax Fund -		
General Fund	-	205,480
Capital Outlay Fund	-	15,583
Debt Service Fund	-	348,076
10% Sales Tax Fund-		
General Fund	-	186,308
Capital Outlay Fund	-	5,098
Debt Service Fund	-	131,708
7% Public Safety Sales Tax-		
General Fund	-	29,888
Capital Outlay Fund	-	40,134
Debt Service Fund	-	180,358
Debt Service Fund:		
Water and Sewer System		
Improvement Bonds -		
1% Sales Tax Fund	248,076	-
Capital Projects Fund	-	51,421
Street Improvements Bonds -		
Capital Outlay Fund	-	8,848
10% Sales Tax Fund	138,780	-
Public Safety Bonds-		
7% Public Safety Sales Tax	100,555	-
Capital Project Fund-		
1992 Sewer Project Fund	-	34,762
Sewer System Fund		
Water System Fund -		
Capital Outlay Fund	-	11,804
Sewer System Fund -		
1992 Sewer Project Fund	34,762	-
	<u>\$1,308,087</u>	<u>\$1,190,892</u>

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 4. CONSTRUCTION IN PROGRESS

Construction in progress of \$12,482, included in property, plant, and equipment as detailed in Note 6, at June 30, 1997, represents expenditures on Sewer System Improvements accounted for in the Sewer System Fund, which is being financed by a \$800,000 Farmers Home Administration Grant.

NOTE 5. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the City for the year ending June 30, 1997:

General Long-Term Debt:

	Balance 6/30/96	Additions	Deletions	Balance 6/30/97
General Obligation Bonds	\$3,155,000	\$1,520,000	\$280,000	\$4,395,000
Compensated Absences	49,277	11,428	-	60,705
Total General Long-Term Debt	\$3,204,277	\$1,531,428	\$280,000	\$4,455,705

Proprietary Fund Debt:

	Balance 6/30/96	Additions	Deletions	Balance 6/30/97
Revenue Bonds	\$1,803,470	\$ -	\$ 30,288	\$1,917,134
Compensated Absences	12,222	5,224	-	17,258
Total Proprietary Fund Debt	\$1,815,692	\$ 5,224	\$ 30,288	\$1,950,628

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

General Obligation Bonds:

\$700,000 Sewer System Improvement Bonds Dated December 27, 1982, due in annual installments of \$22,000 to \$58,000 through December 27, 2000, interest 5% per annum. Funded by 1% sales tax revenues. \$ 325,000

\$1,800,000 Water System Improvement Bonds dated December 27, 1982, due in annual installments of \$15,000 to \$190,000 through December 27, 2003, interest 5% per annum. Funded by 1% sales tax revenues. 800,000

CITY OF MONROVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1987

NOTE 9. CHANGES IN LONG-TERM DEBT, Continued

General Obligation Bonds (continued):

\$1,100,000 Sales Tax Bonds, Series 1986 dated May 1, 1986 due in annual installments of \$35,000 to \$130,000 through May 1, 2001; interest at 11% - 7.75% per annum. Funded by 10% sales tax revenues.	450,000
\$228,800 Sewer System Improvement Bonds dated July 17, 1985 due in annual installments of \$0,800 to \$25,000 through July 17, 2003; interest 8% per annum. Funded by 1% sales tax revenues.	191,800
\$1,300,000 Sewer Improvement Bonds of Sewerage District Number One, dated August 1, 1990, due in annual installments of \$5,000 to \$180,000 through March 1, 2017; interest from 8.2% to 5.75% per annum. Funded by ad valorem taxes.	1,300,000
\$1,300,000 Sales Tax Bonds, Series 1987 dated February 1, 1987 due in annual installments of \$40,000 to \$120,000 through December 1, 2005; interest at 4.5% - 8% per annum. Funded by 10% sales tax revenues.	-1,520,000
Total General Obligation Indebtedness	<u>\$4,322,000</u>

Revenue Bonds:

\$1,100,000 Water Revenue Bonds, dated September 28, 1974 due to the Farmers' Home Administration in annual installments of \$15,000 to \$80,800 through January 1, 2004; interest at 8% annum; secured by and payable from proceeds of the water utility system.	\$ 735,000
\$1,280,000 Sewer Revenue Bonds, dated February 22, 1995 due to Farmers' Home Administration in 48 monthly installments of \$5444 commencing March 1995 through February 2008; interest at 4 1/2 % annum; secured by and payable from the proceeds of the sewer utility system	-1,352,134
Total Revenue Bonds Obligations	<u>\$1,817,134</u>

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 9. CHARGES IN LONG-TERM DEBT, Continued

Compensated Absences

Probability of future payment under the benefits plan cannot be estimated for the basis of determining annual requirements. The amount of accrued compensated absences (long-term portion) is as follows:

Governmental funds	\$ 66,701
Proprietary funds	<u>18,250</u>
Total accrued compensated absences	<u>\$ 84,951</u>

The annual requirements to amortize all long-term debt (excluding compensated absences) outstanding at June 30, 1997 including interest payments of \$3,809,024 follows:

Year Ending June 30,	General Obligation	Revenue	Total
1998	\$15,150	(32,125)	740,264
1999	601,478	(20,628)	730,844
2000	606,680	(20,126)	730,721
2001	608,660	(32,676)	741,516
2002	474,265	(20,876)	606,747
2003-2005	<u>2,498,133</u>	<u>2,303,330</u>	<u>6,348,842</u>
Total	<u>\$2,952,456</u>	<u>\$2,549,139</u>	<u>\$9,921,838</u>

NOTE 10. AD VALOREM TAXES

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to the taxpayers in October. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year taxed.

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

For the year ended June 30, 1997, taxes of 12.81 mills were levied on property with assessed valuations totaling \$15,382,478 and were dedicated as follows:

General corporate purposes	5.83 mills
Debt service	7.98 mills

Total taxes levied were \$212,432. Ad valorem taxes receivable at June 30, 1997 were \$127.

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 11. DEDICATION OF SALES TAX REVENUES AND SINKING FUND REQUIREMENTS

7½% Sales and Use Tax

In November 1976, the voters of the City of Marksville approved a one percent sales and use tax for a period of twenty-five years from the date of the first levy, January 1, 1979. Proceeds of the tax, after payment of necessary collection expenses, are dedicated to constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal facilities, and streets, or any one or more of said purposes, in that order. Proceeds of the tax may also be used for payment of bonds issued in connection with the construction, acquisition, extension and/or improvement of sewers and sewerage disposal facilities, waterworks facilities, and streets.

Collection of the 7½ sales and use tax during the fiscal year ended June 30, 1997 totaled \$766,754.

