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TOWN OF BOSSIERE, LOUISIANA

ANNUAL FINANCIAL REPORT

JUNE 30, 1988

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

Released Date: FEB 3 1989

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John A. Windham, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable Arthur W. Cole, Mayor
and the Members of the Board of Aldermen
Town of Bossier, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Bossier, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Bossier, Louisiana, management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Bossier, Louisiana, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 16, 1998 on my consideration of the Town of Bossier's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Norrbach, Louisiana
Page 2

required part of the general purpose financial statements of the Town of Norrbach, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

John H. Whitman, CPA
Norrbach, Louisiana
December 18, 1988

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

TOWN OF ROSSBECK

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
June 30, 1990

ASSETS	Governmental Fund Types	
	General	Special Revenue
Cash and cash equivalents	\$ 44,366	\$ 23,773
Receivables -		
Accounts	---	---
Sales taxes	---	2,190
Franchise taxes	1,407	---
Due from other funds	3,308	---
Due from other governmental units	801	---
Prepaid expenditures/expenses	7,031	---
Restricted assets -		
Cash and cash equivalents	---	---
Customers' deposits - cash	---	---
Property, plant, and equipment, net	---	---
Total assets	<u>\$ 78,885</u>	<u>\$ 25,963</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,843	\$ 88
Payroll taxes payable	432	---
Retirement payable	---	---
Payable from restricted assets -		
Customers' deposits	---	---
Due to other funds	---	---
Total liabilities	<u>\$ 2,473</u>	<u>\$ 88</u>
Fund equity:		
Contributed capital	\$ ---	\$ ---
Investment in general fixed assets	---	---
Retained earnings (deficit) -		
Reserved	---	---
Unreserved	---	---
Fund balances -		
Unreserved -undesignated	77,412	25,868
Total fund equity	<u>\$ 77,412</u>	<u>\$ 25,868</u>
Total liabilities and fund equity	<u>\$ 78,885</u>	<u>\$ 25,966</u>

Statement A

<u>Proprietary</u> <u>Fund Type</u> <u>Enterprise</u>	<u>Account</u> <u>Group</u> <u>General</u> <u>Fixed</u> <u>Assets</u>	<u>Totals</u> <u>(Memorandum</u> <u>Only)</u>
\$ 118,233	\$ ---	\$ 288,362
32,185	---	32,185
---	---	2,193
---	---	3,487
---	---	3,308
---	---	801
5,385	---	32,396
360,076	---	360,076
43,348	---	43,348
<u>2,453,288</u>	<u>330,334</u>	<u>2,784,322</u>
\$2,503,124	\$ 330,334	\$2,338,318
\$ 6,341	\$ ---	\$ 7,908
2,328	---	2,548
4,348	---	4,348
41,816	---	41,816
<u>3,388</u>	<u>---</u>	<u>3,388</u>
\$ 52,828	\$ ---	\$ 58,618
\$3,217,285	\$ ---	\$3,217,285
---	300,334	330,334
281,818	---	281,818
(633,530)	---	(633,530)
---	---	183,298
<u>\$2,865,285</u>	<u>\$ 300,334</u>	<u>\$2,278,922</u>
\$2,503,124	\$ 300,334	\$2,338,318

The accompanying notes are an integral part of this statement.

TOWN OF NORWEGE

Statement B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1998

	General Fund	Special Revenues	Totals (Memorandum Only)
Revenues:			
Taxes	\$ 15,372	\$ 14,633	\$ 30,005
Licenses and permit	13,395	---	13,395
Intergovernmental	12,503	---	12,503
Fines and forfeits	28,217	---	28,217
Use of money and property	24,608	538	25,146
Miscellaneous	423	---	423
Total revenues	<u>\$ 94,548</u>	<u>\$ 15,171</u>	<u>\$ 109,719</u>
Expenditures:			
General government	\$ 33,638	\$ 1,193	\$ 34,831
Public safety	34,107	---	34,107
Public works	11,000	6,862	17,862
Culture and recreation	188	---	188
Total expenditures	<u>\$ 78,933</u>	<u>\$ 8,055</u>	<u>\$ 86,988</u>
Excess (deficiency) of revenues over expenditures	\$ 15,615	\$ 7,116	\$ 22,731
Other financing sources (uses):			
Transfers out	\$ (11,423)	\$ ---	\$ (11,423)
Excess (deficiency) of revenues over expenditures and other uses	\$ 4,192	\$ 7,116	\$ 11,308
Fund balances, beginning	78,132	20,866	99,000
Fund balances, ending	<u>\$ 82,324</u>	<u>\$ 27,982</u>	<u>\$ 110,306</u>

