

TOWN OF SORRENTO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1997  
(CONTINUED)

**NOTE 7 - PENSION PLAN (CONTINUED)**

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, 6001 United States Boulevard, Baton Rouge, Louisiana 70804-2280, or by calling (504) 388-7411.

**Funding Policy.** Plan members are required by state statute to contribute 3.5 percent of their annual covered salary and the Town of Sorrento is required to contribute at an actuarially determined rate. The current rate is 4.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Sorrento are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:109, 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 Town's contributions for the year ending June 30, 1997, 1996, and 1995 were \$4,444, \$1,387, and \$9,379, respectively.

**NOTE 8 - CONTRIBUTED CAPITAL - PRELIMINARY PLAN**

Contributed capital is recorded in the Enterprise Fund for capital grants restricted for the acquisition or construction of capital assets. The Town placed this sewer system (acquired by LAINE) into service in October, 1993. The Town elected to record depreciation of the sewer system as a reduction in the contributed capital account, because it does not plan to recapture the grant investment through the user fees. The user fees are to be used for operating purposes.

**NOTE 9 - CONTINGENCIES**

At June 30, 1997, the Town of Sorrento, Louisiana, is involved in no lawsuits and is aware of no claims.

**TOWN OF BORRERTE, LOUISIANA**  
**NOTES TO FINANCIAL STATEMENTS**

JUNE 30, 1997  
 (CONTINUED)

**NOTE 6 - FIXED ASSETS**

A summary of changes in general fixed assets follows:

	Balance 6-30-96	Additions	Retirements	Balance 6-30-97
Buildings	\$281,000	\$ -	\$ -	\$281,000
Land	29,880	-	-	29,880
Other improvements	2,769	-	-	2,769
Equipment	163,883	3,475	508	167,850
Totals	<u>\$477,532</u>	<u>\$ 3,475</u>	<u>\$ 508</u>	<u>\$480,500</u>

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

Power system	\$744,818
Gas lines	14,000
Equipment	14,368
Total	<u>\$813,038</u>

Less accumulated depreciation	122,228
	<u>\$690,810</u>

**NOTE 7 - PENSION PLAN**

Substantially all police employees of the Town of Borrette are members of the Municipal Police Employees Retirement System of Louisiana ("System"), a cost sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees. Pertinent information relative to the plan follows:

**Plan Description.** All full-time police department employees employed in law enforcement are required to participate in the System. Employees who retire at or after age 58 with at least 10 years of creditable service or at or after age 65 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 for each year of creditable service. Final-average salary is the employee's average salary over the 18 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF SCORCHNO, LOUISIANA  
NOTICE TO FINANCIAL STATEMENTS

JUNE 30, 1997  
(CONTINUED)

**NOTE 3 - 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 Town in September or October, and are actually billed to the taxpayers in November. Billed Taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Ascension Parish.

For the year ended June 30, 1997, taxes of 8.02 mills were levied on property with assessed valuations totaling \$2,840,730, and were dedicated to general government.

Total taxes levied were \$18,008. Taxes of \$625 were receivable as June 30, 1997.

**NOTE 4 - RESTRICTED ASSETS**

Restricted assets at June 30, 1997, were applicable to the following:

	<b>General Fund</b>
Fire protection	\$ 8,384
Senior citizens programs	11,819
Recreation	70,800
Total	\$91,003
	<b>Utility Fund</b>
Gas deposits	\$ 3,873

**NOTE 5 - CONCENTRATION OF CREDIT RISK - PROPRIETARY FUND**

Accounts receivable from utility customers were comprised of the following sources: residential -69% and commercial -1%. Most customers have made deposits to partially secure their outstanding balances.

TOWN OF SCREVENO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1997  
(CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Investments - Investments are stated at cost.

NOTE 2 - DEPOSITS AND INVESTMENTS

The carrying amount of the Town's deposits (listed as cash on the financial statement), including certificates of deposit, with financial institutions as of June 30, 1997, was \$298,423 and the book balance was \$314,024. The book balance is categorized as follows:

Amount insured by the FDIC (Category 1)	\$298,000
Amounts collateralized with securities held by the trust department of the fiscal agent bank (Category 2)	114,024
Amounts uninsured and unsecured	
	<u>\$314,024</u>

Statutes authorize the Town to invest in United States bonds, treasury notes or certificates, time certificates of deposits of Louisiana state banks and national banks having the principle office in the State of Louisiana or any other federally insured investments.