Resolutions adopted by Mayor and Council on November 18, 1982 authorized the issuance of \$1,908,000 of Public Improvement Bonds; on March 8, 1990 authorizing the issuance of \$750,000 of Public Improvement Bonds; and on May 8, 1984 authorized the issuance of \$229,000 Public Improvement Bonds. These resolutions require that the avails of proceeds of the one percent (7½) sales and use tax shall be deposited with the City's regularly designated fiscal agent bank in a Sales Tax Fund. After payment of all reasonable and necessary costs and expenses of collecting the tax, certain transfers must be made from the Sales Tax Fund to the Sales Tax Bond Sinking Fund and the Sales Tax Bond Reserve Fund on a monthly basis on or before the 30th day of each month.

The transfers into the Sales Tax Bond Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year.

The transfers into the Sales Tax Bond Reserve Fund should be made in an amount equal to five percent (5%) of the amount paid into the Sinking Fund until there is on deposit the sum of \$241,500. For the fiscal year ended June 30, 1997, the City made all required transfers to the above funds.

1/2% Sales and Use Tax

On November 4, 1980, voters of the City of Marksville approved the levy and collection of an additional 1/2% sales and use tax. Proceeds of this tax, after payment of necessary collection expenses, are dedicated to constructing, acquiring, extending, improving, operating and maintaining a sanitary landfill and solid waste disposal system for the City, including the purchase of the necessary equipment.

The tax was levied as of January 1, 1981 and collections during the fiscal year ended June 30, 1997 totaled \$283,277.

On October 18, 1995, the City voted in a special election to approve the re-dedication of the 1/2% sales and use tax to be used for the purpose of constructing, acquiring, extending, improving and maintaining streets for the City, including incidental drainage benefits. This re-dedication came about as a result of a parish wide 7½ sales tax to fund a parish wide solid waste disposal system thereby relieving the City of the need to maintain its own system.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 11. DEDICATION OF SALES TAX REVENUES AND SINKING FUND REQUIREMENTS
(continued)

1985 Sales and Use Tax (continued)

The 1985 issue of \$1,100,000 of Sales Tax Bonds requires certain transfers to be made to a Sinking Fund and a Reserve Fund on a monthly basis. The transfers into the Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year. For the fiscal year ended June 30, 1997, the City made all required transfers to this fund.

There must be deposited and retained in the Reserve Fund a sum equal to the highest combined principal and interest requirements for any succeeding fiscal year which amounts to \$460,000. At June 30, 1997 the Reserve Fund balance totaled \$142,182.

1996 10% Sales and Use Tax

On July 28, 1995, voters of the City of Marksville approved the levy and collection of an additional 10% sales and use tax. Proceeds of this tax, after payment of necessary collection expenses, are dedicated to the payment of salaries and other personnel costs related to fire protection and police protection and acquiring, constructing, improving, maintaining, and operating fire protection and police facilities and equipment.

The tax was levied effective October 1, 1995 and collections during the fiscal year ended June 30, 1997 totaled \$253,188.

Resolutions adopted by the Mayor and Council on October 15, 1996 authorized the issuance of \$1,500,000 of Sales Tax Bonds. The resolution requires that the avails of proceeds of the one-half (1/2) percent sales and use tax dedicated to public safety, shall be deposited with the City's regularly designated fiscal agent bank in a 1996 1/2% Sales Tax Fund. After payment of all reasonable and necessary costs and expenses of collecting the tax, certain transfers must be made from the Sales Tax Fund to the 1997 Sales Tax Bond Sinking Fund on a monthly basis.

The 1997 issue of \$1,525,000 of Sales Tax Bonds requires certain transfers to be made to a Sinking Fund on a monthly basis. The transfers into the Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year. For the fiscal year ended June 30, 1997, the City made all required transfers to this fund.

There must be deposited and retained in the Reserve Fund a sum equal to the highest combined principal and interest requirements for any succeeding fiscal year which amounts to \$127,500. The Reserve Fund was initially funded with \$127,500 from the bond proceeds. At June 30, 1997 the Reserve Fund balance totaled \$128,762.

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1987

NOTE 12. FLOW OF FUNDS: RESTRICTION ON USE - WATER SYSTEM REVENUES

Under the terms of the indentures for outstanding Water Revenue Bonds, all income and revenues of the Water System are pledged and dedicated to the retirement of said bonds and are to be deposited in a separate Revenue Fund bank account. The money in this account is to be disbursed as follows:

1. To pay all reasonable and necessary expenses of administering, operating, repairing, and insuring the system.
2. To establish a Waterworks Revenue Bond and Interest Sinking Fund and to transfer thereto, no later than the 20th day of each month, 1/12 of the principal and interest falling due on January 1 of each year. During the fiscal year ended June 30, 1987 the City of Marksville made all required transfer to this fund.
3. To establish a Waterworks Reserve Fund and to transfer thereto, no later than the 20th day of each month, a sum at least equal to 5% of the amount to be paid into the Waterworks Revenue Bond and Interest Sinking Fund each month, until such time as there has been accumulated in this fund a sum of \$85,508. The money in this fund is to be retained solely for the purpose of paying the principal and interest on the Water Revenue Bonds which cannot be paid from the sinking fund noted in the preceding paragraph. At June 30, 1987 the Waterworks Reserve Fund balance totaled \$11,843.
4. To establish a Waterworks Depreciation Fund to use for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System, and to transfer thereto, no later than the 20th day of each month, the sum of \$276. During the fiscal year ended June 30, 1987 the City of Marksville made all required transfers to this fund.

The balance of the excess funds on deposit in the Revenue Fund account, after payment of all items noted above, may used for the purposes of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the City may determine, whether or not such purposes are related to the water system.

All or any part of the monies on reserve in any of the above funds may be invested in direct obligations of the United States of America maturing in five years or less, and all income earned on such investments shall be added to the respective fund from which the investment was made.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 13. FLOW OF FUNDS- RESTRICTION ON USE- SEWER SYSTEM REVENUES

Under the terms of the indenture for outstanding Sewer Revenue Bonds, all income and revenues of the Sewer System are pledged and dedicated to the retirement of said bonds and are to be deposited in a separate Revenue Fund bank account. The money in this account is to be disbursed as follows:

1. To pay all reasonable and necessary expenses of administering, operating, repairing, and insuring the system.
2. To establish a Sewer Revenue Bond and Interest Sinking Fund and to transfer thereto, no later than the 20th day of each month, the principal and interest falling due on the next principal and interest payment date. During the fiscal year ended June 30, 1997 the City of Marksville made all required transfers to this fund.
3. To establish a Sewer Reserve Fund and to transfer thereto, no later than the 20th day of each month, a sum at least equal to 5% of the amount to be paid into the Sewer Revenue Bond and Interest Sinking Fund each month, until such time as there has been accumulated in the fund a sum of \$80,378. The money in this fund is to be retained solely for the purpose of paying the principal and interest on the Sewer Revenue Bonds which cannot be paid from the sinking fund noted in the preceding paragraph. The City began funding the Sewer Reserve Fund upon the completion and acceptance of the improvements and extensions financed with the proceeds of the bonds. As of June 30, 1997, the Sewer Revenue Bonds Reserve Fund balance totaled \$5,690.
4. To establish a Sewer Revenue Bonds Contingency Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System, and to transfer thereto, no later than the 20th day of each month, the sum of \$200. The City began funding the Sewer Revenue Bonds Contingency Fund upon the completion and acceptance of the improvements and extensions financed with the proceeds of the bonds. As of June 30, 1997, the Sewer Revenue Bonds Contingency Fund totaled \$8,194.

