

1040

OFFICIAL  
FILE COPY  
DO NOT STAMP OUT  
CHECK FOR ANY  
MARKS FROM THE  
OFFICE OF STATE  
AUDIT IN 1997

RECEIVED  
LEGISLATIVE SERVICE  
28 JUL -9 AM 8:24

228  
9320/112

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

**GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1997  
WITH SUPPLEMENTAL INFORMATION SCHEDULES**

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

Release Date ~~\_\_\_\_\_~~ **JUL 14 1998**

**MAJOR & MORRISON**  
Certified Public Accountants  
P. O. Box 190  
113 West Main Street  
New Roads, LA 70066

CITY OF NEW ORLEANS, LOUISIANA  
December 31, 1997

TABLE OF CONTENTS

	<u>Page No.</u>
<b>INDEPENDENT AUDITORS' REPORT</b>	7
<b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>	
(Combined Statement - Overview)	
Combined Balance Sheet - All Fund Types and Account Groups	3-4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - All Government Fund Types	7
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual (GAAP Basis) - General and Special Revenue Fund Types	8-9
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings - All Proprietary Fund Types	10
Combined Statement Cash Flows	11
<b>NOTES TO THE FINANCIAL STATEMENTS</b>	11-22
<b>SUPPLEMENTAL INFORMATION</b>	
<b>COMBINING AND INDIVIDUAL FUND AND ACCOUNT GROUP STATEMENTS</b>	
<b>Special Revenue Funds:</b>	
Combining Balance Sheet	31
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	40-44
<b>Public Service Funds:</b>	
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	45
<b>Capital Project Funds:</b>	
Combining Balance Sheet	48
Combining Statements of Revenues, Expenditures, and Changes in Fund Balance	49

CITY OF NEW ROADS, LOUISIANA  
December 31, 1997

TABLE OF CONTENTS (Continued)

	Page No.
<b>Enterprise Funds:</b>	
Combining Balance Sheet	51
Combining Statement of Revenues, Expenses, and Changes in Retained Earnings	52
Combining Statement of Cash Flows	53
<b>Other Reports Required by Governmental Auditing Standards</b>	
Independent Auditors' Report on Compliance and Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	55 - 56
<b>Other Reports</b>	
Schedule of Findings and Questioned Costs	58 - 59
Summary Schedule of Prior Audit Findings	60
Corrective Action Plan for Current Year Audit Findings	61
Schedule of Insurance	62
Schedule of Electrical Customers	63
Schedule of Water Customers	64

# MAJOR & MORRISON

CERTIFIED PUBLIC ACCOUNTANTS

WAF P. MAJOR, CPA, PC  
JOHN L. MORRISON, III, CPA, PC

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

## INDEPENDENT AUDITORS' REPORT

To Mayor Minkoff and  
Members of the City Council  
New Roads, Louisiana 70086-0000

We have audited the accompanying general-purpose financial statements of the City of New Roads, Louisiana as of and for the year ended December 31, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the management of the City of New Roads, Louisiana. 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of New Roads, Louisiana, as of December 31, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, we have also issued a report dated June 25, 1998 on our consideration of the City of New Roads, Louisiana's internal control over financial reporting and the basis of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The accompanying supplemental information schedules listed in the mapping 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 New Roads, Louisiana. 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.

Major and Morrison  
New Roads, Louisiana  
June 25, 1998

**General Purpose Financial Statements**  
**(Combined Statements - Overview)**

CITY OF NEW BORDO  
 COMBINED BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS  
 December 31, 1997

	Governmental Fund Type			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Fund
<b>ASSETS AND OTHER DEBITS</b>				
<b>Current Assets</b>				
Cash	\$ 1,047,398	\$ 1,046,398	\$ 0	\$ 295,170
Investments	0	0	0	0
Accounts receivable	9,177	0	0	0
Due from other funds	0	0	0	0
Due from other governmental units	189,858	4,337	0	0
Prepaid expenses	0	0	0	0
<b>Restricted Assets</b>				
Cash	295,813	0	87,808	0
Investments	0	0	0	0
<b>Property, Plant &amp; Equipment</b>				
Cost where applicable of accum depre	0	0	0	0
<b>Other Debits</b>				
Amount available for debt retirement	0	0	0	0
Amount to be provided for debt retirement	0	0	0	0
<b>TOTAL ASSETS</b>	<b>\$ 1,822,047</b>	<b>\$ 1,828,836</b>	<b>\$ 97,808</b>	<b>\$ 295,170</b>

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

Proprietors Fund Type	Account Group		Total
	General Fund Asset Group	General Long-term Debt Group	
\$ 480,187 \$	\$ 0	\$ 0	\$ 480,187
11,710	0	0	11,710
674,664	0	0	674,664
501,689	0	0	501,689
0	0	0	173,266
32,230	0	0	32,230
1,418,780	0	0	3,013,773
630,833	0	0	630,833
\$ 1,847,238	\$ 0	\$ 0	\$ 12,681,828
0	0	60,000	60,000
0	0	1,322,730	1,322,730
\$ 14,897,821	\$ 0	\$ 1,382,730	\$ 20,218,456

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

**CITY OF NEW BRIDGE**  
**COMBINED BALANCE SHEET**  
**ALL FUND TYPES AND ACCOUNT GROUPS**  
 (Continued)  
 December 31, 1997

	Governmental Fund Type			
	General Fund	Special Revenue Funds	Debt Service Fund	Capital Project Fund
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 71,020	\$ 0	\$ 0	\$ 0
Contracts payable	0	0	0	50,305
Accrued liabilities	35,873	0	0	0
Due to other funds	8,047	0	0	0
Due to other governmental units	0	35,774	0	0
<b>Current Liabilities (from Restricted Assets)</b>				
Other liabilities	45,493	0	0	0
Bonds payable	0	0	0	0
Deposits	0	0	0	0
<b>Long-Term Liabilities</b>				
Capital leases payable	0	0	0	0
Bonds payable	0	0	0	0
<b>TOTAL LIABILITIES</b>	<b>150,332</b>	<b>35,774</b>	<b>0</b>	<b>50,305</b>
<b>FUND EQUITY</b>				
<b>Contributed Capital:</b>				
Municipalities	0	0	0	0
Customers	0	0	0	0
Grants	0	0	0	0
Investment in general fund assets	0	0	0	0
<b>Retained Earnings:</b>				
<b>Reserved:</b>				
Reserved for possible refunds	0	0	0	0
Reserved for bond indenture	0	0	0	0
<b>Unreserved:</b>				
Designated for capital additions	0	0	0	0
Undesignated	0	0	0	0
<b>Fund Balances:</b>				
<b>Reserved:</b>				
Reserved for liability claims	38,375	0	0	0
Reserved for emergency claims	82,921	0	0	0
Reserved for health claims pay	120,836	0	0	0
<b>Unreserved:</b>				
Designated for debt service	0	0	87,808	0
Designated for grant	0	34,341	0	0
Designated for capital projects	0	0	0	235,804
Undesignated	1,480,795	580,527	0	0
<b>TOTAL FUND EQUITY</b>	<b>1,631,525</b>	<b>1,614,852</b>	<b>87,808</b>	<b>235,804</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 1,623,847</b>	<b>\$ 1,623,846</b>	<b>\$ 87,808</b>	<b>\$ 235,112</b>

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



Proprietors Fund Type Enterprise Fund	Account Group		Mononuckan Only Current Year	
	General Fund Asset Group	General Long-Term Debt Group		
\$	145,646 \$	\$ 0	\$ 0	217,285
	51,274	0	0	110,740
	5,833	0	0	43,585
	489,663	0	0	801,989
	30,557	0	0	72,331
	0	0	0	45,483
	145,000	0	0	145,000
	197,442	0	0	197,442
	0	0	0,729	6,729
	<u>3,389,608</u>	<u>0</u>	<u>1,470,808</u>	<u>8,809,080</u>
	<u>6,471,818</u>	<u>0</u>	<u>1,470,729</u>	<u>8,749,587</u>
	2,301,629	0	0	2,301,629
	269,663	0	0	269,663
	1,180,246	0	0	1,180,246
	0	3,834,681	0	3,834,681
	11,609	0	0	11,609
	1,084,850	0	0	1,084,850
	2,643,273	0	0	2,643,273
	1,114,887	0	0	1,114,887
	0	0	0	38,373
	0	0	0	82,921
	0	0	0	120,628
	0	0	0	87,000
	0	0	0	34,341
	0	0	0	235,804
	0	0	0	2,589,318
	<u>6,428,905</u>	<u>3,834,681</u>	<u>0</u>	<u>13,088,892</u>
<b>\$</b>	<b>14,887,821 \$</b>	<b>3,834,681 \$</b>	<b>1,470,729 \$</b>	<b>23,738,424</b>