The government's investments are categorized as either (1) insured or registered for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name, or (3) uninsured and unregistered for which securities are held by the broker or dealer, or by its trust department or agent but not in the government's name. As of June 30, 1997, investments consisted of the following:

	Carrying Amount	Market Value
LAMP Funds	\$190,263	\$190,263

TOWN OF SORRENTO, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1997

(CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

G. Prepaid Expenses - Payments made, which will benefit periods beyond June 30, 1997, are recorded as prepaid expenses.

H. Compensated Absences - The Town has the following policy relating to vacation and sick leave:

Each full time employee is entitled to 5 days vacation and 5 days sick leave for each year worked. Vacation benefits increased after 5 years worked to 10 days, after 10 years worked to 15 days, after 15 years worked to 20 days. These benefits are non-cumulative and must be taken when due.

I. Sales Taxes - The Town of Sorrento Board of Aldermen passed an ordinance, effective July 1, 1981, levying a one cent sales tax for the purpose of general operating expenses (704), recreation (104), fire protection (104), and senior citizens programs (184). The Town Board also passed an ordinance, effective October 28, 1986, levying a one cent sales tax for the purpose of general operating expenditures.

J. Comparative Data - Comparative total data for the prior year has been presented in the accompanying financial statements (except the combined balance sheet and statement of cash flows) in order to provide an understanding of changes in the Town's operations.

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

L. Statement of Cash Flows - The Town has adopted the use of the statement of cash flows in place of the statement of changes of financial position. For purposes of the statement of cash flows, the Utility Enterprise Fund considers all highly liquid investments, (including restricted assets), with a maturity of three months or less when purchased to be cash equivalents.

TOWN OF BOZEMAN, LOUISIANA  
      NOTES TO FINANCIAL STATEMENTS  
      JUNE 30, 1997  
      (CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

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

- 1) The Town Mayor and Clerk prepare a proposed budget message and budget and submit same to the Board of Aldermen 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 two weeks 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 Board of Aldermen.
- 6) All budgetary appropriations lapse at the end of each fiscal year.
- 7) Budgets for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

**F. Bad Debt-Uncollectible amounts due for ad valorem taxes and customers' utility receivables are expensed as bad debts when the debt becomes uncollectible, which is not materially different from generally accepted accounting principles. As of June 30, 1997, \$3,294 was considered uncollectible.**

TAUN OF SOBRONTO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1993  
(CONTINUED)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	YEARS
Lines, meters, & sewer system	50
Equipment	6-10
Vehicles	5

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets of \$118,550 (Olson Heber Site-\$118,450) are stated at their estimated fair value on the date received.

D. Basis of Accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Employer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Property taxes, sales taxes, and interest revenue are treated as measurable to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

TOWN OF BOBBINGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS

JUNE 30, 1997  
(CONTINUED)

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**  
**Governmental Fund Types:**

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

**Proprietary Fund Types:**

**Enterprise Fund -** 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 costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town applies all GASB pronouncements as well as the FASB pronouncements issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements.

C. **Fixed Assets and long-term liabilities -** The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental funds type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

The proprietary fund is accounted for on a cost of service or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activities are included on its balance sheet.



## TOWN OF SOLENTO, LOUISIANA

## STATEMENT OF CASH FLOWS

## PROPRIETARY FUND TYPE - ENTERPRISE FUND

YEAR ENDED JUNE 30, 1997

## CASH FLOWS FROM OPERATING ACTIVITIES:

Operating (loss)	\$(46,800)
Adjustments to reconcile operating losses to net cash provided by operating activities:	
Depreciation expense	17,308
Decrease in accounts receivable	5,307
Decrease in prepaid expenses	64
Increase in payroll taxes payable	21
Increase in accounts payable	1,072
Increase in accrued items	137
Decrease in customer deposits	<u>21,850</u>

NET CASH USED BY OPERATING ACTIVITIES \$(22,818)

## CASH FLOWS FROM NONCAPITAL FINANCIAL ACTIVITIES:

operating transfers in 20,000NET CASH SOURCE FOR NONCAPITAL FINANCING ACTIVITIES 20,000

## CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of equipment (12,704)Interest earnings 2,332NET CASH PROVIDED BY INVESTING ACTIVITIES (9,832)NET INCREASE IN CASH (3,650)CASH, BEGINNING OF YEAR 92,813CASH, END OF YEAR \$89,163

The accompanying notes are an integral part of this statement

TOWN OF BOHEMOTO, LOUISIANA  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGE IN RETAINED EARNINGS -  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND  
 YEAR ENDED JUNE 30, 1997