The balance of the excess funds on deposit in the Revenue Fund account, after payment of all items noted above, may used for the purposes of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the City may determine, whether or not such purposes are related to the water system.

All or any part of the monies on reserve in any of the above funds may be invested in direct obligations of the United States of America maturing in five years or less, and all income earned on such investments shall be added to the respective fund from which the investment was made.

CITY OF MARKVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 14. RETIREMENT COMMITMENTS

All employees (excluding elected officials) of the City of Markville are members of the social security system. The City Judge is a member of the Louisiana State Employees Retirement System and policemen are eligible to participate in the Municipal Police Employees Retirement System of Louisiana. These systems are multiple-employer (cost sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Louisiana State Employees Retirement System

Plan Description. The Louisiana State Employees' Retirement System provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. Benefits granted by the LASERS are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1874. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana State Employees' Retirement, Post Office Box 44213, Baton Rouge, Louisiana 70804-4213, or by calling (584) 925-0800.

Funding Policy. Plan members of the City of Markville are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Markville, is required to contribute at an actuarially determined rate. The current employer rate is 12.4 percent of annual covered payroll. The contribution requirements of plan members and the City of Markville, are established and may be amended by state statute. As provided by state statute, 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 employer contributions to the LASERS for the years ending June 30, 1997, 1996, and 1994, were \$397, \$298, and \$298, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana System

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

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 1601 United Plaza Boulevard, Baton Rouge, Louisiana 70808-2096, or by calling (504) 925-7411.

CITY OF MARKSVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1987

NOTE 14. RETIREMENT COMMITMENTS *(continued)*

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Marksville is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Marksville, are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:152, 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 Marksville, contributions to the System for the years ending June 30, 1987, 1986, and 1984, were \$4,090, \$2,735, and \$1,674, respectively, equal to the required contributions for each year.

NOTE 15. RESERVATION AND DESIGNATION OF FUND EQUITY

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 segregated or (2) to identify the portion of the fund balance that is not appropriate for future expenditures. Designations are established to indicate tentative plans for financial resources utilization in a future period. Specific reservations and designations of the fund balance accounts are summarized below.

Reserve for Debt Service - This reserve is created by the legal restriction of bond agreements requiring the City to segregate a portion of fund balance to service principal and interest payments on general obligation bonds.

Designated for Subsequent Year Expenditures - Fund balance of \$15,135 has been designated for construction expenditures relating to Department of Transportation and Development Grant Project 8884-06-55, awarded for the purpose of replacing the sewer line on South Preston Street. This amount represents the excess grant receipts over project expenditures to date. The projects is expected to be resumed in the future. In the event that the funds are needed elsewhere, prior approval must be obtained from the Department of Transportation and Development before expended for an other purpose other than as designated.

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 15. RESERVATION AND DESIGNATION OF FUND EQUITY (continued)

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 funds restricted for a certain use. These increases result from earnings on restricted assets and other non-fund 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. Designations are established to indicate tentative plans for financial resource utilization in a future period. Specific reservations and designations of retained earnings are described below:

Reserved for Revenue Bond Retirement - This represents amounts required to be held in sinking reserve, and depreciation and contingency funds in accordance with the revenue bond agreements.

NOTE 16. FRANCHISE AGREEMENTS

The City entered into franchise agreements with various public utility companies that provide services within the corporate limits of the City. A summary of each such agreement follows:

Louisiana Power and Light Company - (LPM) - effective October 14, 1980 for a period of twenty-five (25) years. Franchise fees based on two percent (2%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the City of Markerville. Fees are payable quarterly within thirty (30) days of the end of the quarter.

Electric Commission - effective January 13, 1987 for a period of fifteen (15) years. The franchise fee is based on three percent (3%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the City limits. Fees are payable to the City quarterly, by the 10th of the month following quarter end.

Ennis, A division of Ardis, Inc. - effective October 13, 1980 for a period of twenty-five (25) years. The franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial rates within the limits of the City of Markerville. Fees for the calendar year are payable by the 10th day of each February for the preceding year.

CITY OF MARKOVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 17. SALES TAX COLLECTION AGREEMENT

On June 18, 1993, the City of Markoville entered into an intergovernmental agreement with the Assyelles Parish School Board for a one year period commencing on July 1, 1993 whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the City of Markoville under the City's ordinance for a monthly fee of 1.10% of the gross tax revenues collected by the School Board. The School Board will remit the sales tax collections to the City of Markoville on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection is administered at the turn of. None have been deducted, including the collection fee. This agreement is renewed annually on July 1, and has been renewed as of July 1, 1997.

NOTE 18. SEWER SYSTEM UPGRADE ORDER

Presently the City of Markoville is under a court order issued by the Twelfth Judicial District Court for the Parish of Assyelles, State of Louisiana to upgrade its sewer system. The 1993 estimated cost of developing a sewer improvement plan to comply with this order is \$3,250,000.

During the fiscal year ended June 30, 1997, the City of Markoville completed sewer lift station renovations, sewer line repairs, and other sewer improvements on various phases. The City of Markoville is continuing to develop sewer improvements.

NOTE 19. OTHER AGREEMENTS

Sewerage District No. 1

On July 14, 1992, the Markoville City Council authorized the execution of an agreement between the City of Markoville and Sewerage District No. One of the City of Markoville in connection with the financing, acquisition, construction, improvement, extension and maintenance of sewerage systems in certain portions of said Sewerage District (as disclosed in Note 15) whereby: (1) the total cost of the Project shall be financed by the District's issuance of \$1,250,000 of its General Obligation Bonds, Series 1992; the City's issuance of its \$1,200,000 Sewer Revenue Bonds and the proceeds of a \$800,000 grant from FmFHA, which will be deposited in a special construction fund and expended on project costs as authorized by the Mayor and City Council of the City of Markoville (2) all construction contracts entered into for the Project will be in the name of the City (3) all sewerage properties and facilities to be financed, acquired and constructed as part of this Project will be owned by the District and the City in the percentages representing that portion of the total cost of the Project paid for by each and shall be operated and maintained by the City as long as the City operates and maintains a sewerage system (4) the City shall have complete power and authority to charge any and all users of such sewerage properties and facilities such rates and charges or penalties in the manner the City deems.