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

**CITY OF NEW ROADS**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES**  
**Year Ended December 31, 1997**

	General Fund	Special Rev. Funds	Debt Serv. Fund	Capital Proj. Fund	Total Other City
<b>REVENUES</b>					
Taxes	\$ 171,288	\$ 721,989	\$ 0	\$ 0	\$ 893,277
Licenses and permits	188,858	0	0	0	188,858
Intergovernmental revenues	265,115	114,184	0	0	379,299
Charges for services	5,803	0	0	0	5,803
Fines and forfeitures	22,591	0	0	0	22,591
Miscellaneous	437,817	42,884	1,483	11,273	493,457
<b>TOTAL REVENUES</b>	<u>1,080,462</u>	<u>879,957</u>	<u>1,483</u>	<u>11,273</u>	<u>1,973,175</u>
<b>EXPENDITURES</b>					
General government	880,204	580	0	107	880,891
Public safety	791,852	0	0	0	791,852
Streets and sanitation	384,728	0	0	0	384,728
Transportation	25,400	0	0	0	25,400
Culture and recreation	58,838	0	0	0	58,838
Capital outlay	118,887	0	0	888,735	1,007,622
Debt service	0	0	180,870	0	180,870
Welfare	0	117,623	0	0	117,623
Public works	198,288	0	0	0	198,288
<b>TOTAL EXPENDITURES</b>	<u>2,177,888</u>	<u>717,623</u>	<u>180,870</u>	<u>888,835</u>	<u>3,765,216</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>-1,109,880</u>	<u>-787,124</u>	<u>-180,430</u>	<u>-878,817</u>	<u>-2,056,231</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,591,508	0	185,798	0	1,777,306
Transfers out	(338,708)	(588,828)	0	0	(927,536)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>-1,225,796</u>	<u>(588,828)</u>	<u>185,798</u>	<u>0</u>	<u>-1,626,626</u>
<b>Excess (deficiency) of revenues and other sources over expenditures and other uses</b>	<u>120,714</u>	<u>170,114</u>	<u>(9,732)</u>	<u>(878,817)</u>	<u>(698,721)</u>
<b>Fund Balances at beginning of year</b>	<u>-1,528,911</u>	<u>-835,748</u>	<u>180,738</u>	<u>781,887</u>	<u>-2,392,814</u>
<b>Fund Balances at end of year</b>	<u>\$ -1,408,197</u>	<u>\$ -665,634</u>	<u>\$ 171,006</u>	<u>\$ -878,817</u>	<u>\$ -2,676,438</u>

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

**CITY OF NEW BOSTON**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL**  
**GENERAL AND SPECIAL REVENUE FUNDS TYPES**  
**Year Ended December 31, 1997**

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Taxes	\$ 152,000	\$ 171,085	\$ 19,085
Licenses & permits	151,000	168,000	17,000
Intergovernmental financial	184,504	208,575	24,071
Charges for services	3,900	5,900	2,000
Fees and forfeitures	22,800	22,800	0
Miscellaneous	581,228	437,813	(143,415)
<b>TOTAL REVENUES</b>	<u>1,098,304</u>	<u>1,088,463</u>	<u>(9,841)</u>
<b>EXPENDITURES</b>			
General government	888,743	888,264	479
Public safety	712,843	781,952	(69,109)
Streets and sanitation	327,210	384,738	(57,528)
Transportation	25,000	25,400	(400)
Culture and recreation	71,814	88,838	(17,024)
Capital outlay	157,200	148,851	8,349
Welfare	0	0	0
Public works	180,878	188,208	(7,330)
<b>TOTAL EXPENDITURES</b>	<u>2,286,308</u>	<u>2,176,858</u>	<u>109,450</u>
Excess (deficiency) of revenues over expenditures	<u>(1,288,004)</u>	<u>(1,188,395)</u>	<u>99,609</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in	1,688,800	1,681,800	6,999
Transfers out	(388,797)	(388,700)	97
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>1,300,003</u>	<u>1,293,099</u>	<u>6,902</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>\$ 14,332</u>	<u>120,714</u>	<u>\$ 106,382</u>
<b>Fund Balances at beginning of year</b>		<u>1,628,811</u>	
<b>Fund Balances at end of year</b>		<u>\$ 1,680,825</u>	

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

Special Revenue Funds

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
\$	615,620	\$ 721,968	\$ 106,348
	0	0	0
	0	114,104	114,104
	0	0	0
	0	0	0
	30,080	47,664	17,584
	<u>645,700</u>	<u>873,637</u>	<u>227,937</u>
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	0	0
	0	117,833	(117,833)
	0	0	0
	<u>640</u>	<u>117,833</u>	<u>(117,833)</u>
	<u>646,120</u>	<u>791,114</u>	<u>144,994</u>
	0	0	0
	<u>646,120</u>	<u>791,114</u>	<u>144,994</u>
	0	0	0
	<u>646,120</u>	<u>791,114</u>	<u>144,994</u>
\$	<u>5,120</u>	<u>176,114</u>	<u>170,994</u>
		<u>636,748</u>	
		<u>\$ 1,014,862</u>	

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

**CITY OF NEW ROADS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES**  
**Year Ended December 31, 1997**

	<b>Total</b>	
	<u>Enterprise Funds</u>	<u>Municipalities Only</u>
<b>OPERATING REVENUES</b>		
Charges for Services	\$ 4,140,208	\$ 4,140,208
Miscellaneous	120,868	120,868
<b>Total operating revenues</b>	<u>4,261,076</u>	<u>4,261,076</u>
<b>OPERATING EXPENSES</b>		
Personal services	380,853	380,853
Contracted services	11,408	11,408
Operating costs	2,437,421	2,437,421
Maintenance and supplies	188,098	188,098
Insurance	87,208	87,208
Utilities	83,267	83,267
Depreciation	415,088	415,088
<b>Total operating expenses</b>	<u>3,588,051</u>	<u>3,588,051</u>
Operating income	<u>1,283,227</u>	<u>1,283,227</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>		
Miscellaneous	531,408	531,408
Intergovernmental revenue	480,000	480,000
Tax debts recovered	5,327	5,327
Interest and fiscal charges	(385,000)	(385,000)
Loss on sale of fixed assets	175	175
Tax debts written off	(20,124)	(20,124)
<b>Total nonoperating revenues (expenses)</b>	<u>343,771</u>	<u>343,771</u>
Income before operating transfers	<u>1,626,998</u>	<u>1,626,998</u>
<b>OPERATING TRANSFERS</b>		
Transfers in	300,000	300,000
Transfers out	(7120,693)	(7120,693)
<b>Total operating transfers</b>	<u>(682,693)</u>	<u>(682,693)</u>
<b>Net income</b>	<u>800,476</u>	<u>800,476</u>
<b>Retained Earnings at beginning of year</b>	<u>3,933,670</u>	<u>3,933,670</u>
<b>Retained Earnings at end of year</b>	<u>\$ 4,734,146</u>	<u>\$ 4,734,146</u>

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

**CITY OF NEW ROADS**  
**COMBINED STATEMENT OF CASH FLOWS**  
**ALL PROPRIETARY TYPE FUNDS**  
**Year Ended December 31, 1997**

	Enterprise Funds	Total Mon. Only
<b>Cash flows from operating activities:</b>		
Operating income (loss)	\$ 1,620,878	\$ 1,620,878
Adjustments to reconcile operating income to net operating cash provided by operating activities:		
Depreciation	410,000	410,000
Changes in assets and liabilities:		
(Increase) Decrease in assets net	(110,400)	(110,400)
(Increase) Decrease in other net	(143,747)	(143,747)
(Increase) Decrease in prepaid exp	(3,807)	(3,807)
Increase (Decrease) in assets pay	(170,848)	(170,848)
Increase (Decrease) in other pay	184,684	184,684
Increase (Decrease) in asset exp	1,848	1,848
Increase (Decrease) in motor deposits	13,800	13,800
<b>Net cash provided (used) by operating activities</b>	<b>1,873,888</b>	<b>1,873,888</b>
<b>Cash flows from noncapital financing activities:</b>		
Operating transfers in	380,000	380,000
Operating transfers out	(1,120,000)	(1,120,000)
<b>Net cash provided from (used) for noncapital financing activities</b>	<b>(820,000)</b>	<b>(820,000)</b>
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and sale of capital assets	(120,887)	(120,887)
Principal payments	(145,000)	(145,000)
<b>Net cash provided from (used) from capital and related financing activities</b>	<b>(265,887)</b>	<b>(265,887)</b>
<b>Cash flows from investing activities:</b>		
Purchase of investments	(3,101,408)	(3,101,408)
Proceeds from sale of investments	3,081,388	3,081,388
<b>Net cash provided (used) from investing activities</b>	<b>(20,020)</b>	<b>(20,020)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>957,678</b>	<b>157,878</b>
<b>Cash and cash equivalents at beginning of year</b>		
Unrestricted cash	808,360	808,360
Restricted Cash	2,852,880	2,852,880
<b>Total beginning cash</b>	<b>3,721,240</b>	<b>3,721,240</b>
<b>Cash and cash equivalents at end of year</b>		
Unrestricted cash	408,187	408,187
Restricted Cash	3,418,780	3,418,780
<b>Total ending</b>	<b>3,878,967</b>	<b>3,878,967</b>

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

City of New Roads, Louisiana  
Notes to the Financial Statements  
December 31, 1997

**INTRODUCTION**

The City of New Roads, Louisiana (City) was incorporated by a special act of the Louisiana Legislature in 1873 (Act No. 34). The City operates under a Mayor-Council form of government and provides the following services as authorized by its charter: public safety (police), highways and streets, sanitation and drainage, recreation, public improvements, planning and zoning, and general administrative services. The City also provides electrical, gas, water, and sewer utility services to its residents and to portions of areas outside the City limits.