The accompanying notes are an integral part of this statement.

TOWN OF HERRICK

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GRAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES
 Year Ended June 30, 1990

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 15,945	\$ 15,372	\$ (573)
Licenses and permits	12,341	12,385	254
Intergovernmental	12,533	12,533	---
Fines and forfeits	24,180	24,317	137
Use of money and property	24,611	24,400	(211)
Miscellaneous	122	422	300
Total revenues	<u>\$ 91,612</u>	<u>\$ 91,348</u>	<u>\$ (264)</u>
Expenditures:			
General government	\$ 33,836	\$ 33,436	\$ 400
Public safety	34,403	34,187	216
Public works	11,800	11,800	---
Culture and recreation	160	160	---
Total expenditures	<u>\$ 79,999</u>	<u>\$ 79,613</u>	<u>\$ 386</u>
Excess (deficiency) of revenue over expenditures	\$ 11,613	\$ 11,735	\$ 122
Other financing sources (uses):			
Transfer out	<u>\$11,421</u>	<u>\$11,421</u>	<u>\$ ---</u>
Excess (deficiency) of revenue over expenditures and other uses	\$ 292	\$ 1,290	\$ 998
Fund balances, beginning	<u>76,132</u>	<u>76,132</u>	<u>---</u>
Fund balances, ending	<u>\$ 76,882</u>	<u>\$ 77,622</u>	<u>\$ 740</u>

Statement C

Special Revenue Fund Type			Totals (Memorandum) Only		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 14,447	\$ 14,877	\$ 430	\$ 30,392	\$ 30,009	\$ 383
---	---	---	12,143	12,395	254
---	---	---	12,533	12,533	---
---	---	---	26,190	26,217	27
527	539	12	26,138	26,138	---
		---	122	122	---
<u>\$ 14,974</u>	<u>\$ 15,417</u>	<u>\$ 443</u>	<u>\$109,532</u>	<u>\$109,715</u>	<u>\$ 183</u>
\$ 1,836	\$ 1,183	\$ (653)	\$ 34,958	\$ 34,733	\$ 225
---	---	---	34,883	34,107	776
9,372	8,842	530	20,372	19,842	530
---	---	---	188	188	---
<u>\$ 10,385</u>	<u>\$ 9,985</u>	<u>\$ 400</u>	<u>\$ 69,913</u>	<u>\$ 69,832</u>	<u>\$ 81</u>
\$ 4,582	\$ 5,282	\$ 700	\$ 16,760	\$ 17,933	\$ 1,173
---	---	---	\$111,431	\$111,433	\$ 2
\$ 4,582	\$ 5,282	\$ 700	\$ 5,339	\$ 6,492	\$ 1,153
20,666	20,666	---	96,389	96,288	101
<u>\$ 25,248</u>	<u>\$ 25,888</u>	<u>\$ 640</u>	<u>\$102,137</u>	<u>\$102,298</u>	<u>\$ 161</u>

The accompanying notes are an integral part of this statement.