Tunica Biloxi Indian Tribe

On March 22, 1996, the City of Markoville entered into an intergovernmental agreement with the Tunica Biloxi Indian Tribe of Louisiana regarding construction of sewerage disposal systems. The City will build, construct, and supply facilities capable of accepting 450,000 gallons of sewage daily from the casino project. The Tribe will pay up to \$600,000 in aggregate to purchase necessary lands and construct facilities as required by the agreement. The Tribe will deposit \$1,000,000 in trust, from which the City will draw funds for the costs of the project.

CITY OF MARSHVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 19. OTHER AGREEMENTS (continued)

Tunica Biloxi Indian Tribe (continued)

Upon acceptance of a construction contract, the Tribe will pay the City \$180,000, which is non-refundable. When the sewer system begins accepting 80,000 gallons per day of sewage discharge from the casino project, the Tribe will pay the City \$100,000, which is non-refundable. When a certificate of substantial completion is issued, the Tribe will pay the City \$180,000; \$12,000 per month for system operations; periodic testing; and future improvements as specified in the agreement.

The City's obligation to accept sewage from the casino project will be for 15 years from the date the City begins accepting sewage under the agreement. An addendum to the agreement specifying commencement and ending dates will be signed within the first 15 days of firm acceptance by the City.

As of June 30, 1997, and until the sewerage project is complete and the substantial completion certificate signed, the City will continue to accept sewage from the casino project under the provisions of the Thirty Day Sewerage Agreement dated July 18, 1994, which provides for the following:

The Tribe will pay a charge of \$74,100 per month for sewer services which provides that the tribe will pump a maximum of 80,000 gallons per day in the City sewer system. Any amounts in excess 80,000 gallons is pumped into a separate holding facility and independently disposed of by the Tribe. Also, the Tribe will reimburse the City for overtime wages, engineering and legal fees, and certain percentages of repairs and breakdowns relative to accepting sewage discharge from the casino project.

Bids were accepted on January 6, 1997, for the construction of the sewer improvements as required by the agreement. However, as of June 30, 1997 a contract was not executed for the construction project, as the City is still in the process of acquiring the necessary easements for the construction project.

NOTE 20. CONTRACTS AND COMMITMENTS

On June 26, 1987, notice to proceed was given to Scallan Contractors, Inc. for the construction of the City of Marshville Fire Station. The contract for the construction of the station is for \$448,000 and as of June 30, 1997, none work on the contract had been performed. The construction of the fire station will be paid for with a portion of the proceeds of the 1997 \$1,528,080 Sales Tax Bond Issue.

On June 13, 1987, the City awarded a contract to Colles General Contractors in the amount of \$700,440 for the Street Improvement Program. No work was performed on this contract prior to June 30, 1997. The street improvement program is being funded with excess sales tax monies accumulated over several years.

On December 4, 1985, the City entered into a construction contract with Arrowhead Contractors in the amount of \$13,848 for sewer improvements - Phase II, Project A, replacing sewer mains beneath LA Highway 167 at Spring Bayou. During the fiscal years ending prior to June 30, 1997, change orders increased the contract amount to \$27,740. The contract is to be funded by the FHA grant of \$200,000. As of June 30, 1997, \$13,848 of the contract had been billed. The contract with Arrowhead Contractors has been terminated and as of June 30, 1997, the project remains incomplete.

CITY OF MARKEVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1997

NOTE 20. CONTRACTS AND COMMITMENTS (continued)

On May 3, 1997, the City entered into a construction contract with C. O. Logan Construction Company, in the amount of \$103,309 for sewer improvements - (Phase II, repairs to the Market Street Lift Station. As of June 30, 1997, no monies had been expended on the contract. This contract is to be funded by the PHA grant of \$80,000.

NOTE 21. COMPENSATION OF ELECTED OFFICIALS

A detail of compensation paid to elected officials for the year ended June 30, 1997 follows:

	Compensation	Term Expires
John Ed Labadie, Mayor	\$ 3,700	June 30, 1998
Councilman:		
Malcolm Kaulin, Mayor Pro/tem	2,175	June 30, 1998
Janet Groe	2,110	June 30, 1998
Madeline McGilley	2,175	June 30, 1998
Alfred W. Charnel	2,110	June 30, 1998
Dennis Decour	<u>2,110</u>	June 30, 1998
	<u>\$ 14,475</u>	

NOTE 22. FEDERAL FINANCIAL ASSISTANCE

On April 13, 1994, the City of Markville, Louisiana was awarded an \$506,000 water or sewage disposal system grant by the U. S. Department of Agriculture Farmers Home Administration. As of June 30, 1997 the City has expended \$407,210 under this grant, all of which was expended prior to July 1, 1996.

In April 1993, the City was awarded a Land and Water Conservation Fund Project Grant for a 50% match up to \$37,000 for expenditures incurred in the development of a recreation park. The grant expires December 31, 1997 and the request for reimbursement will be made upon the completion of the project. As of June 30, 1997, the amount of the grant reimbursement due the City was \$70,360.

The City was awarded a 1995 LCDBG grant in the amount of \$982,366 for sewer system upgrades, extensions and repairs. No work was performed under this grant until the June 30, 1997 fiscal year. As of June 30, 1997, the City had expended \$823,922 on the East Side Sewer Project and had in turn received drawdowns in the same amount from the grant.

The City was awarded a 1995 LCDBG Demonstrated Needs grant in the amount of \$225,000 for sewer system upgrades, extensions and repairs. No work was performed under this grant until the June 30, 1997 fiscal year. As of June 30, 1997, the City had expended \$26,137 on the Archus Street Sewer Project and had in turn received drawdowns in the same amount from the grant.

CITY OF MARKOVILLE, LOUISIANA
Notes to Financial Statements, (Continued)
June 30, 1987

NOTE 23. CONTINGENCIES

The City has elected not to carry General Liability insurance coverage and is presently carrying only auto liability, property insurance and employee's compensation insurance. The potential loss to the City of Markoville for jury damage awarded under an uninsured claim is undeterminable. At June 30, 1987, any pending litigation or unresolved claims against the City of Markoville were immaterial.