(WITH COMPARATIVE AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996)

	June 30, 1997	June 30, 1996
<b>OPERATING INCOME:</b>		
Charges for services:		
Gas sales	\$ 63,513	\$120,886
Garbage	28,986	47,211
Sewer	23,084	11,849
Miscellaneous	-	365
Total operating income	<u>115,473</u>	<u>180,311</u>
<b>OPERATING EXPENSES:</b>		
Gas department expenses	88,661	128,800
Garbage department expenses	44,187	87,806
Sewer department expenses	18,319	26,128
General expenses	-	-
Depreciation	11,388	25,005
Total operating expenses	<u>162,555</u>	<u>267,739</u>
<b>OPERATING (LOSS)</b>	<b>(46,682)</b>	<b>(87,428)</b>
<b>NON-OPERATING INCOME:</b>		
Interest	2,823	2,708
<b>(LOSS) BEFORE OTHER FINANCING (USE)</b>	<b>(43,859)</b>	<b>(84,720)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
operating transfers in	34,003	18,000
operating transfers out	-	-
<b>LESS DEPRECIATION TRANSFERRED TO CONTRIBUTED CAPITAL</b>	<b>14,886</b>	<b>14,886</b>
<b>NET INCOME (LOSS)</b>	<b>987</b>	<b>3,914</b>
<b>RETAINED EARNINGS, beginning of year</b>	<b>118,331</b>	<b>114,417</b>
<b>RETAINED EARNINGS, end of year</b>	<b>\$ 119,318</b>	<b>\$118,331</b>

The accompanying notes are an integral part of this statement.

TOWN OF SOCRISTO, LOUISIANA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET AND ACTUAL

GENERAL FUND

YEAR ENDED JUNE 30, 1997

(WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1996)

	1997			
	Budget	Actual	Variance- Favorable (Unfavorable)	Actual 1996
<b>REVENUES:</b>				
Taxes	\$204,377	\$202,518	\$ 18,233	\$204,438
Video Poker	181,814	202,888	20,854	184,360
Licenses	39,800	38,178	(481)	38,328
Fines and forfeits	121,844	123,871	2,827	122,252
Miscellaneous	12,426	12,015	(389)	35,881
Total revenues	613,821	609,349	42,332	602,842
<b>EXPENDITURES:</b>				
<b>Current:</b>				
General government	304,373	294,288	10,281	297,821
Public safety	134,348	198,373	(60,225)	188,892
Highways and streets	159,300	167,318	(8,018)	213,983
Capital outlay	49,800	3,275	42,825	30,848
Total expenditures	613,821	602,326	9,841	579,842
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	-	67,023	52,585	22,872
<b>OTHER FINANCING SOURCES (USES):</b>				
Operating transfers in	-	-	-	-
Operating transfers out	-	(120,800)	(120,800)	(110,884)
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	-	67,023	67,023	62,977
FUND BALANCE, beginning of year	163,145	169,348	-	270,148
FUND BALANCE, end of year	\$163,145	\$236,371	\$ 72,985	\$262,145

The accompanying notes are an integral part of this statement.

## TOWN OF MONROE, LOUISIANA

## COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1957

ASSETS	GOVERNMENTAL	FEDERATION	ACCOUNT GROUP	TOTAL
	FUND TYPE	FUND TYPE	GENERAL FUND	(10000, 000 Y) 6-30-57
	GENERAL	ENTERPRISE	ASSETS	6-30-57
Cash	\$123,387	\$ 78,580	\$ -	\$ 201,967
Investments, at cost	320,260	-	-	320,260
Receivables:				
Taxes & Utilities	28,278	28,828	-	57,106
Due from other government agencies	46,456	-	-	46,456
Prepaid expenses	-	1,221	-	1,221
Restricted assets:				
Cash	84,263	8,874	-	93,137
General fixed assets	-	-	680,375	680,375
Fixed assets (net of accumulated depreciation)	-	582,828	-	582,828
<b>TOTAL ASSETS</b>	<b>\$612,692</b>	<b>\$690,210</b>	<b>\$680,375</b>	<b>\$1,983,277</b>
LIABILITIES AND FUND EQUITY				
LIABILITIES:				
Payroll taxes payable	\$ 8,128	\$ 541	\$ -	\$ 8,669
Accounts payable	24,728	4,218	-	28,946
Accrued items	1,218	280	-	1,507
Customer deposits	-	8,875	-	8,875
<b>Total Liabilities</b>	<b>34,082</b>	<b>13,914</b>	<b>-</b>	<b>48,006</b>
FUND EQUITY AND OTHER CREDITS:				
Investment in general fixed assets	-	-	680,375	680,375
Contributed Capital (net of accumulated depreciation)	-	674,888	-	674,888
Retained earnings:				
Unreserved	-	119,116	-	119,116
Fund balances:				
Reserved for restricted assets	84,263	-	-	84,263
Unreserved	228,112	-	-	228,112
<b>Total Fund Equity</b>	<b>312,475</b>	<b>282,124</b>	<b>680,375</b>	<b>1,275,024</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$612,692</b>	<b>\$690,210</b>	<b>\$680,375</b>	<b>\$1,983,277</b>