TOWN OF BISHOP

Statement D

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
 Year Ended June 30, 1988

	<u>Revenues</u>
Operating revenues:	
Charges for services	\$ 444,327
Operating expenses:	
Personal services	\$ 138,843
Supplies	17,890
Cost of natural gas	148,412
Other services and charges	47,888
Heat, light, and power	18,954
Depreciation	<u>132,805</u>
Total operating expenses	\$ 596,792
Operating income (loss)	\$ (152,465)
Non-operating revenue (expense):	
Interest income	\$ 17,327
Rental expense and other	<u>(17,608)</u>
Total non-operating	
revenue (expense)	\$ (381)
Net income (loss)	
before operating transfers	\$ (153,846)
Operating transfers in	<u>33,421</u>
Net income (loss)	\$ (120,425)
Retained earnings,	
(deficit), beginning	<u>(322,701)</u>
Retained earnings,	
(deficit), ending	\$ (443,126)

The accompanying notes are an integral part of this statement.

TOWN OF BOSTWICK

Statement II

CONDENSED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
Year Ended June 30, 1998

	<u>Enterprise</u>
Cash flows from operating activities:	
Cash received from customers	\$ 498,444
Cash payments to suppliers for goods and services	(234,881)
Cash payments for employee services and employee related fringe benefits	(138,208)
Net cash provided by operating activities	<u>\$ 125,355</u>
Cash flows from noncapital financing activities:	
Netral expense and other	\$ (11,004)
Operating transfers in (out)	<u>33,421</u>
Net cash (used) for noncapital financing activities	<u>\$ (7,583)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 38,085
Acquisition and construction of capital assets	(21,164)
Net cash used for capital and related financing activities	<u>\$ (2,079)</u>
Cash flows from investing activities:	
Interest on cash management activities	<u>\$ 11,227</u>
Net increase in cash and cash equivalents	\$ 57,056
Cash and cash equivalents, beginning of year	<u>144,809</u>
Cash and cash equivalents, end of year	<u>\$ 201,865</u>

(Continued)

The accompanying notes are an integral part of this statement.

TISH OF HORSBCK

Statement 1

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
Year Ended June 30, 1988

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>Enterprises</u>
Operating income (loss)	\$ <u>153,863</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
depreciation	\$ 130,888
Changes in assets & liabilities	
Decrease in accounts receivable	1,319
Decrease in prepaid expenses	553
Decrease in accounts payable	(1,562)
Increase in customer deposits	3,820
Decrease allowance for bad debts	(3,879)
Decrease in payroll taxes payable	(241)
Total adjustments	<u>\$ 131,284</u>
Net cash provided by operating activities	<u>\$ 77,501</u>

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF BORNBECK

NOTES TO FINANCIAL STATEMENTS As of and for the Year Ended June 30, 1998

INTRODUCTION

The Town of Bornbeck was incorporated in 1983 under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Bornbeck conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:133 and to the guidelines set forth in the Louisiana Municipal Audit and Reporting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Town maintains a general fund that provides police protection for its citizens and repairs and maintenance of approximately 3 miles of roads and streets. The Town also maintains three enterprise funds that provide gas, water and sewer services to approximately 734 residents.

The Town is located within Vernon Parish in the southwestern part of the State of Louisiana and is comprised of approximately 485 residents. The governing board is composed of five elected aldermen that are compensated for the regular and special board meetings they attend. There are five employees which maintain the gas, water and sewer systems and provide police protection for the Town.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Town of Bornbeck is considered a separate financial reporting entity. The Town of Bornbeck which is the primary government does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which 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, therefore the Town is also the financial reporting entity.

B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations.

TOWN OF NORWICH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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 net expendable available financial resources.

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 Fund

The governmental funds are used to account for all or most of the municipality's general activities, including the acquisition or construction of general fixed assets. The governmental funds include:

1. 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.
2. Special Revenue Fund - accounts for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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. The proprietary funds differ from the 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:

1. 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

TOWN OF BOSTWICK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

C. BASIS OF ACCOUNTING

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

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenues at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenues when they are measurable and their validity seems certain.

Ad valorem taxes are assessed for the calendar year on November 15 of each year and become delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all

TOWN OF BOSTWICK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGET

The primary government municipality uses the following budget practices:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the General Fund and Special Revenue Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

TOWN OF HORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. ENCUMBRANCES

The Town of Hornbeck does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, 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.

Under state law, the municipality may invest in United States Bonds, Treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

G. SHORT-TERM RECEIVABLES

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.