SPECIAL REVENUE FUNDS

- Capital Outlay Fund - To account for monies appropriated from various funds of the City to be used to finance the acquisition of capital assets. This fund was established during the fiscal year ended June 30, 1988.
- 1% Sales Tax Fund - To account for the collection of a 1% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication.
- 10% Sales Tax Fund - To account for the collection of a 10% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication.
- 10% Sales Tax Fund - To account for the collection of a 10% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication.
- 5% Public Safety Sales Tax Fund - To account for the collection of a 5% sales and use tax and its subsequent disbursement in accordance with the sales tax dedication.
- VPD Fund - To account for the activities of the Martsville Volunteer Fire Department (a component unit of the City of Martsville).

CITY OF MARIETTA, GEORGIA
 COMBINED BALANCE SHEET
 SPECIAL REVENUE FUNDS
 April 30, 1987

	Cash	1% Sales Tax Fund	10% Sales Tax Fund	100% Public Safety Sales Tax	Volume	Money Due	Money Due
					(For Operations)	Current Year	Prior Year
ASSETS							
Investment earnings	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$2,000,000	\$400,000
Accounts receivable	0	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0	0
TOTAL ASSETS	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$2,000,000	\$400,000
LIABILITIES AND FUND BALANCE							
LIABILITIES							
Accounts payable	0	0	0	0	0	0	0
Due to other funds	0	0	0	0	0	0	0
TOTAL LIABILITIES	0	0	0	0	0	0	0
FUND BALANCE							
Unreserved	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$2,000,000	\$400,000
TOTAL FUND BALANCE	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$2,000,000	\$400,000
TOTAL LIABILITIES AND FUND BALANCE	\$100,000	\$100,000	\$100,000	\$100,000	\$0	\$2,000,000	\$400,000

**CITY OF BURLINGTON, IOWA
COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
BY FUND, DEPARTMENT FUND
YEAR ENDING JUNE 30, 1997**

	7% Bonds		5.75% Bonds		100% Public		Volunteer	Rural-City	Basis Day
	Capital	Debt Fund	Debt Fund	Basis Sales Tax	Debt Fund	Debt Fund			
REVENUES									
Taxes	\$0	\$760,750	\$669,377	\$154,690	\$10,438	\$1,490,799	\$1,100,076		
Manufacturers revenues	1,807	21,880	8,887	13,004	0	43,881	15,580		
TOTAL REVENUES	1,807	782,630	678,264	167,694	10,438	1,534,680	1,115,656		
EXPENDITURES									
General government	0	0	93,891	11,417	297	141,049	97,498		
Capital outlay	91,028	28,823	0	65,261	91,028	362,016	19,870		
TOTAL EXPENDITURES	91,028	28,823	93,891	76,678	11,324	643,065	117,368		
Excess of revenues over expenditures and other resource (uses)	(89,221)	753,807	584,373	91,016	(1,886)	891,615	998,288		1,115,656
OTHER FINANCIAL RESOURCES (USES)									
Donating transfers to	89,221	0	0	0	0	89,221	42,878		
Donating transfers and	0	200,000	(200,000)	(200,000)	0	(1,037,016)	(771,289)		
Bond proceeds	0	0	0	1,000,000	0	1,000,000	0		
TOTAL OTHER FINANCIAL RESOURCES (USES)	89,221	200,000	(200,000)	1,000,000	0	962,205	(728,411)		337,567
Fund Balances at beginning of year	40,287	262,560	87,880	1,007,004	8,000	1,428,403	287,488		
Fund Balances at end of year	\$0	\$462,560	\$77,880	\$0	\$8,000	\$1,735,008	\$559,077		\$375,224

CITY OF MARKEVILLE, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
 (BUDGET (GAAP BASIS) AND ACTUAL)
 CAPITAL OUTLAY FUND
 YEAR ENDED JUNE 30, 1987

	Budget	Actual	Variance Revenues Expenditures
REVENUES			
Miscellaneous revenues	\$4,000	\$1,000	\$3,000
TOTAL REVENUES	<u>4,000</u>	<u>1,000</u>	<u>\$3,000</u>
EXPENDITURES			
Capital outlay	500,000	51,004	\$448,996
TOTAL EXPENDITURES	<u>500,000</u>	<u>51,004</u>	<u>\$448,996</u>
Excess (deficiency) of revenues over expenditures	(496,000)	49,984	\$446,016
OTHER FINANCING SOURCES (USES)			
Contingency transfers in	500,000	50,000	(450,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>500,000</u>	<u>50,000</u>	<u>(450,000)</u>
Excess (deficiency) of revenues and expenditures and other sources (uses)	<u>40</u>	<u>40,000</u>	<u>\$40,000</u>
Fund Balances at beginning of year		\$4,200	
Fund Balances at end of year		<u>\$44,200</u>	

CITY OF BARKSVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (FUND BASIS) AND ACTUAL
1% SALES TAX FUND
YEAR ENDED JUNE 30, 1987

	Budget	Actual	Variance- favorable (unfavorable)
REVENUES			
Taxes	\$70,000	\$70,754	\$754
Miscellaneous revenues	3,000	(1,000)	(4,000)
TOTAL REVENUES	<u>73,000</u>	<u>\$69,754</u>	<u>(\$3,246)</u>
EXPENDITURES			
General government	10,000	10,000	-
Capital outlay	8	(2,400)	(2,392)
TOTAL EXPENDITURES	<u>10,008</u>	<u>\$7,600</u>	<u>(\$2,408)</u>
Excess (deficiency) of revenues over expenditures	<u>62,992</u>	<u>62,154</u>	<u>(\$838)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(60,150)	(60,150)	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>(60,150)</u>	<u>(60,150)</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$2,842</u>	<u>\$2,004</u>	<u>(\$838)</u>
Fund Balance at beginning of year		\$11,536	
Fund Balance at end of year		<u>\$13,540</u>	

CITY OF BARKERVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (PLAN) BASIS AND ACTUAL
10% SALES TAX FUND
YEAR ENDED JUNE 30, 1997

	Budget	Actual	Variance favorable (unfavorable)
REVENUES			
Taxes	\$19,000	\$20,377	\$1,377
Miscellaneous revenues	2,500	1,897	(603)
TOTAL REVENUES	<u>21,500</u>	<u>22,274</u>	<u>774</u>
EXPENDITURES			
General government	3,525	70,981	(67,456)
TOTAL EXPENDITURES	<u>3,525</u>	<u>70,981</u>	<u>(67,456)</u>
Excess (deficiency) of revenues over expenditures	<u>17,975</u>	<u>51,293</u>	<u>33,318</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(171,000)	(189,999)	(18,999)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(171,000)</u>	<u>(189,999)</u>	<u>(18,999)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>0,000</u>	<u>31,294</u>	<u>31,294</u>
Fund Balance at beginning of year		<u>177,500</u>	
Fund Balance at end of year		<u>208,794</u>	