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

**A. BASIS OF PRESENTATION**

The accounting and reporting practices of the City conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting practices also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Audit Guide and the industry audit guide, *Guide of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

**B. REPORTING ENTITY**

As the municipal governing authority, for reporting purposes, the City of New Roads, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the City of New Roads, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and:
  - a. the ability of the City to impose its will on that organization and/or
  - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are financially dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

Considered in the determination of component units of the reporting entity were the Pointe Caenoy Parish Police Jury, Sheriff, Clerk of Court, Assessor, School Board, and the City of New Roads and Judges of the Eighteenth Judicial District. It was determined that these governmental entities are not component units of the City of New Roads reporting entity because they have separately elected governing bodies, are legally separate, and are financially independent of the City of New Roads.

City of New Roads, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

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

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

1. Joint ventures between the Parish of Iberville, Louisiana, and the City of New Roads, Louisiana in which the financial statements are presented in the general purpose financial statements of the Parish:

Vulcan River Air Park Commission  
Vulcan River Park & Recreation Commission

**C. FUND ACCOUNTING**

The municipality uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. 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 one responsible available financial resource.

Funds of the municipality are classified into two categories: governmental and proprietary. In turn each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**GOVERNMENTAL FUNDS**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted revenues, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

**GENERAL FUND** - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

**SPECIAL REVENUE FUNDS** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**DEBT SERVICE FUNDS** - account for transactions relating to resources received and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**CAPITAL PROJECT FUNDS** - account for financial resources received and used for the acquisition, construction, or improvement of major capital facilities not reported in other governmental funds.



City of New Roads, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

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

**PROPRIETARY FUNDS**

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

**ENTERPRISE FUNDS** - account for operations (a) 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.

**B. BASIS OF ACCOUNTING**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust 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 their balance sheets. Operating statements of these funds present increases and decreases in net current assets. All governmental funds, expendable trust funds, and agency funds use the modified accrual basis of accounting. The governmental and expendable trust funds use the following practices in recording revenues and expenditures:

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

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

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

Property tax revenues are recognized when they become available. Available means when due, or past due and collectible, and collected generally within 90 days after year end.

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

**City of New Roads, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1997**

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

All Proprietary Funds and non-expendable trust funds are accounted for on a flow of economic resources measurement basis and a distribution 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.

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

**E. BUDGETS**

The municipality uses the following budget practices:

1. The proposed budget and amendments for fiscal year December 31, 1997 were made available for public inspection in accordance with RS 29:1384. The proposed budget was published in the official journal in accordance with RS 29:1386. The public hearing was held at the New Roads City Hall on December 17, 1996 for comments from taxpayers. The budget is legally adopted and amended, as necessary.
2. All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year.
3. Budgets are adopted on GAAP Basis.
4. Budget amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from previous exceeding amounts estimated requires the approval of the City Council. Amendments were made to the original budget for the year ending December 31, 1997 and are reflected in the budget comparisons.

**F. ENCUMBRANCES**

The City does not follow the encumbrances method of accounting.

**G. CASH AND CASH EQUIVALENTS**

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**H. INVESTMENTS**

Investments are limited by Louisiana Revised Statute (R.S.) XI:2015 and the municipality's investment policy.

City of New Rochelle, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

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

**H. INVESTMENTS (continued)**

In accordance with GAAP Statement No. 31, the City reports investments at amortized cost, money market investments and participating interest-bearing investment contracts that have a remaining maturity at time of purchase of one year or less, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer or by other factors. Money market investments are short-term, highly liquid debt instruments that include U.S. Treasury obligations.

**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.

**J. INVENTORIES**

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

**K. PREPAID ITEMS**

The City records prepaid assets for any significant expenditures that can be allocated to future periods.

**L. RESTRICTED ASSETS**

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

**M. FIXED ASSETS**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructure are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

City of New Orleans, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

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

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all depreciable fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method. The estimated useful lives are as follows:

Buildings	10-25 Years
Improvements Other Than Building	4-17 Years
Equipment	3-10 Years

**N. COMPENSATED ABSENCES**

Accumulated unpaid vacation and sick pay is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick pay recorded in the governmental funds is that amount, adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liabilities are reported in the General Long-Term Debt Account Group. The guidelines of Financial Accounting Standards Board Statement (FASB) No. 40 "Accounting for Compensated Absences" were applied in determining the liability for both governmental and proprietary funds.

**O. LONG-TERM OBLIGATIONS**

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

**P. FUND EQUITY**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**Reserves**

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plans for future use of financial resources.

City of New Rochelle, Louisiana  
 Notes to the Financial Statements, (Continued)  
 December 31, 1997

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

**Q. 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 but are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as collections of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reversing or non-refund permanent transfers of equity are reported as residual-equity transfers. All other interfund transfers are reported as operating transfers.

**R. TOTAL COLUMNS 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 positions, events 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.

**S. USE OF ESTIMATES**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results may differ from these estimates.

**NOTE 2 - LEVIED TAXES**

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Millage	Levied Millage
Citywide taxes:		
General Allotment -		
General Fund	7.22	6.65

The following are the principal taxpayers for the parish (amounts expressed in thousands):

taxpayer	Type of Business	Assessed Valuation	Percentage of Total Assessed
Regions Bank	Financial	\$ 1,662	7.48%
Cajun Electric	Electric	809	4.13%
Paycom Bank	Financial	824	3.92%
Wal-Mart	General Retail	756	3.62%
Hill South	Communications	518	2.52%
		<b>\$12,822</b>	<b>21.67%</b>

City of New Orleans, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 3 - CASH AND CASH EQUIVALENTS**

At December 31, 1997, the municipality has cash and cash equivalents (bank balances) totaling \$6,982,627 as follows:

Cash on hand	\$ 180
Demand deposits	0
Interest-bearing demand deposits	6,982,500
Money market accounts	0
Time deposits	0
Total	<u>\$6,982,627</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the backing bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At December 31, 1997, the municipality has 27,237,847 in deposits (pledged bank balances). These deposits are secured from risk by \$488,098 of federal deposit insurance and 23,629,749 of pledged securities held by the custodial bank in the name of the fiscal agent bank (CLASS Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 19:1129 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - INVESTMENTS**

Investments are categorized into three main categories of credit risk:

1. Insured or registered, or securities held by the municipality or its agent in the municipality's name
2. Uninsured and unregistered, with securities held by the counterpart's trust department or agent in the municipality's name
3. Uninsured and unregistered, with securities held by the counterpart, or by its trust department or agent but not in the municipality's name

City of New Roads, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 4 - INVESTMENTS (Continued)**

At fiscal year-end, the municipality's investment balances were as follows:

Description	Carrying Amount	Market Value
1) Kemper Money Market Fund Government Securities Portfolio which invests in obligations issued or guaranteed by the United States government or its agencies	\$ 11,700	\$ 11,700
2) United State Treasury Bills	626,323	611,128
	<b>\$638,023</b>	<b>\$622,828</b>

The investments are in the name of the City of New Roads and are held in the trust department of controlled brokers selected by the City of New Roads. Because the investments are in the name of the City and are held by its agents, they are considered insured and registered, Category 1 in applying the credit risk of GASB Codification Section 185.164.

The treasury bills mature on February 12, 1998, with a par value of \$638,000.

**NOTE 5 - RECEIVABLES**

The following is a summary of receivables at December 31, 1997:

Class of Receivable	General Fund	Proprietary Funds
<b>Taxes:</b>		
Ad valorem	\$124,788	\$ -
Other	18,104	-
<b>Intergovernmental:</b>		
State	28,383	-
Local	1,728	-
Accounts	<u>5,127</u>	<u>634,694</u>
<b>Total</b>	<b>\$182,422</b>	<b>\$634,694</b>

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

City of New Roads, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 4 - FIXED ASSETS**

The changes to general fixed assets follow:

	Balance January 1, 1997	Additions	Disposals	Balance December 31, 1997
	\$ 404,887	\$ 0	\$ 0	\$ 404,887
Land	405,765	0	0	405,765
Land Improvements	88,667	356,703	0	445,370
Buildings	886,027	0	0	886,027
Equipment	1,275,079	709,361	0	2,004,440
<b>Total</b>	<b>\$2,359,358</b>	<b>\$665,864</b>	<b>\$0</b>	<b>\$3,025,222</b>

A summary of proprietary property, plant, and equipment follows:

	Enterprise Fund
Land	\$ 33,393
Construction in Progress	680,188
Buildings	42,831
Improvements other than Building	16,793,331
Equipment	189,469
<b>Total</b>	<b>\$17,794,431</b>
Less accumulated depreciation Net Fixed Assets	-15,511,189 \$ 2,283,242

**NOTE 7 - PENSION PLAN**

Substantially all employees of the City of New Roads are members of either the Municipal Employees Retirement System of Louisiana or the Municipal Police Employees Retirement System of Louisiana. These systems are non-vesting, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

**A. Municipal Employees' Retirement System of Louisiana**

**Plan Description.** The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A. All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System.



City of New Orleans, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 7 - PENSION PLAN, (Continued)**

Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 15 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7817 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling, (504) 921-8212.

Funding Policy. Under Plan A, members are required by state statute to contribute 8.33 percent of their annual covered salary and the City of New Orleans is required contribute at an actuarially determined rate. The current rate is 6.25% of annual covered payroll.

Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the City of New Orleans are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:181, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of New Orleans contributions to the System under Plan A for the years ending December 31, 1997, 1996, and 1995, were \$41,181, \$40,850, and \$41,317, respectively, equal to the required contributions for each year.