H. INVENTORIES

The Town of Hornbeck does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

J. RESTRICTED ASSETS

Certain reserves set aside for the replacement and extension of the gas system along with deposits made by customers for the gas, water and sewer systems are classified as restricted assets on the balance sheet because their use is limited.

TOWN OF NORWICH

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are 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.

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

Gas Utility - Distribution system	40 years
Building	20 years
Roads and tracks	3 years
Other equipment	10 years
Water Utility - Well, storage tanks, lines, and meters	15 years
Purification plant	15 years
Building	30 years
Other equipment	5-10 years
Sewer Utility - Distribution system	20 years
Other equipment	10 years

L. COMPENSATION AGREEMENTS

The Town allows employees to accumulate up to thirty days of sick leave. Upon termination employee's sick leave will be paid up to the thirty day maximum. Due to the immateriality of accumulated sick leave no accrual of benefits has been provided for in the financial statements. The Town has no obligation to pay any other employee benefits.

M. LONG-TERM OBLIGATIONS

The Town of Norwich has no long-term obligations as of June 30, 1998.

TOWN OF BORNHEEK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

E. 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.

Dedicated Fund Balances

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

G. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

F. SALES TAXES

The Town of Bornheek receives a one-percent sales tax which is dedicated to the general maintenance of streets.

TYPE OF BUSINESS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

G. TOTAL COLUMNS OF COMBINED STATEMENTS

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

H. BAD DEBTS

Uncollectible amounts due for customers' utility receivables will be recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

I. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at June 30, 1988:

Fund	Deficit Amount
Water Utility Fund	\$ 311,478
Sewer Utility Fund	347,577
Total	<u>\$ 659,055</u>

The retained deficits in the enterprise funds, arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation a non-cash expense, contributes to the deficit. Even though the retained deficit exists, the water utility fund and sewer utility fund had overall fund equities of \$350,984 and \$517,983 respectively at June 30, 1988. The Board of Commissioners will raise user fees to reduce the retained deficit, when needed.

TOWN OF BOSSBORO

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. LEVIED TAXES

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

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Town taxes:			
General street maintenance	6.40	6.40	Annual Renewal

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at June 30, 1998:

	<u>Primary Government</u>
Louisiana Asset Management Pool	\$ 298,591
Interest-bearing demand deposits	211,623
Petty cash	<u>111</u>
Total	\$ 511,183

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

At June 30, 1998, the primary government has \$298,591 in deposits (collected bank balances) and \$211,623 invested in the Louisiana Asset Management Pool (LAMP). These deposits are secured from risk by \$100,800 of federal deposit insurance, \$143,423 of pledged securities held by the custodial bank in the name of the fiscal agent bank, and \$298,591 invested in government securities in the LAMP program (GASB Category 3).

Even though the pledged securities are considered collateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1339 imposes a

TOWN OF BORNHARK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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.

5. INVESTMENTS

The Town of Bornhark had no investments as of June 30, 1990.

6. RECEIVABLES

The following is a summary of receivables for June 30, 1990:

Class of Receivable	General Fund	Special Revenue Fund	Proprietary Fund
Taxes:			
Franchise taxes	\$ 1,487	\$ ---	\$ ---
Sales taxes	---	2,193	---
Utility billings:			
Accounts	---	---	22,185
Total	\$ 1,487	\$ 2,193	\$ 22,185

7. FIXED ASSETS

The changes in general fixed assets follows:

	Balance June 30, 1987	Additions	Reductions	Balance June 30, 1990
Land	\$ 16,160	\$ ---	\$ ---	\$ 16,160
Buildings				
& improvements	51,283	---	---	51,283
Street improvements	211,228	11,800	---	223,028
Equipment	32,832	2,684	---	40,516
Total	\$ 312,253	\$ 14,484	\$ ---	\$ 326,737

TOWN OF HERRICK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

A summary of proprietary property, plant and equipment follows:

	Enterprise Funds
Gas Utility	
Distribution system and plant	\$ 2,247,447
Other equipment	188,441
Trucks and trucks	43,313
Building	38,438
Water Utility:	
Building	53,375
Distribution system and plant	728,350
Other equipment	771
Sewer Utility:	
Land	17,123
Distribution system and plant	848,931
Other equipment	11,822
total	\$ 4,181,312
Less accumulated depreciation	11,217,214
Net	\$ 2,964,098

B. PENSION PLAN

Substantially all employees of the Town of Herrick, are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 58 with at least 28 years of creditable service or at or after age 35 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

TOWN OF HORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to The Municipal Police Employees Retirement System of Louisiana, 8481 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 338-7411.

Funding Policy. Plan members are required by state statute to contribute 1.8 percent of their annual covered salary and the Town of Hornbeck is required to contribute at an actuarially determined rate. The current rate is 9.8 percent of annual covered payroll. The contribution requirements of plan members and the Town of Hornbeck are established and may be amended by state statute. As provided by Louisiana Revised Statute 15:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Hornbeck contributions to the System for the year ended June 30, 1998, 1997 and 1996 were \$210, \$210, and \$283, respectively equal to the required contributions for each year.

B. Municipal Employees Retirement System of Louisiana (System)

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 36 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 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

TOWN OF HORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 1937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 325-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Hornbeck is required to contribute at an actuarially determined rate. The current rate is 6.75 percent 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 requirement of plan members and the Town of Hornbeck are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Hornbeck contributions to the System under Plan A for the years ending June 30, 1996, 1997, 1998, were \$6,388, \$6,704, \$7,168, respectively, equal to the required contributions for each year.

9. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at June 30, 1998:

Class of Payable	General Fund	Special Revenue Fund	Proprietary Funds
Withholdings	\$ 432	\$ ---	\$ 6,382
Accounts	1,041	98	6,361
Customer deposits	---	---	41,814
Total	\$ 1,473	\$ 98	\$ 54,557

TOWN OF BORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

10. LEASES

The Town of Bornbeck had no leases as of June 30, 1998.

11. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at June 30, 1998, are as follows:

Fund	Due from other funds	Due to other funds
General Fund	\$ 3,322	\$ ---
Proprietary Funds:		
Water utility fund	---	1,000
Gas utility fund	---	3,322
Total	<u>\$ 3,322</u>	<u>\$ 4,322</u>

12. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1998, consisted of the following:

Tobacco taxes due from the State of Louisiana	\$ 577
State grants from state of Louisiana	224
	<u>\$ 801</u>

13. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at June 30, 1998:

Replacement and extension account	\$ 560,874
Customers' deposits	<u>43,349</u>
Total	<u>\$ 604,223</u>

14. RESERVED RETAINED EARNINGS

The Proprietary Fund - Gas Utility Fund has reserved retained earnings available as follows:

Restricted assets:	
Replacement and extension account	\$ 288,874
Customers' deposits	<u>43,349</u>
Total	<u>\$ 332,223</u>

TOWN OF HORNBECK

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

14. RESERVED RETAINED EARNINGS (Continued)

Less:	
Liabilities payable from restricted assets:	
Customers' deposits	\$ 41,813
Reserved retained earnings	\$ 261,610

15. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	Gas Utility Fund	Water Utility Fund	Sewer Utility Fund	Total
Balance at June 30, 1997	\$ 1,648,098	\$ 662,662	\$ 605,560	\$ 2,916,320
Additions:				
Louisiana Department of Transportation and Development	22,882	---	---	22,882
Balance at June 30, 1998	\$ 1,699,882	\$ 662,662	\$ 605,560	\$ 2,968,104

16. YEAR 2000 ISSUE - (Y2K)

The Town of Hornbeck has its general ledger and water billing computerized. The Town's water billing and general ledger program will be updated to handle the Y2K issue by the manufacturer of the software. The computer hardware that the Town is currently using is also Y2K compliant.

The Town of Hornbeck has been paying maintenance on their water billing and general ledger program. The manufacturer has agreed that the maintenance agreement will cover the cost of the Y2K update.