CITY OF BARRISVILLE, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
(BUDGET (GAAP BASIS) AND ACTUAL)
10% PUBLIC SAFETY SALES TAX FUND
YEAR ENDS JUNE 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Increase Decrease</u>
REVENUES			
Taxes	\$ 181,000	\$252,190	\$73,190
Miscellaneous revenues	0	12,094	12,094
TOTAL REVENUES	<u>181,000</u>	<u>264,284</u>	<u>83,284</u>
EXPENDITURES			
General government	20,880	115,407	(94,527)
Capital outlay	0	462,564	(462,564)
TOTAL EXPENDITURES	<u>20,880</u>	<u>577,971</u>	<u>(557,691)</u>
Excess (deficiency) of revenues over expenditures	<u>150,120</u>	<u>(313,687)</u>	<u>(463,807)</u>
OTHER FINANCING SOURCES (USES)			
Operating transfers out	(140,000)	(260,136)	(120,136)
Bond proceeds	0	1,828,660	1,828,660
TOTAL OTHER FINANCING SOURCES (USES)	<u>(140,000)</u>	<u>1,568,524</u>	<u>1,388,524</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$10,120</u>	<u>1,254,897</u>	<u>\$224,714</u>
Fund Balances at beginning of year		0	
Fund Balances at end of year		<u>\$1,254,897</u>	

DEBT SERVICE FUNDS

Water and Sewer System Improvement Funds -	To accumulate monies for repayment of the \$1,000,000 Water System Improvement 1982-B series bonds, \$140,000 Sewer System Improvement 1982-A series bonds and the \$300,000 Sewer System Improvement 1985-A series bonds, which are to be paid from 1% Sales Tax Fund revenues for which proceeds were dedicated to Water, Sewer or Street Improvements.
Street Improvement Bonds -	To accumulate monies for repayment of the \$1,100,000 Sales Tax Bonds, Series 1986, which are to be paid from 1/2% Sales Tax Fund revenues for which proceeds were dedicated to Street Improvement.
Sewer Improvement Bonds -	To accumulate monies for repayment of the \$1,200,000 Sewer System Improvements, Series 1982, which are financed by a specially dedicated property tax levy.
Public Safety Bonds -	To accumulate monies for repayment of the \$1,020,000 Sales Tax Bonds, Series 1987, which are to be paid from 1/2% Sales Tax Fund revenues for which proceeds were dedicated to acquiring, constructing, maintenance, and operating of fire and police protection for the City.

CITY OF MANASSAS, VIRGINIA
 COMBINED BALANCE SHEET
 (PARTIAL FUNDING STATEMENT)
 JUNE 30, 1987

	Water and Sewer Improvement Bonds	Bonds	Public Safety Bonds	Memorandum Only General Fund	Memorandum Only Police Fund
ASSETS					
Cash and cash equivalents	\$111,641	\$10,215	\$10,215	\$118,181	\$10,625
TOTAL ASSETS	\$111,641	\$10,215	\$10,215	\$118,181	\$10,625
LIABILITIES AND FUND BALANCE					
FUND BALANCE					
Fund Balance	\$111,641	\$10,215	\$10,215	\$118,181	\$10,625
Reserve for Debt Service					
TOTAL FUND BALANCE	\$111,641	\$10,215	\$10,215	\$118,181	\$10,625
TOTAL LIABILITIES AND FUND BALANCE	\$111,641	\$10,215	\$10,215	\$118,181	\$10,625

CITY OF MILWAUKEE, WISCONSIN
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

DEBT SERVICE FUNDS
YEAR ENDED JUNE 30, 1987

REVENUE	1987		1986		Public Safety Benefit	Miscellaneous-Debt Control Fund	Miscellaneous-Debt Control Fund
	Amount	%	Amount	%			
TOTAL REVENUES	11,828	5.94	10,438	5.56	2,178	144,219	18,094
EXPENDITURES							
Debt service	24,078		23,428		85,556	279,972	434,911
	(11,482)		(8,481)		(25,528)	(25,528)	(63,811)
TOTAL EXPENDITURES	12,596	6.14	14,909	7.82	60,028	254,444	371,100
Excess (deficiency) of revenues over expenditures							
OTHER FINANCING SOURCES							
Operating transfers in	11,522		11,227		155,915	180,758	44,585
Operating transfers out	(6,155)		(5,541)		(5)	(2,288)	(11,541)
TOTAL OTHER FINANCING SOURCES (USES)	5,367	2.55	5,686	2.82	155,910	178,470	33,044
Excess (deficiency) of revenues over expenditures and other sources (uses)							
Fixed liabilities at beginning of year	11,522		11,227		66,615	180,758	44,585
	(6,155)		(5,541)		(5)	(2,288)	(11,541)
Fixed liabilities at end of year	5,367	2.55	5,686	2.82	61,610	178,470	33,044

CAPITAL PROJECT FUNDS

Sewer Line Fund -	To account for excess monies still being held from a Department of Transportation and Development Grant in 1986 for sewer line replacement.
1982 Sewer Project Fund -	To account for monies appropriated from various sources to be used to finance the acquisition and construction of sewer systems upgrades and improvements primarily in Sewer District No. 1. During the year ended June 30, 1993, this fund was closed into the Sewer Utility Fund.
East Side Sewer Project -	To account for monies received through a Louisiana Community Development Block Grant for sewer line replacement, repairs, and extensions in the City.
Andrus Street Sewer Project -	To account for monies received through a Demonstrated Needs Louisiana Community Development Block Grant for sewer line replacement, repairs, and extensions in the City. As of June 30, 1997, this fund had no assets or liabilities.