**11. Municipal Police Employees' Retirement System of Louisiana**

**Plan Description.** All Louisiana police department employees engaged 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 55 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 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

City of New Roads, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**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. This report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 640 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2180, or by calling (504)928-7411.

**Funding Policy.** Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of New Roads is required to contribute at an actuarially determined rate. The current rate is 9.6 percent of annual covered payroll. The contribution requirements of plan members and the City of New Roads are established and may be amended by state statute, as provided by Louisiana Revised Statute 11:181. The employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of New Roads contributions to the System for the years ending December 31, 1997, 1996, and 1995, were \$26,870, \$24,210, and \$25,624, respectively, equal to the required contributions for each year.

**NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS**

The City of New Roads provides certain continuing health care and life insurance benefits for its retired employees. Substantially all of the City of New Roads' employees become eligible for these benefits if they reach normal retirement age while working for the City of New Roads.

The City of New Roads recognizes the cost of providing these benefits as an expenditure when benefit costs are paid. The cost of retiree benefits totaled \$24,047 for the year ended December 31, 1997.

**NOTE 9 - ACCOUNTS, SALARIES AND OTHER PAYABLES**

The payables of \$633,528 at December 31, 1997, are as follows:

Class of Payable	General Fund	Capital Projects Fund	Proprietary Fund
Salaries	\$ 93,112	\$ -	\$ 6,836
Withholdings	28,218	-	-
Accounts	41,361	99,766	196,879
Other	8,187	-	187,185
<b>Total</b>	<b>\$170,878</b>	<b>\$99,766</b>	<b>\$490,800</b>

City of New Orleans, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 10 - VACATION AND SICK LEAVE**

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

after 1 year of service	1 week
after 2 years of service	2 weeks
after 15 years of service	3 weeks
after 25 years of service	4 weeks

Employees earn 15 days of sick leave each year beginning with the first day of employment. Sick leave can accumulate up to 45 days and may be accumulated up to 90 days with Council approval. Employees are not compensated for unused sick leave upon termination of employment.

As of December 31, 1997, the amount of unused vacation pay was considered immaterial.

**NOTE 11 - LEASES**

The municipality records lease under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of capital leases as of December 31, 1997.

Type	Estimated Amount
Equipment	\$ 13,644

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1997.

Expiry date	Equipment
1998	\$ 4,523
1999	4,523
2000	4,523
2001	3,580
Total minimum lease payments	\$16,809
Less amount representing interest	\$ 3,228
Present value of net minimum lease payments	\$ 13,581

The municipality has an operating lease of the following nature:

In March 1982, the City entered into a 99-year lease agreement with St. Mary's Roman Catholic Church of Lake River to supply its utilities in exchange for the use of land on which part of the City Hall now stands. In August, 1986, a decree was passed which limited the amount of utilities the church could obtain for the use of the land.

**City of New Rochelle, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1997**

**NOTE 11 - LEASES, (Continued):**

The value of the operating lease payments remaining as of lease is as follows:

Year Ending 12/31	St. Mary's
1998	18,400
1999	18,400
2000	18,400
2001	18,400
2002	18,400
2003-2005	3,656,411
	<b>\$1,602,118</b>

**NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of long-term debt transactions of the City for the year ended December 31, 1997:

	Bonds (\$00)	Capital Leases	Total
Long-term obligations payable			
At December 31, 1996	\$7,215,000	\$ 0	\$7,215,000
Additions	0	10,811	10,811
Deductions	265,800	1,222	267,022
Long-term obligations payable			
At December 31, 1997	\$6,949,200	9,589	\$6,958,789

General obligation bonds, revenue bonds, certificates of indebtedness, et cetera, are comprised of the following individual issues:

**General Obligation Bonds:**

\$1,200,000 1996 Certificates of Indebtedness due in semi-annual interest installments and annual principal installments of amounts from \$100,000 to \$100,000 with an interest rate of 3.125%, due through May 1, 2006. **\$1,018,000**  
 The 1996 General Obligations Debt service fund is used to accumulate monies for the repayment.

**Revenue Bonds:**

**Electric System Upgrade:**  
 \$1,000,000 1993 Certificates of Indebtedness due in semi-annual interest and annual principal installments of amounts from \$40,000 to \$715,000 with interest rates from 3.80% to 7.80% due through July 1, 2003. **\$2,615,000**  
 The Electric Utility System fund is used to retire these bonds.

**City of New Roads, Louisiana**  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS, (Continued)**

**Revenue Bonds (continued)**

**Water/Sewer System Upgrade**

\$1,750,000 1998 Certificates of Indebtedness in semi-annual interest and annual principal installments of amounts from \$40,000 to \$140,000, with interest rates from 3.50% to 6.75% due through July 1, 2017. \$1,820,000

The Water and Sewer Utilities System fund is used to retire these bonds.

At December 31, 1997, the municipality has accumulated \$ 96,999 in the debt service fund for future debt requirements. The annual requirements to amortize all bonds and/or certificates outstanding at December 31, 1997, including interest payments of \$4,871,676 are as follows:

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

Year Ending	General Obligation	Electric Revenue	Water/Sewer Revenue	Total
1998	175,407	244,266	223,808	643,481
1999	198,614	246,080	226,698	671,392
2000	196,418	246,881	227,129	670,428
2001	198,234	247,118	227,167	672,519
2002	195,886	247,899	226,755	670,540
Thereafter	789,893	3,024,028	3,820,177	8,234,098
	<u>\$1,366,881</u>	<u>\$4,488,422</u>	<u>\$5,114,560</u>	<u>\$1,170,000</u>

**General Obligation Bonds**

On May 21, 1996, the City issued \$1,580,000 of General Obligation Bonds, the proceeds of which were used to refund the remaining balance of the 1990 Series \$1,110,000 General Obligation Bonds and to provide funds for making capital improvements for the City of New Roads.

The bond was issued in the form of one certificate in the amount of \$1,110,000. It bears interest payable on May 1 and November 1 of each year at the rate of 3.25% and matures on May 1 of each year beginning May 1, 1997, with the final installment due May 1, 2006. These bonds are secured by and payable in principal and interest solely from a pledge and dedication of the extent of annual revenues of the City of New Roads for the years ending December 31, 1996 to December 31, 2006.

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

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

City of New Orleans, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS, (Continued)**

**Revenue Bonds:**

On July 1, 1992 the City issued \$1,000,000 of Electric System Revenue Bonds, the proceeds of which were used to acquire and construct stations and improvements to the electric distribution system.

These bonds were issued in denominations of \$1,000. They bear interest payable on January 1, of each year at rates of 3.82% to 7.8% and mature on July 1, of each year beginning July 1, 1993, with the final installment due on July 1, 2007. These bonds are created by and payable in principal and interest solely from the income and revenues earned from the electric system.

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

The bond resolution required the establishment of the following accounts:

**Electric System Revenue Fund -**

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

**Electric System Revenue Bond Sinking Fund -**

This fund is to be used to pay the total required installment of interest and principal. The City is required to make monthly deposits by the 25th of each month, beginning July 26, 1992, equal to 1/36th of the total interest installment and 1/12th of the total principal installment.

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

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable from the Sinking Fund, if they should otherwise go into default. It is required to be funded in an amount equal to the highest scheduled principal and interest requirement for any succeeding sinking fund year. The Reserve Fund was initially funded with \$231,000 from the bond issuance proceeds. Monies in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

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

The City is to deposit into this account by the 25th of each month, 3% of the gross revenues of the system for the preceding month. The funding must continue until \$200,000 has been accumulated in the account. These monies may be used to cost for construction, addition, improvements, repairs, and replacements necessary to properly operate the system. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds; however, the fund may not be depleted for the above uses to less than \$1,000. If the balance is reduced below \$200,000, funding shall be resumed until the maximum is again accumulated.

City of New Rochelle, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 12 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS, (Continued)**

**Water and Sewer System Revenue Bonds:**

On March 1, 1993, the City issued \$1,031,000 of Water and Sewer System Revenue Bonds, the proceeds of which were used to acquire and construct extensions and improvements to the water treatment and distribution systems and the sewer collection, treatment, and disposal system.

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

The bond resolution required the establishment of the following accounts:

**Water and Sewer System Revenue Fund -**

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

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

This fund is to be used to pay the semi-annual required installments of interest and principal. The City is required to make monthly deposits by the 25th of each month, beginning in April 1993, equal to 1/18th of the semi-annual installments and 1/12th of the semi-annual principal installments.

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

This fund is to be used solely for the purpose of paying the principal and interest on the bonds payable by the Sinking Fund, if they should otherwise go into default. It is required to be funded in an amount equal to the highest combined principal and interest requirements for any succeeding sinking fund year. The Reserve Fund was initially funded with \$231,480 from the bond issuance proceeds. Money in the reserve fund must be invested in Government Securities, maturing in five years or less from the date of investment.

**Water and Sewer System Capital Addition and Contingency Fund -**

The City is to deposit into this account by the 28th of each month, 5% of the gross revenues of the system for the preceding month. The funding must continue until \$200,000 has been accumulated in the account. These monies may be used to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the system. They may also be used to pay principal and interest on the bonds if there are insufficient funds in the Sinking or Reserve funds, however, the fund may not be depleted for the above uses to less than \$5,000. If this balance is reduced below \$200,000, funding shall be resumed until the maximum is again accumulated.