The Town expects the water billing system and general ledger program changes that will be Y2K compliant to be made by the manufacturer during the upcoming fiscal year.

SUPPLEMENTAL INFORMATION SERVICES

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF HIBERNIA
GENERAL FUND

Schedule 1

BALANCE SHEET
June 30, 1998

ASSETS	<u>1998</u>
Cash and cash equivalents	\$ 66,358
Franchise tax receivable	1,487
Due from water utility fund	1,088
Due from gas utility fund	2,999
Due from other governmental units -	
Tobacco taxes	577
State grant	224
Prepaid insurance	<u>7,933</u>
Total assets	\$ 78,886
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,841
Payroll taxes payable	832
Total liabilities	<u>2,673</u>
Fund balance:	
Unreserved - undesignated	<u>\$ 77,432</u>
Total liabilities and fund balance	<u>\$ 78,886</u>

TOWN OF HIRSHREE
GENERAL FUND

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 18,848	\$ 18,372	\$ (476)
Licenses and permits	12,341	12,388	354
Intergovernmental	12,533	12,533	---
Fines and forfeits	28,180	28,217	27
Use of money and property	24,411	24,488	(77)
Miscellaneous	138	821	274
Total revenues	<u>\$ 91,812</u>	<u>\$ 91,588</u>	<u>\$ (224)</u>
Expenditures:			
General government	\$ 22,838	\$ 22,838	\$ ---
Public safety	24,883	24,887	294
Public works	11,888	11,888	---
Culture and recreation	128	128	---
Total expenditures	<u>\$ 70,821</u>	<u>\$ 70,821</u>	<u>\$ ---</u>
Excess (deficiency) of revenues over expenditures	\$ 20,991	\$ 20,767	\$ 224
Other financing sources (uses):			
Transfers out	<u>\$ (11,821)</u>	<u>\$ (11,821)</u>	<u>\$ ---</u>
Excess (deficiency) of revenues over expenditures and other uses	\$ 9,170	\$ 8,946	\$ 224
Fund balance, beginning	<u>26,132</u>	<u>26,132</u>	<u>---</u>
Fund balance, ending	<u>\$ 35,302</u>	<u>\$ 35,088</u>	<u>\$ 214</u>

TOWN OF HENNEBOCK
GENERAL FUND

Schedule 3

SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended June 30, 1988

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Taxes:			
Franchise	\$ 11,147	\$ 10,648	\$ (499)
Ad valorem taxes	<u>4,738</u>	<u>4,324</u>	<u>414</u>
Total taxes	\$ 15,885	\$ 14,972	\$ (913)
Licenses and permits:			
Occupational	\$ 12,181	\$ 12,398	\$ 217
Intergovernmental:			
Tobacco taxes	\$ 2,389	\$ 2,389	\$ ---
State grant in aid	<u>10,224</u>	<u>10,224</u>	<u>---</u>
Total inter- governmental	\$ 12,613	\$ 12,613	\$ ---
Fines and forfeits:			
Traffic fines	\$ 28,198	\$ 28,212	\$ 14
Use of money and property:			
Interest earned	\$ 1,687	\$ 1,694	\$ 7
Office rent	17,094	17,094	---
Operation fee	<u>8,922</u>	<u>8,922</u>	<u>---</u>
Total use of money and property	\$ 27,703	\$ 27,710	\$ 7
Miscellaneous:			
Other revenues	\$ 199	\$ 423	\$ 224
Total revenues	\$ 31,512	\$ 31,548	\$ 36

TOWN OF NORWICH
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GRAP BASIS)
Year Ended June 30, 1988