The accompanying notes are an integral part of this statement

The Honorable Mr. Gerald Melanson, Mayor  
and the Members of the Board of Aldermen  
Page 2

My audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Town of Sorrento, Louisiana, taken as a whole. The accompanying financial information listed on a supplemental schedule in the table of contents is presented for purposes of additional analysis 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 my opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

December 31, 1987

*Conrad R. Baizger*

# Conrad P. Bourque

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CERTIFIED PUBLIC ACCOUNTANT

MEMBER  
AMERICAN INSTITUTE OF CPAs  
SOCIETY OF LOUISIANA CPAs

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Ms. Brenda Malancon, Mayor  
and the Members of the Board of Aldermen  
Town of Sorrento, Louisiana

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

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

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

In accordance with Government Auditing Standards, I have also issued a report dated December 31, 1997, on my consideration of the Town of Sorrento's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, and contracts.

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ACT OF 1997

**TOWN OF BOSSHARDT, LOUISIANA**  
**FINANCIAL REPORT**  
**YEAR ENDED JUNE 30, 1997**

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: MM/DD/YY



# Conrad P. Bourque

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The Honorable Mr. Brenda Melancon, Mayor  
and the Members of the Board of Aldermen  
Town of Sorrento, Louisiana

In planning and performing my audit of the general-purpose financial statements of the Town of Sorrento for the year ended June 30, 1997, I considered the internal control structure in determining the nature, timing, and extent of my audit procedures and not to provide assurance on the internal control structure. In addition, my audit procedures were designed to find violations of laws and regulations that could have a material effect on the general purpose financial statements. I noted a certain matter, in addition to that discussed in my Auditor's Report on Compliance and on Internal Controls dated December 31, 1997, that I feel should be considered. This matter is an immaterial violation of laws and regulations.

<b>Finding:</b>	The Budget Act requires that if expenditures exceed the budget by more than five percent, a budget amendment must be adopted. The Town exceeded the budget expenditures in the general fund and did not amend the budget properly. There were additional revenues to cover additional expenditures.
<b>Cause:</b>	The Town failed to get proper information in regards to last year's recommendation on this same subject.
<b>Recommendation:</b>	Other means should have been taken to avoid this situation.
<b>Management's Response:</b>	No concern with the finding.

December 31, 1997

*Conrad P. Bourque*

The Honorable Ms. Brenda Melancon, Mayor  
and the Members of the Board of Aldermen  
Page 3

The following reportable condition was noted in my audit of the  
general-purpose financial statements:

Findings:	The segregation of duties is inadequate to provide effective internal control.
Cause:	The condition is due to economic and space limitations.
Recommendation:	No action recommended.
Management's response:	No comment with the finding.

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

December 31, 1997

*Conrad P. Bourque*

# Conrad P. Bourque

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

To the Honorable Ms. Brandi Melanson, Mayor  
and the Members of the Board of Aldermen  
Town of Sorrento, Louisiana

I have audited the financial statements of the Town of Sorrento, Louisiana, as of and for the year ended June 30, 2007, and have issued my report dated December 31, 2007. I conducted my 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 the Town of Sorrento, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control over Financial Reporting

In planning and performing my audit, I considered the Town of Sorrento, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My 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.

TOWN OF SOLENTO, LOUISIANA

SCHEDULE OF COMPENSATION - MAYOR AND BOARD OF ALDERMEN

YEAR ENDED JUNE 30, 1997

	Monthly	Annual
Mayor - Wilson R. Longacker	5765	\$6,918
Alderman - Earl LeBlanc	200	2,400
Alderman - Kim LeBlanc	200	2,400
Alderman - Diane Humphrey	200	2,400
Alderman - Camille Trabaud	200	2,400
Alderman - Ed Penard	200	2,400