CITY OF MONROEVILLE, LOUISIANA
COMPARING BALANCE SHEET
CAPITAL PROJECT FUNDS
JUNE 30, 1997

	Basis	Fiscal Year	Memorandum Only	Memorandum Only
Line	Basis	Fiscal Year	Current Year	Prior Year
ASSETS				
Cash and cash equivalents	\$0	\$0	\$0	\$04,074
Due from other funds	10,808	0	10,808	10,808
Due from other governmental units	0	150,000	150,000	0
TOTAL ASSETS	\$10,808	\$150,000	\$160,808	\$14,882
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts payable	\$0	\$743	\$743	\$0
Contracts payable	0	150,000	150,000	0
TOTAL LIABILITIES	0	150,000	150,000	0
FUND BALANCE				
Fund balance:				
Reserved for grant	0	0	0	07
Designated for subsequent year expenses	10,808	0	10,808	10,808
Unassigned-unobligated	0	0	0	33,767
TOTAL FUND BALANCE	10,808	0	10,808	44,582
TOTAL LIABILITIES AND FUND BALANCE	\$10,808	\$150,000	\$160,808	\$44,582

CITY OF ANNAPOLIS, MARYLAND
 COMBINED FINANCIAL STATEMENTS, CONSOLIDATED,
 AND CHANGES IN FUND BALANCES
 CAPITAL PROJECT FUND
 YEAR ENDED JUNE 30, 2017

	Debt	Grant Award	Grant Total	Actual Debt	Remaining City	Remaining City
Year	Project Fund	Special Civil Project	Special Civil Project	Special Civil Project	Capital Fund	Fund Total
REVENUES						
Intergovernmental revenues	\$0	\$0	\$00,000	\$0,000	\$0,000	\$0
Miscellaneous revenues	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$0	\$0	\$00,000	\$0,000	\$0,000	\$0
EXPENDITURES						
Capital outlay	\$0	\$0	\$0,000	\$0,000	\$0,000	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0,000	\$0,000	\$0,000	\$0
TOTAL EXPENDITURES						
Change (addition) of reserves over expenditures	\$0	\$0	\$0	\$0	\$0	\$0
NET FUND BALANCE, FUND BALANCE SHEET						
Operating revenues	\$0	\$0	\$0	\$0	\$0	\$0
Operating revenues net	\$0	\$0,000	\$0	\$0	\$0,000	\$0
TOTAL OTHER FINANCING	\$0	\$0,000	\$0	\$0	\$0,000	\$0
Change (addition) of reserves over expenditures and other sources used						
Fund balances at beginning of year	\$0	\$0,000	\$0	\$0	\$0,000	\$0
Fund balances at end of year	\$0	\$0	\$0	\$0	\$0,000	\$0,000

TRUST AND AGENCY FUNDS

Accounts Payable Clearing -

The City uses a centralized accounts payable system whereby a clearing account is used to disburse money for expenditures and each fund reimburses the clearing account for its share of the expenditures.

Payroll Clearing -

The City uses a centralized payroll system whereby a clearing account is used to disburse payroll and related costs and each fund reimburses the clearing account for its share of the payroll costs.

CITY OF MONROVILLE, LOUISIANA
COMBINED BALANCE SHEET
TRUST AND AGENCY FUNDS
JUNE 30, 1997

	Accounts Payable Clearing	Payroll Clearing	Memorandum Only Current Year
ASSETS			
Cash and cash equivalents	\$0	\$20,000	\$20,000
Due from other funds	\$8,700	0	\$8,700
TOTAL ASSETS	<u>\$8,700</u>	<u>\$20,000</u>	<u>\$28,700</u>
(LIABILITIES AND FUND BALANCE)			
LIABILITIES			
Accounts payable	\$8,700	\$0	\$8,700
Accrued expenses	0	11,800	11,800
Due to other funds	0	5,280	5,280
TOTAL LIABILITIES	<u>\$8,700</u>	<u>17,080</u>	<u>\$25,780</u>
FUND BALANCE			
Unreserved-Unobligated	0	0	0
TOTAL FUND BALANCE	<u>0</u>	<u>0</u>	<u>0</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$8,700</u>	<u>\$17,080</u>	<u>\$25,780</u>

ENTERPRISE FUND

Sewer System Fund -

To account for the provision of sewerage services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, billing, and collections.

Water System Fund -

To account for the provision of water services to the residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, billing, and collections.

CITY OF MARKSVILLE, LOUISIANA
ENTERPRISE FUNDS
(CONTINUING BALANCE SHEET)
JUNE 30, 2007

	Water System Fund	Water System Fund	Municipal Only Current Year	Municipal Only Prior Year
ASSETS				
Assets				
Cash and cash equivalents	\$59,000	\$45,375	\$85,101	\$84,500
Accounts receivable	60,887	73,044	113,793	106,580
Due from other funds	1,004	3,195	5,132	0,750
Due from governmental units	0	0	0	0
Land	61,000	34,000	67,000	111,000
Property, plant and equipment (net of accumulated depreciation)	3,274,189	3,777,494	7,883,344	6,946,200
Restricted Assets				
Cash and cash equivalents	50,563	281,880	432,723	350,132
TOTAL ASSETS	<u>\$4,071,003</u>	<u>\$4,544,598</u>	<u>\$9,377,091</u>	<u>\$8,448,732</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$0	\$0	\$0	\$14,404
Contracts payable	0	0	0	0
Due to other funds	21,091	21,040	48,820	61,824
Current (from Restricted Assets)				
Water deposits	31,767	188,773	204,508	210,889
Revenue bonds payable	12,483	26,888	42,483	55,970
Accrued interest	0	18,279	18,279	18,990
Long-Term Liabilities				
Compensated absences payable	2,888	12,877	18,288	13,233
Revenue bonds payable	1,858,821	282,888	1,874,871	1,874,883
TOTAL LIABILITIES	<u>1,948,891</u>	<u>579,288</u>	<u>2,228,118</u>	<u>2,339,897</u>
FUND EQUITY				
Contributed capital	3,688,888	1,779,271	3,207,888	3,424,888
Retained Earnings				
Reserved for revenue bond retirement	600	100,194	194,500	171,828
Unreserved	1,122,488	128,888	1,588,824	1,852,333
TOTAL FUND EQUITY	<u>4,821,376</u>	<u>2,898,353</u>	<u>4,991,212</u>	<u>4,279,049</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$4,871,003</u>	<u>\$4,544,598</u>	<u>\$9,377,091</u>	<u>\$8,448,732</u>

**REPORT REQUIRED BY
GOVERNMENTAL AUDITING STANDARDS**

The following pages contain a report on compliance and internal control over financial reporting based on an audit of financial statements performed in accordance with Governmental Auditing Standards, issued by the Comptroller General of the United States. The report includes, where appropriate, compliance matters and any reportable conditions and/or material weaknesses that would be material to the presented financial statements.

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL-PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable John Ed Laforte, Mayor
And Members of the City Council
City of Marksville, Louisiana

We have audited the general-purpose financial statements of City of Marksville, for the year ended June 30, 1997, and have issued our report thereon dated December 23, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether City of Marksville, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings and questioned costs as item 97-01.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Marksville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general-purpose financial statements and not to provide assurance on the internal control structure over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of City of Marksville in a separate letter dated December 23, 1997.