City of New Orleans, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 13 - INTERFUND ASSETS/LIABILITIES**

The following is a summary of interfund receivables and payable balances at December 31, 1997:

	Due From Other Funds	Due To Other Funds
<b>Environmental Funds -</b>		
General Fund:		
Electric Utility System	\$ 0	\$ 7,438
Water & Sewer Utility System	0	617
Natural Gas System	0	0
<b>Enterprise Funds -</b>		
Electric Utility System:		
Natural Gas System	0	370,902
General Fund	7,438	0
Water & Sewer System	88,091	0
Water & Sewer Utility System:		
Electric Utility System	0	88,091
Natural Gas System	0	24,828
General Fund	417	0
Natural Gas System:		
Water & Sewer Utility System	24,828	0
Electric Utility System	370,902	0
General Fund	____0	____0
<b>Total</b>	<b>\$81,267</b>	<b>\$821,267</b>

**NOTE 14 - INTERGOVERNMENTAL PAYABLE**

The following is a summary of the intergovernmental payable due other governments at December 31, 1997:

Description	Special Revenue Section 6 Program Fund	Exception Electric Utility Fund	Total
U. S. Department of HHS	\$ 21,774	\$ 0	\$ 21,774
Louisiana - 1/8 Sales Tax	0	9,563	9,563
Police Captain Pollen Jury - Garbage Fee	0	21,873	21,873
Police Captain Steven Elliott #1	0	4,817	4,817
	<u>\$ 21,774</u>	<u>\$36,253</u>	<u>\$ 58,027</u>



City of New Orleans, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 15 - RESERVED AND DESIGNATED EARNING/FUND BALANCES**

**Enterprise Funds**

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

Reservations of retained earnings of enterprise funds are created by increases in assets restricted for a certain use. These increases result from earnings on restricted assets and other nonfund revenues in 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 future periods. Specific reservations and designations of retained earnings are described below:

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

**Reserve for Bond Refinances -** This represents the amounts required to be held in the sinking, reserve, and capital addition funds in accordance with the bond agreements for the \$1,600,000 revenue bonds issued in 1990 and the \$5,115,000 revenue bonds issued in 1995.

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

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

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

**Reserve for Unemployment Compensation Claims -** This reserve was created by the council to segregate a portion of the fund balance account to cover unemployment compensation claims as more fully explained in Note 28.

**City of New Rochelle, Louisiana**  
**Notes to the Financial Statements (Continued)**  
**December 31, 1997**

**NOTE 15 - RESERVE AND DESIGNATED EARNING/FUND BALANCES (Continued)**

**Reserve for Health Claims** - The City entered into a self-insured hospitalization plan during 1992. This represents the amount reserved for future claims. (See Note 20 for more information on the self-insured plan.)

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

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

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

**NOTE 16 - SEGMENT INFORMATION**

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

	Electric	Natural Gas	Water Sewer	Total
Operating Revenues	\$1,820,020	\$909,096	\$ 891,844	\$4,870,118
Depreciation	183,739	36,026	215,213	419,088
Operating Income	763,056	558,796	308,408	1,680,210
Net Income (Loss)	= 31,261 =	212,591	615,748	809,479
Property, Plant, and Equipment Additions	17,862	0	291,093	308,955
Total Assets	6,453,193	1,880,084	7,364,330	14,897,621
Fund Equity	3,828,625	1,875,125	4,327,265	8,430,905
Net Working Capital	2,568,533	956,119	1,119,236	4,613,968

**NOTE 17 - CHANGES IN CONTRIBUTED CAPITAL**

The balance in contributed capital did not change from the prior year.

**City of New Rochelle, Louisiana**  
**Notes to the Financial Statements, (Continued)**  
**December 31, 1997**

**NOTE 18 - JOINT VENTURES**

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

	<b>Falme River Park &amp; Recreation Commission</b>		
	<b>Falme River Air Park Commission</b>	<b>Scott Civic Center</b>	<b>Scott Civic Center Construction Fund</b>
	<b>Unaudited</b>	<b>Unaudited</b>	<b>Unaudited</b>
Balance Sheet Date	11/31/97	11/31/97	11/31/97
Total Assets	\$1,571,444	\$1,081,096	\$ 9,792
Total General Fund Assets	1,529,298	1,072,181	0
Total Liabilities	71,482	12,084	0
Total Equity	1,504,582	1,069,012	9,792
Total Revenues	388,848	51,681	5,492
Total Expenditures	289,581	80,911	12,322
Total Other Financing			
Sources (Uses)	0	26,088	5,000
Net Increase (Decrease) in Fund Balance	9,267	< 7,230>	< 6,830>

**Falme River Air Park Commission**

The Falme River Air Park Commission is 50% owned by the City. For the year covered by the financial statements above, the City contributed \$23,482 as an operating grant to cover expenses of the facility. The Falme River Air Park Commission is a component unit of the Pointe Coupee Parish Police Jury since the Pointe Coupee Parish Police Jury is the governing authority for Pointe Coupee Parish.

**Falme River Park & Recreation Commission**

The Falme River Park & Recreation Commission is 50% owned by the City. For the year covered by the financial statements above, the City contributed \$21,080 as an operating grant to cover expenses of the park facility and parish multi-use facility. The Falme River Park & Recreation Commission is a component unit of the Pointe Coupee Parish Police Jury since the Pointe Coupee Parish Police Jury is the governing authority for Pointe Coupee Parish.

**NOTE 19 - LITIGATION AND CLAIMS**

The City is a defendant in several pending lawsuits. It is in the City attorney's opinion that in each case the City is fully insured against the suit, involved in the respective actions and that they are being actively defended by counsel of the City's insurers. Claims and litigation costs of \$31,000 were incurred in the current year and recorded as a current-year expenditure in the General Fund.

**NOTE 20 - RISK MANAGEMENT**

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

City of New Roads, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1993

**NOTE 10 - RISK MANAGEMENT (continued)**

In a previous year, the City elected the "reimbursement method" for unemployment compensation benefits whereby each quarter the City contributes 1% of quarterly wages to the unemployment cash account in lieu of paying contributions to the State. If any claims are paid by the State, the City reimburses the State from this account. The City has not funded this account, except for interest earnings, since April 1991 as the administration feels it is adequately funded based on past history and a relatively low payout. At year end, this account has \$81,921 available to pay future claims.

In a previous year, the City decided to retain some of the risk with respect to at fault damages to City owned vehicles. The City carries a first insurance policy on all City owned Vehicles, but is self-insured for at-fault damage to City owned vehicles. The amount is funded each year by the amount of insurance premiums owed when this account was established, plus annual interest earnings. At year-end, this account had \$18,175 available to pay future claims.

On December 1, 1993, the city began a self-insurance medical plan by establishing the City of New Roads Employee Benefit Plan. This plan provides employee health benefits up to a \$1,800,000 lifetime maximum benefit (with lower limits for mental and pre-existing and alcohol services). The City purchases a commercial stop loss policy with a \$15,000 annual deductible for claims in excess of coverage provided by the Fund. The policy also provides for a cumulative aggregate monthly payment of the City used to pay for claims.

All funds of the City participate in the plan and make payments to the City of New Roads Employee Benefit Plan based on actuarial estimates of the amounts needed to pay prior and current year claims and to establish a reserve for anticipated losses. The reserve was \$119,134 at December 31, 1993, and it shows as a restriction of fund balance. The claims liability of \$19,433 reported in the General Fund at December 31, 1993, is based on the requirements of Governmental Accounting Standards Board Statement Number 16, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. The City currently does not disclose its claims liability.

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

	Unemployment Compensation	Vehicle Liability	Health Benefits	Total
Beginning of Fiscal Year Liability	\$ 0	\$ 0	\$ 25,000	\$ 25,000
Current Year Claims and Change in Estimates	0	5,000	344,861	349,861
Claims Payments	0	(5,000)	(329,862)	(334,862)
End of Fiscal Year Liability	\$ 0	\$ 0	\$ 49,000	\$ 49,000

City of New Orleans, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 20 - RISK MANAGEMENT (Continued)**

	<u>Unemployment Compensation</u>	<u>Vehicle Liability</u>	<u>Health Benefits</u>	<u>Totals</u>
Beginning of Fiscal Year Reserves	\$ 83,996	\$ 42,509	\$160,282	\$286,787
Current Year Contributions	1,323	884	178,258	180,465
Claims Payments and Other Expenses	(1,000)	(1,583)	(118,858)	(121,441)
End of Fiscal Year Reserves	\$ 84,319	\$ 40,810	\$219,682	\$344,811

**NOTE 21 - FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The City of New Orleans participates in the following federal financial assistance programs:

<u>Pass Through Federal Grants/ Program Title</u>	<u>CFDA Number</u>	<u>Grants Number</u>	<u>Expenditures</u>
<b>United States Forest Service</b>			
Division:			
Funded Through:			
State of Louisiana			
Department of Agriculture & Forestry	16.644	CFM0011488	
		Project#96-01	\$ 1,000
<b>United States Department of Housing And Urban Development</b>			
Division:			
Section 8 - Housing Assistance Program	14.128	Proj#LA88C00002	\$ 114,184
<b>United States Department of Justice</b>			
Office of Community Oriented Policing Services			
Division:			
COPS Grant	16.718	Grant #-99CFW3586	
		Office LA0950	\$ 62,340
<b>Federal Emergency Management Agency</b>			
Division:			
Disaster Assistance	81.516	App# 971-02105	\$ 25,387
<b>Total (All Federal)</b>			<b>\$ 216,811</b>

City of New Roads, Louisiana  
Notes to the Financial Statements, (Continued)  
December 31, 1997

**NOTE 21 - LOUISIANA ENERGY AND POWER AUTHORITY CONTRACT**

The Louisiana Energy and Power Authority (LEPA), a political subdivision of the State of Louisiana, has joined thirteen Louisiana municipalities together in order to provide the member facilities for the generation and transmission of electric power. LEPA has obtained a 10% undivided ownership interest in a coal-fired steam electric generating unit under a Joint Ownership Agreement. The other two members of the agreement, Central Louisiana Electric Company, Inc. (CLECO) and Lafayette Public Power Authority (LPPA) have ownership interests of 10% and 50%, respectively. An Owner Committee (consisting of LEPA, CLECO, and LPPA) was formed to make recommendations to CLECO, the plant operator, and to decide on various issues including construction and operating budgets.