	Budget	Actual	Variance - Favorable (Unfavorable)
General government:			
Personal services	\$ 12,247	\$ 12,266	\$ (89)
Fees	288	299	---
Utilities	10,139	10,117	12
Office expenditures	387	522	(135)
Legal and auditing	774	759	14
Insurance	7,043	7,251	486
Conventions and seminars	385	385	---
Maintenance	705	705	---
Travel	282	282	---
Miscellaneous	112	112	---
Capital outlay	958	959	---
Total general government	\$ 31,928	\$ 31,920	\$ 808
Public safety:			
Police -			
Personal services	\$ 13,902	\$ 13,822	\$ 948
Supplies	1,022	1,699	123
Insurance	4,224	4,734	492
Telephone	896	826	68
Auto expense	4,171	3,853	378
Collection fees	3,589	3,244	243
Capital outlay	4,333	5,133	(1,508)
Total police	\$ 32,947	\$ 33,811	\$ (864)
Fire:			
Utilities	\$ 428	\$ 426	\$ 128
Total public safety	\$ 34,403	\$ 34,187	\$ 216
Public Works:			
Highway's and streets - Sidewalk construction	\$ 11,500	\$ 11,988	\$ ---
Culture and recreation:			
Participant recreation	\$ 180	\$ 188	\$ ---
Total expenditures	\$ 78,441	\$ 78,831	\$ 402

(Continued)

TOWN OF NORWICH
 GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
 Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Excess (deficiency) of revenues over expenditures	\$ 13,198	\$ 13,711	\$ 513
Other financing sources (uses): Transfers out	\$ (111,421)	\$ (111,421)	\$ _____
Excess (deficiency) of revenues over expenditures and other uses	\$ 787	\$ 1,290	\$ 503
Fund balance, beginning	<u>78,132</u>	<u>78,132</u>	<u>_____</u>
Fund balance, ending	\$ <u>78,919</u>	\$ <u>79,422</u>	\$ <u>503</u>

(Continued)

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to expenditures for the improvement of roads, streets, water treatment, and general improvements and maintenance of public facilities of the Town.

TOWN OF BOWNECK
SPECIAL REVENUE FUND
SALES TAX FUND

Schedule 5

BALANCE SHEET
June 30, 1968

ASSETS	
Cash and cash equivalents	\$ 23,713
Sales tax receivable	2,193
Total assets	<u>\$ 25,906</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 38
Fund balance:	
Unreserved - undesignated	<u>\$ 25,868</u>
Total liabilities and fund balance	<u>\$ 25,906</u>

TOWN OF NORWICH
SPECIAL REVENUE FUND
SALES TAX FUND

Schedule 6

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year ended June 30, 1988

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes - sales and use	\$ 18,447	\$ 18,437	\$ 100
Use of money and property - interest on deposits	527	510	17
Total revenues	<u>\$ 18,974</u>	<u>\$ 18,947</u>	<u>\$ 27</u>
Expenditures:			
General government - Other services and charges	\$ 1,820	\$ 1,183	\$ 637
Public works - Highways and streets - street maintenance	9,353	9,853	500
Total expenditures	<u>\$ 11,173</u>	<u>\$ 11,036</u>	<u>\$ 137</u>
Excess (deficiency) of revenues over expenditures	\$ 7,801	\$ 7,911	\$ 110
Fund balance, beginning	<u>20,866</u>	<u>20,866</u>	<u>0</u>
Fund balance, ending	<u>\$ 28,667</u>	<u>\$ 28,777</u>	<u>\$ 110</u>

ENTERPRISE FUNDS

- Gas Utility Fund - To account for the provision of gas services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.
- Water Utility Fund - To account for the provision of water services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.
- Sewer Utility Fund - To account for the provision of sewer services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TRON OF SCIENCE
ENTERPRISE FUND

COMBINING BALANCE SHEET
June 30, 1990

ASSETS	<u>Gas Utility</u>	<u>Water Utility</u>
Current assets:		
Cash and cash equivalents	\$ 89,943	\$ 24,514
Accounts receivable,	15,797	4,417
Prepaid expenses	<u>2,607</u>	<u>2,854</u>
Total current assets	<u>\$ 108,347</u>	<u>\$ 31,785</u>
Restricted assets:		
Replacement and extension account -		
Cash and cash equivalents	\$ 248,074	\$ ---
Customers' deposits -		
Cash and cash equivalents	<u>15,814</u>	<u>7,833</u>
Total restricted assets	<u>\$ 263,888</u>	<u>\$ 7,833</u>
Fixed assets:		
Property, plant, and equipment, at cost, net of accumulated depreciation	<u>11,621,338</u>	<u>\$ 318,986</u>
Total assets	<u>\$12,021,562</u>	<u>\$ 358,604</u>