Honorable Latorre
And Members of City Council
Page 2
December 23, 1997

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



Durode & Company
Marrackia, Louisiana
December 23, 1997

APPENDIX B

REPORTS REQUIRED BY OFFICE OF MANAGEMENT AND BUDGET (OMB) CIRCULAR A-133

The following pages contain reports on the Schedule of Expenditures of Federal Awards and on compliance with requirements applicable to each Major Program and Internal control over compliance in accordance with OMB Circular A-133.

**REPORT ON SCHEDULE OF EXPENDITURES OF
FEDERAL AWARDS**

The Honorable John Ed Latsoudis, Mayor
And Members of the City Council
City of Marksville, Louisiana

We have audited the general-purpose financial statements of the City of Marksville, Louisiana for the year ended June 30, 1997, and have issued our report thereon dated December 23, 1997. Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements taken as a whole.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Ducote & Company

Ducote & Company
Marksville, Louisiana
December 23, 1997

City of Marksville
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For Year Ended June 30, 1997

<u>Federal Grant/ Pass-Through Grant/ Project Name</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
United States Dept. of Housing and Urban Development		
Indirect		
Passed Through:		
State of Louisiana		
Division of Administration		
1995 Comm. Dev. Block Grant	14.228	\$ 623,822
1995 Comm. Dev. Block Grant Demonstrated Needs Program	14.228	28,127
United States Dept. of Interior		
Indirect		
Passed Through:		
State of Louisiana		
Office of State Parks		
Outdoor Recreation Grant	10.818	12,300
Total (All Federal)		\$662,049

**REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable John Ed Laboade, Mayor
And Members of the City Council
City of Marksville, Louisiana

Compliance

We have audited the compliance of the City of Marksville with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. City of Marksville's major federal programs are identified in the schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Marksville's management. Our responsibility is to express an opinion on City of Marksville's compliance based on our audit.

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

In our opinion, City of Marksville complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

The management of the City of Marksville is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered City of Marksville's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

(3)

Honorable Latorre
And Members of City Council
Page 2
December 23, 1987

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

This report is intended solely for the use of the governing body, the federal awards agencies, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.



Ducoff & Company
Baton Rouge, Louisiana
December 23, 1987

**CITY OF MARKENVILLE, LOUISIANA
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 YEAR ENDED JUNE 30, 1987**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	_____ yes	___X___ no
Reportable condition(s) identified not considered to be material weaknesses(es)	_____ yes	___X___ no

Noncompliance material to financial statements noted? ___X___ yes _____ no

Federal Awards

Internal Control over major programs:

Material weakness(es) identified?	_____ yes	___X___ no
Reportable condition(s) identified not considered to be material weaknesses(es)	_____ yes	___X___ none reported

Type of auditor's report issued on compliance
For major programs: Unqualified

Any audit findings disclosed that are required
To be reported in accordance with
Circular A-133, Section 310(a) _____ yes ___X___ no

Classification of major programs:

CFDA Number	Name of Federal Program or Cluster
14.325	Community Development Block Grants

Dollar threshold used to distinguish between
Type A and Type B programs \$500,000

Auditor qualified as low-risk auditor ___X___ yes _____ no

CITY OF MARKSVILLE, LOUISIANA
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
YEAR ENDED JUNE 30, 1997

Section II

Finding 87.62

Criteria:

In accordance with Louisiana Revised Statute, all bank deposits not insured by FDIC insurance must be secured by pledged securities held in the City's name.

Condition:

As of June 30, 1997, \$210,062 of collected bank balances was uninsured and uncollateralized.

Effect:

A portion of the City's bank deposits was not collateralized in accordance with State law, thereby exposing the City to a potential loss.

Recommendation:

Management should review on a regular basis, the total of collected bank balances and the amount of pledged collateral held in their name by the financial institutions at which the City maintains bank balances. In the event there is insufficient collateral, the financial institution should be instructed to purchase additional securities to collateralize the City's deposits.

Management's Response:

The situation has already been corrected and a regular review of collateral pledged against bank balances will be performed.

Section III – Federal Award Findings and Questioned Costs

There are no findings and questioned costs applicable to federal awards.

December 23, 1997

To Mayor John Ed Labarre and
Members of the City Council
City of Marksville
Marksville, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Marksville, Louisiana for the year ended June 30, 1997, 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 those matters. A separate report December 23, 1997, contains our report on reportable conditions in the City's internal control structure over financial reporting.

This letter does not affect our report dated December 23, 1997, on the financial statements on the City of Marksville, 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.



DUCOTE & COMPANY
Marksville, Louisiana

**Memorandum For: Commissioners to Improve
the City's Operations**

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

1. Issuance of 1099 Forms

Statement of Condition:	As cited in previous years, the City of Metairie did not issue all required Form 1099 forms.
Description of Effect:	This condition is a violation of federal law which requires that a form 1099 be issued to any non-incorporated vendor which has been paid \$600 or more for services in a calendar year.
Recommendation:	The City should monitor these type payments and issue any and all required 1099 forms. Effective January 1, 1998, the City of Metairie will begin accumulating the information on their computer system and will issue 1099's for the 1998 tax year.

2. Documentation of Employee Performance Evaluations

Statement of Condition:	Formal job evaluations are not performed on a scheduled annual basis. This does not allow the employee to be aware of the goals set for them and/or their department for the upcoming year or their strengths and weaknesses as an employee.
Description of Effect:	Employees are made aware of their good and bad points throughout the year by the use of commendations or remarks in the file. Cities track morale and performance are improved if the employer has formal, documented evaluation procedures. This type system would also give the City administration additional basis for merit raises, no raises, terminations, or promotions.
Recommendation:	The City has adopted a policy whereby each fiscal year the Mayor and Council will review current pay rates for any changes in pay. The City should incorporate documentation of employee performance evaluations as a part of their annual pay rate evaluation. The documentation of employee performance will assist the administration in making any pay rate changes.

3. Formal Written Policies and Procedures

Statement of Condition:	The City currently does not have formal, written policy and procedure manuals or job descriptions.
Description of Effect:	Various procedures, checks and balances comprise an internal control system. In order for a system to function properly and provide all the possible safeguards, written policy and procedures are needed.
Recommendation:	Current city policies, procedures and job descriptions should be formalized into a written form. Through the use of a committee, this task could more easily be accomplished. Also, formal, written policies and procedure manuals would facilitate job performance evaluations and city administration.

4. Inclusion of I-9 Forms in Personnel Files

Statement of Condition:	During the payroll testwork, it was noted that I-9 forms were not included in the personnel files.
Description of Effect:	The US Department of Labor requires that all employees complete an I-9 form, which requires the employer to document information for several forms of identification to assist in locating and identifying illegal aliens.
Recommendation:	The City should include an I-9 form in payroll checks and have each employee of the City complete the form. Also, any new employees in the future should complete an I-9 as part of their hiring process.