On October 1, 1992, the City of New Roads, together with five other cities entered into Power Sales Contracts with LEPA. Each city is required to purchase its respective entitlement share of generated electricity. The aggregate entitlement shares of all the cities equals 100%, of which the City's share is 1.87%. Each city is required to pay monthly for its entitlement share of power capability and energy on a take-or-pay basis, whether or not the unit is operating. The Power Sales Contracts will continue in effect until all bonds issued by LEPA have been provided for on the date the Contracts are terminated and settlement complete; however, in no event will the Contracts continue beyond July 1, 2015.

On June 28, 1999, the City entered into a capacity purchase and operating agreement with LEPA, effective January 1, 1999. LEPA assumed full responsibility for the operation, maintenance, and control of the City's generating facilities. LEPA also provides labor, materials, insurance, supplies and maintenance costs. In turn, the City pays LEPA for the purchased capacity on a monthly basis as specified in the agreement.

**NOTE 22 - UTILITY SERVICE AGREEMENTS**

**Police Couper Parish Sewerage District No. 1**

An agreement between the Sewerage District No. 1 of Police Couper Parish and the City of New Roads provided for the billing of Customers on the sewerage system who are also customers on the City's utility system. This billing agreement went into effect for the month of November 1990. Under the terms of the agreement, the City retains \$1.50 per customer as a billing fee. The amount owed to the Sewerage District is reflected in Note 14.

**Solid Waste Disposal**

An Agreement between the Solid Waste Disposal System of the Parish of Police Couper and the City of New Roads provides for the billing of customers on the City's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the City retains \$1.50 per customer as a billing fee. The amount owed to the Solid Waste Disposal System is reflected in Note 14.

**City of New Roads, Louisiana**  
**Notes to the Financial Statements (Continued)**  
**December 31, 1997**

**NOTE 24 - CONSTRUCTION COMMITMENTS**

On April 4, 1997 the City of New Roads entered into a contract with Kad-Tec, Inc. to rehabilitate the City's sewer lines in the amount of \$465,772 of which \$208,483 had been billed as of December 31, 1997. On May 3, 1997 the City entered in a contract with Empire Construction Co. of Orléans, Inc. to improve and rehabilitate the City's gas lines in the amount of \$276,385 of which \$ 181,834 had been billed as of December 31, 1997.

In addition to the above contracts, the City entered into a construction contract with C.A.L. Construction Co., Inc. to extend the City's existing water distribution lines approximately five miles outside the city limits to an area known as Waterloo Subdivision. The contract amount is \$375,800 of which \$36,371 had been billed as of December 31, 1997. In order to provide the consumers with enough water pressure in the Waterloo area, the City entered into another contract with Florida Fabricators and Erectors, Inc. to erect a water tower in that area in the amount of \$268,390. None of the contract had been billed as of December 31, 1997.

**NOTE 25 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1999 Session of the Louisiana Legislature, compensation paid to board members is as follows:

Mayor - Sylvester Markelap	\$52,000
Council:	
Charlie Bouzette	7,500
Raymond Gaudin	7,500
Kurt Kirkman	7,500
Manda Loughlin	7,500
Walter Ware, Jr	7,500
Total Compensation	<u>\$88,000</u>

**NOTE 26 - RECONCILIATION OF FUND BALANCE**

General Fund:	
Fund Balance, December 31, 1996	\$1,589,690
Claims paid on auto liability	= 5,850
Claims paid for unemployment	= 0
Claims paid for health benefits	= (211,767)
Additional funding of self-insurance program	<u>718,728</u>
Fund Balance, December 31, 1997 Prior To Net Income	<u>\$1,592,401</u>

City of New Orleans, Louisiana  
Notes to the Financial Statements (Continued)  
December 31, 1997

**NOTE 12 - DEFINITION OF CASH AND CASH EQUIVALENTS USED IN THE STATEMENT OF CASH FLOWS**

For the purpose of the Statement of Cash Flows presented in the proprietary type funds, cash and cash equivalents are defined as unrestricted and restricted cash.



## SUPPLEMENTARY INFORMATION

**COMBINING AND INDIVIDUAL FUND STATEMENTS**

## **SPECIAL REVENUE FUNDS**

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

### **Sales Tax Fund**

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

The sales tax ordinance requires that the receipts of the City's sales tax be used for the purpose of constructing, acquiring, expanding, improving, and/or maintaining roads and sidewalks (including widening, sealing, repairing, and street lighting), waterworks (including water supply, treatment, storage, and distribution), drainage facilities, sewerage facilities, public buildings, and/or fire department stations and any work or permanent public improvement, including equipment and furnishings, therefor, title to which shall be in public; or for any one of these such purposes, or for any other lawful corporate purposes.

### **HUD-Section 8 Program Fund**

The HUD-Section 8 Program Fund is used to account for funds which are designated to aid low-income families to obtain decent, safe, and sanitary housing through a system of rental subsidies.

(CITY OF NEW BRIDGE)  
 (SPECIAL REVENUE FUNDS)  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCE - BUDGET (ORAP BASIS) AND ACTUAL  
 Year Ended December 31, 1997

	Sales Tax Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>REVENUES</b>			
Taxes	\$ 615,525	\$ 721,959	\$ 106,344
Intergovernmental revenue	0	0	0
Miscellaneous	20,000	25,572	18,572
<b>TOTAL REVENUES</b>	<b>635,525</b>	<b>747,531</b>	<b>123,576</b>
<b>EXPENDITURES</b>			
Direct government	500	200	200
Welfare	0	0	0
<b>TOTAL EXPENDITURES</b>	<b>500</b>	<b>200</b>	<b>200</b>
Excess (deficiency) of revenues over expenditures	635,025	747,331	123,376
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfer out	(631,000)	(589,000)	42,000
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(631,000)</b>	<b>(589,000)</b>	<b>42,000</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<b>\$ 2,125</b>	<b>175,341</b>	<b>\$ 172,126</b>
Fund Balance at beginning of year		685,126	
Fund Balance at end of year		<b>\$ 860,467</b>	

CITY OF NEW ROADS  
SPECIAL REVENUE FUNDS  
COMBINED BALANCE SHEET  
December 31, 1987

	Rates Tax Fund	H2D-Section 8 Program Fund	Total Miscellaneous Only
<b>ASSETS</b>			
<b>Current Assets</b>			
Cash	\$ 878,184	\$ 78,145	\$ 1,046,299
Due from other governmental units	4,337	0	4,337
<b>TOTAL ASSETS</b>	<b>\$ 882,521</b>	<b>\$ 78,145</b>	<b>\$ 1,060,636</b>
<b>LIABILITIES AND FUND BALANCE</b>			
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Due to other governmental units	\$ 0	\$ 35,774	\$ 35,774
<b>TOTAL LIABILITIES</b>	<b>0</b>	<b>35,774</b>	<b>35,774</b>
<b>FUND BALANCE</b>			
<b>Unreserved</b>			
Designated for grant	0	34,341	34,341
Undesignated	882,521	0	882,521
<b>TOTAL FUND BALANCE</b>	<b>882,521</b>	<b>34,341</b>	<b>1,016,862</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 882,521</b>	<b>\$ 70,115</b>	<b>\$ 1,060,636</b>

HUC-Section 8 Program Fund				Total Memorandum Only		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)	
\$ 0 \$	0 \$	0 \$	0 \$	0 \$	0 \$	
0	114,184	114,184	0	114,184	114,184	
0	6,182	6,182	28,082	42,868	22,886	
0	718,286	718,286	838,626	878,837	240,212	
0	0	0	580	308	260	
0	117,823	(117,823)	0	117,823	(117,823)	
0	117,823	(117,823)	580	117,823	(117,823)	
0	773	773	628,126	761,116	128,888	
0	0	0	(832,080)	585,808	47,808	
0	0	0	(832,080)	585,808	47,808	
\$ 0	\$ 773	\$ 773	\$ 3,125	\$ 178,114	\$ 172,089	
	33,588			838,748		
\$ 0	\$ 24,241		\$ 0	\$ 1,014,852		

## DEBT SERVICE FUNDS

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

### 1996 \$1,110,000 General Obligation Bonds

The 1996 General Obligation Bonds Debt Service Fund is used to accumulate monies for the repayment of the \$1,110,000 1996 Certificates of Indebtedness, General Fund revenues finance these bonds. These Certificates mature on May 1 of each year beginning in 1999, with the final payment due in the year 2006, with an interest rate of 5.225%. The bonds were issued to defray the 1996 Series Bonds and to provide resources for various City capital improvement projects.

**CITY OF NEW BRIDGE  
DEBT SERVICE FUNDS  
COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUNDS BALANCES  
Year ended December 31, 1987**

	<u>1986-87 Debt Debt Service Fund</u>	<u>Total Munis Only</u>
<b>REVENUES</b>		
Interest	\$ 1,483	\$ 1,483
<b>TOTAL REVENUES</b>	<u>1,483</u>	<u>1,483</u>
<b>EXPENDITURES</b>		
Debt service	<u>186,832</u>	<u>186,832</u>
<b>TOTAL EXPENDITURES</b>	<u>186,832</u>	<u>186,832</u>
Excess (deficiency) of revenues over expenditures	<u>(185,349)</u>	<u>(185,349)</u>
<b>OTHER FINANCING SOURCES (USES)</b>		
Operating transfers in	185,708	185,708
Operating transfers out	<u>0</u>	<u>0</u>
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>185,708</u>	<u>185,708</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(634)</u>	<u>(634)</u>
Fund Balances at beginning of year	<u>126,733</u>	<u>(126,733)</u>
Fund Balances at end of year	<u>\$ 87,838</u>	<u>\$ 87,838</u>



## CAPITAL PROJECT FUNDS

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

### Capital Projects Fund -

This account for various City capital improvement projects funded with monies derived from the \$1,150,000 1994 refunding bond issue and transfers of monies monies from various City funds.

CITY OF NEW RIDGE  
CAPITAL PROJECT FUND  
COMBINED BALANCE SHEET  
December 31, 1997

	<u>Capital Projects Fund</u>
<b>ASSETS</b>	
<b>Current Assets</b>	
Cash	\$ 295,179
<b>TOTAL ASSETS</b>	<b>\$ 295,179</b>
 <b>LIABILITIES AND FUND BALANCE</b>	
<b>LIABILITIES</b>	
Current Liabilities	
Contracts payable	\$ 50,368
<b>TOTAL LIABILITIES</b>	<b>50,368</b>
 <b>FUND BALANCE</b>	
Unreserved	
Designated for capital projects	244,811
<b>TOTAL FUND BALANCE</b>	<b>244,811</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 295,179</b>

CITY OF NEW ROADS  
 CAPITAL PROJECT FUNDS  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES  
 AND CHANGES IN FUND BALANCES  
 Year ended December 31, 1997

	Capital Projects Fund
<b>REVENUES</b>	
Intergovernmental revenue	\$ 0
Interest	51,879
<b>TOTAL REVENUES</b>	<b>51,879</b>
<b>EXPENDITURES</b>	
General government	\$ 167
Capital outlay	556,728
<b>TOTAL EXPENDITURES</b>	<b>556,895</b>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(\$49,877)
Fund Balances at beginning of year	781,621
Fund Balances at end of year	<b>\$ 235,094</b>

## **ENTERPRISE FUNDS**

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

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

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

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

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

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

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

**CITY OF NEW BRUNSWICK  
ENTERPRISE FUNDS  
COMBINED BALANCE SHEET  
December 31, 1997**

	Electric Utility System	Natural Gas Utility System	Water & Sewer Utility System	Total Memo Only
<b>ASSETS</b>				
<b>Current Assets</b>				
Cash	\$ 109,781	\$ 271,813	\$ 87,875	\$ 469,469
Investments	11,730	0	0	11,730
Accounts receivable	874,545	0	479	875,569
Due from other funds	106,921	386,771	617	594,309
Prepaid expenses	13,329	5,849	17,381	37,559
<b>Restricted Assets</b>				
Cash	1,158,474	308,775	872,511	3,339,760
Investments	300,137	0	328,761	628,898
Property, Plant & Equipment (net of accumulated depreciation)	3,888,085	99,808	5,863,145	9,851,038
<b>TOTAL ASSETS</b>	<b>\$ 6,453,192</b>	<b>\$ 1,080,204</b>	<b>\$ 7,384,325</b>	<b>\$ 14,897,621</b>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
<b>Current Liabilities</b>				
Accounts payable	\$ 131,825	\$ 3,500	\$ 18,417	\$ 149,742
Contracts payable	0	0	51,374	51,374
Accrued liabilities	3,849	1,478	2,314	8,641
Due to other funds	370,813	0	122,858	493,671
Due to other govt units	38,557	0	0	38,557
<b>Current Liab (from Restricted Assets)</b>				
Bonds payable	70,809	0	70,809	141,618
Deposits	187,445	0	0	187,445
<b>Long-Term Liabilities</b>				
Bonds payable	2,615,808	0	2,780,808	5,396,616
<b>TOTAL LIABILITIES</b>	<b>3,429,389</b>	<b>4,978</b>	<b>3,043,892</b>	<b>6,478,265</b>
<b>FUND EQUITY</b>				
<b>Contributed Capital:</b>				
Municipalities	528,568	6,510	1,786,548	2,321,626
Customers	350,800	0	0	350,800
Grants	878,666	0	484,688	1,363,354
<b>Retained Earnings:</b>				
Reserved				
Reserved for possible refunds	0	11,809	0	11,809
Reserved for bond interest	528,568	0	537,858	1,066,426
Unreserved				
Designated for capital addns	1,674,307	286,236	832,728	2,793,271
Unreserved	324,807	783,420	878,488	1,986,715
<b>TOTAL FUND EQUITY</b>	<b>3,028,615</b>	<b>1,873,135</b>	<b>4,322,335</b>	<b>8,623,885</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 6,453,192</b>	<b>\$ 1,888,184</b>	<b>\$ 7,384,325</b>	<b>\$ 14,897,621</b>

**CITY OF NEW BRIDGE**  
**ENTERPRISE FUNDS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES**  
**AND CHANGES IN RETAINED EARNINGS**  
**Year Ended December 31, 2007**

	Electric Utility System	Natural Gas Utility System	Water & Sewer Utility Systems	Total Memo Only
<b>OPERATING REVENUES</b>				
Charges for services	\$ 2,981,333	\$ 927,113	\$ 691,841	\$ 4,742,287
Miscellaneous	129,981	1,880	0	131,861
Total operating revenues	<u>3,000,320</u>	<u>929,093</u>	<u>691,841</u>	<u>4,671,254</u>
<b>OPERATING EXPENSES</b>				
Personnel services	149,147	79,252	121,634	349,033
Contracted services	1,342	712	18,384	17,438
Operating costs	2,838,214	872,378	68,771	3,639,421
Maintenance and supplies	60,704	19,835	88,687	169,226
Insurance	51,122	12,238	34,295	97,705
Utilities	878	0	91,589	92,467
Depreciation	183,738	18,844	235,333	417,915
Total operating expenses	<u>2,268,269</u>	<u>898,261</u>	<u>600,434</u>	<u>3,566,964</u>
Operating income	<u>732,051</u>	<u>31,832</u>	<u>91,407</u>	<u>1,055,290</u>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Miscellaneous	235,480	34,591	60,991	331,062
Intergovernmental revenue	0	0	480,000	480,000
Bad debts recovered	3,327	0	0	3,327
Interest and fiscal charges	(778,388)	0	(188,672)	(967,060)
Loss on sale of fixed assets	0	175	0	175
Bad debts written off	(14,235)	(3,891)	18,898	(20,328)
Total nonoperating revenues (expenses)	<u>44,184</u>	<u>30,705</u>	<u>297,216</u>	<u>372,705</u>
Income before operating transfers	<u>687,867</u>	<u>62,537</u>	<u>418,623</u>	<u>1,162,997</u>
<b>OPERATING TRANSFERS</b>				
Transfers in	0	0	300,000	300,000
Transfers out	(621,528)	(118,808)	(168,000)	(908,336)
Total operating transfers	<u>(621,528)</u>	<u>(118,808)</u>	<u>142,000</u>	<u>(598,336)</u>
Net income	<u>(13,661)</u>	<u>143,729</u>	<u>560,623</u>	<u>690,791</u>
Retained Earnings at beginning of year	<u>1,842,751</u>	<u>812,622</u>	<u>1,433,287</u>	<u>3,930,670</u>
Retained Earnings at end of year	<u>\$ 1,829,090</u>	<u>\$ 956,351</u>	<u>\$ 1,993,890</u>	<u>\$ 3,785,291</u>

**CITY OF NEW RIDGE  
COMBINED STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
Year Ended December 31, 1997**

	Electric Utility Fund	Natural Gas Fund	Water & Sewer Fund	Total Misc. Only
<b>Cash flows from operating activities:</b>				
Operating income (loss)	\$ 808,239	\$ 353,081	\$ 475,746	\$ 1,637,066
Adjustments to reconcile operating income to net operating cash provided by operating activities:				
Depreciation	163,739	18,076	238,333	419,858
Changes in assets and liabilities:				
(Increase) Decrease in accounts receivable	(112,096)	0	(177)	(112,273)
(Increase) Decrease in other receivables	(78,306)	(85,397)	562	(163,341)
(Increase) Decrease in prepaid expenses	(789)	568	(3,737)	(3,958)
Increase (Decrease) in accounts payable	7,158	(123,354)	(248)	(116,444)
Increase (Decrease) in other payables	21,218	0	143,898	165,116
Increase (Decrease) in accrued expenses	548	(33)	541	1,056
Increase (Decrease) in water deposits	(7,402)	(3,562)	0	(10,964)
<b>Net cash provided (used) by operating activities</b>	<b>662,854</b>	<b>179,828</b>	<b>651,854</b>	<b>1,514,536</b>
<b>Cash flows from noncapital financing activities:</b>				
Operating transfers in	0	0	308,808	308,808
Operating transfers out	(321,808)	(138,808)	(188,808)	(650,424)
<b>Net cash provided from (used) for noncapital financing activities</b>	<b>(321,808)</b>	<b>(138,808)</b>	<b>120,000</b>	<b>(340,616)</b>
<b>Cash flows from capital and related financing activities:</b>				
Acquisition and construction of capital assets	(17,842)	0	(708,939)	(726,781)
Principal payments	(73,000)	0	(73,000)	(146,000)
<b>Net cash provided from (used) from capital and related financing activities</b>	<b>(90,842)</b>	<b>0</b>	<b>(781,939)</b>	<b>(872,781)</b>
<b>Cash flows from investing activities:</b>				
Purchase of investments	(1,458,585)	0	(1,812,813)	(3,271,398)
Proceeds from sale of investments	1,478,672	0	1,801,727	3,280,399
<b>Net cash provided (used) from investing activities</b>	<b>20,087</b>	<b>0</b>	<b>(11,086)</b>	<b>(90,911)</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(79,391)</b>	<b>40,898</b>	<b>188,828</b>	<b>150,335</b>
<b>Cash and cash equivalents at beginning of year:</b>				
Unrestricted cash	188,942	276,803	422,417	888,162
Restricted Cash	2,158,813	362,755	470,568	2,991,936
<b>Total beginning cash</b>	<b>2,347,755</b>	<b>639,558</b>	<b>892,985</b>	<b>3,879,998</b>
<b>Cash and cash equivalents at end of year:</b>				
Unrestricted cash	129,551	271,813	67,813	469,177
Restricted Cash	2,158,474	368,745	872,711	3,419,930
<b>Total ending cash</b>	<b>2,288,025</b>	<b>640,558</b>	<b>940,524</b>	<b>3,879,107</b>

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



**MAJOR 6 MORRISON**  
CERTIFIED PUBLIC ACCOUNTANTS

**MEMBER  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
INSTITUTE OF CERTIFIED  
PUBLIC ACCOUNTANTS**

200 E. BROAD, 5TH FLOOR  
MONROE, LOUISIANA 70501

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

The Honorable Sylvester Mackey  
And Members of the City Council  
City of New Roads, Louisiana 70080

We have audited the general purpose financial statements of the City of New Roads, Louisiana, as of and for the year ended December 31, 1997 and have issued our report thereon dated June 23, 1998. 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 the City of New Roads, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, non-compliance 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed two instances of non-compliance that are reported in the accompanying Corrective Action Plan for Current Year Audit Findings as items #3.1 and #3.2.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the City of New Roads, Louisiana'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 over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of New Roads, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying Corrective Action Plan for Current Year Audit Findings as item #3.3.

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 the misstatements in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered material weaknesses. However, we believe the reportable condition(s) described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported orally to the management of the City of New Roads, Louisiana.

This report is intended for the information of the City of New Roads, Louisiana, federal awarding agencies, pass-through entities, and the legislative auditor. However, this report is a matter of public record and its distribution is not limited.



Major J. Morrison  
New Roads, Louisiana  
June 23, 2008

## OTHER RECORDS

1947  
1948

1949

1950

1951

CITY OF NEW ORLEANS, LOUISIANA  
New Roads, Louisiana  
Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1997

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**Financial Statements**

Type of auditor's report issued	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	No
Non-compliance material to financial statements noted?	No

**SECTION II - FINANCIAL STATEMENT FINDINGS**

**Finding #3.1**

**Criteria:** Items were purchased by the City of New Roads for employees of the City, on terms more favorable than the employees could obtain otherwise. This type of transaction appears to be in violation of Louisiana R.S. 42:1111, 42:1112, and/or 42:113.

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

**Effect:** Some City employees were allowed to purchase supplies for personal use on terms more favorable than could have normally been obtained by the employees. Also, the consulting services engagement determined that \$471.64 was reimbursed by the employees/purchasing for no services by the City.

**Cause:** The results of our testing in this area revealed instances of improperly approved and/or unauthorized purchases and subsequent disbursements for these purchases. The deviation consisted of incomplete or absence of requisitions, purchase orders, and/or management approval as required by the City's purchasing policies. Our testing also revealed some improprieties with handling of reimbursements to the city by employees, which were listed in the loss statements.

**Recommendation:** Management should more closely follow and adhere to the City Council adopted and approved purchasing and cash disbursement policies and procedures. Management should also consider turning over the findings of the consulting services engagement to the district attorney.

**Management's Response:** The consulting services engagement report has been turned over to the District Attorney. Appropriate action has been taken in dealing with the employees involved in this situation. Also, management has strictly adhered to internal policy and procedures.

**CITY OF NEW ORLEANS, LOUISIANA**  
**New Orleans, Louisiana**  
**Schedule of Findings and Questioned Costs (continued)**  
**For the Year Ended December 31, 1997**

**Finding 92.2**

**Criteria:** Audits shall be completed within six months of the close of the entity's fiscal year in accordance with Louisiana R.S. 24:513.

**Condition:** The audit for the year ending December 31, 1996 was submitted on July 18, 1997.

**Effect:** The audited financial statements were not submitted by June 30, 1997. Therefore were not in compliance with Louisiana R.S. 24:513.

**Cause:** Field work was completed prior to June 30, 1997, however, the City was involved in several lawsuits, and the auditor and the management had difficulty in obtaining timely responses from numerous attorneys representing the City on various matters. Responses to all requests were finally received on July 8, 1997.

**Recommendation:** The attorneys used by the City of New Orleans should be made aware that untimely responses to attorney letters resulting in the delay of the audit report and caused the City to be out of compliance with Louisiana law.

**Management's Response:** The attorneys have been made aware of the importance of timely responses. The audit for the year ended December 31, 1997 shall be completed by June 30, 1998 in accordance with Louisiana R.S. 24:513.

**Finding 93.2**

**Criteria:** A record of all land, building, improvements other than buildings, equipment, and any other general fixed asset should be obtained for proper control.

**Condition:** The City of New Orleans does not have a detailed listing of general fixed assets.

**Effect:** The lack of a detailed listing leads the City of New Orleans vulnerable to theft or casualty loss.

**Cause:** The City's perpetual inventory of fixed assets is not completely updated and keyed to the tagging system, primarily because assets are acquired through the proprietary-type funds.

**Recommendation:** A monthly updating should be done to record all new acquisitions and dispositions. Additions and deletions per the perpetual records should be reconciled with those recorded in the general ledger. All fixed assets should be tagged and numbered and connected into a computerized fixed asset accounting system.

**Management's Response:** Management has begun the process of inventorying and tagging all general fixed assets. Management has completed implementation of a fixed asset accounting system for all proprietary funds. Management plans to complete the implementation of the fixed asset accounting system for the remaining funds in 1998.

**CITY OF NEW ORLEANS, LOUISIANA**  
**New Orleans, Louisiana**

**Summary Schedule of Prior Audit Findings**  
**For the Year Ended December 31, 1997**

<b>Ref. No.</b>	<b>Fiscal Year Finding Initially Occurred</b>	<b>Description of Finding</b>	<b>Corrective Action Taken</b>	<b>Planned Corrective Action/Partial Corrective Action Taken</b>
Inv Comp #1 and Comp #3	FY96	Lack of adherence to purchasing policies.	Partially	Deal with Employees.
Comp #1	FY96	Inefficient utilization	Yes	More efficient.
Comp #2	FY96	Did not visit site	Yes	Reference.

**CITY OF NEW ORLEANS, LOUISIANA**  
**New Roads, Louisiana**

**Corrective Action Plan for**  
**Current Year Audit Findings**  
**For the Year Ended December 31, 1997**

<b>Ref. No.</b>	<b>Description of Finding</b>	<b>Corrective Action Planned</b>	<b>Name of Contact Person</b>	<b>Anticipated Completion</b>
97-1	Compliance-8.542-011	Follow policies.	E.Landy	8/97
97-2	Compliance-audit.	Timely completion.	E.Landy	6/98
97-3	Asset Schedule.	Update records and maintain regularly.	E.Landy	11/98

**City of New Roads, Louisiana**  
**Schedule of Insurance**  
**Unaudited**  
**December 31, 1997**

<u>Insurance Company</u>	<u>Policy Term</u>	<u>Policy Description</u>	<u>Policy Limits</u>
Standard Steam Boiler Ins. Co.	01/97 to 01/98	Boiler and Machinery	\$1,000,000 limit; \$2,000 deductible (In accord with value of equipment depending on age of equipment)
All State Insurance Co.	10/97 to 10/98	Fire Standard Boiler Policy on Bldg. & Prop.	\$1,000,000 limit; \$04 Co-insurance; \$1,041.50 blanket; \$1,000 deductible
Trans Insurance	05/97 to 05/98	General Liability	\$1,000,000; no deductible



City of New Orleans, Louisiana  
Schedule of Electric Customers  
(Unaudited)  
December 31, 1997

Number of metered electric customers	1994
Number of unmetered electric customers	—
Total electric customers	1994

City of New Roads, Louisiana  
Schedule of Water Customers  
Unaudited  
December 31, 1997

Number of metered water customers	2609
Number of unmetered water customers	—
Total electric customers	<u>2609</u>