<u>Debit</u>	<u>credit</u>
\$ 1,773	\$ 118,233
1,986	22,105
<u>788</u>	<u>5,362</u>
\$ <u>4,387</u>	\$ <u>145,700</u>
\$ ---	\$ 348,074
<u>482</u>	<u>83,348</u>
\$ <u>482</u>	\$ <u>383,423</u>
\$ <u>513,754</u>	\$2,453,998
\$ <u>518,636</u>	\$2,982,124

(Continued)

TOWN OF HORNBECK
ENTERPRISE FUNDS

COMBINED BALANCE SHEET
June 30, 1988

LIABILITIES AND FUND EQUITY	Gas Utility	Water Utility
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 5,161	\$ 334
Payroll taxes payable	2,116	---
Retirement payable	4,346	---
Due to other funds	<u>2,360</u>	<u>1,888</u>
Total current liabilities (payable from current assets)	\$ <u>14,983</u>	\$ <u>3,122</u>
Current liabilities (payable from restricted assets):		
Customers' deposits	\$ <u>24,481</u>	\$ <u>4,840</u>
Total liabilities	\$ <u>39,464</u>	\$ <u>7,964</u>
Fund equity:		
Contributed capital -		
Municipality	\$ ---	\$ 31,600
Federal and state funds	<u>1,688,383</u>	<u>631,662</u>
Total contributed capital	\$ <u>1,688,383</u>	\$ <u>663,262</u>
Retained earnings (deficit) -		
Reserved for replacement and extension	\$ 261,406	\$ 364
Unreserved	<u>29,329</u>	<u>(311,882)</u>
Total retained earnings (deficit)	\$ <u>290,735</u>	\$ <u>(311,518)</u>
Total fund equity	\$ <u>1,979,118</u>	\$ <u>351,744</u>
Total liabilities and fund equity	\$ <u>39,464</u>	\$ <u>351,744</u>

<u>Power Utility</u>	<u>Totals</u>
\$ 146	\$ 6,161
---	2,116
---	4,146
<u>---</u>	<u>3,289</u>
\$ 146	\$ 18,823
\$ 839	\$ 41,818
\$ 841	\$ 52,839
\$ ---	\$ 31,880
<u>869,588</u>	<u>3,189,285</u>
\$ 869,588	\$ 3,312,389
\$ ---	\$ 381,810
<u>(247,577)</u>	<u>(633,530)</u>
\$ (247,577)	\$ (251,720)
\$ 317,982	\$ 2,845,285
\$ 318,624	\$ 2,963,224

(Concluded)

TOWN OF BOWSBIE
 ENTERPRISE FUNDS

COMBINED SCHEDULE OF REVENUES,
 EXPENSES, AND CHANGES IN RETAINED EARNINGS (Deficit)
 Year Ended June 30, 1988

	<u>Gas Utility</u>	<u>Water Utility</u>
Operating revenues:		
Charges for services	\$ 180,843	\$ 43,552
Operating expenses:		
Personnel services	\$ 138,843	\$ ---
Supplies	15,876	3,344
Cost of natural gas	148,432	---
Other services and charges	30,287	8,499
Heat, light, and power	6,833	5,081
Depreciation	17,328	8,998
Total operating expenses	\$ 420,823	\$ 23,922
Operating income (loss)	\$ (240,111)	\$ 18,630
Non-operating revenues (expenses):		
Interest income	\$ 16,514	\$ 625
Rental expense and other	(12,888)	(3,000)
Total non-operating revenues (expenses)	\$ 3,626	\$ (2,375)
Income (loss) before operating transfers	\$ (236,485)	\$ 16,255
Operating transfers in (out)	36,238	(12,402)
Net income (loss)	\$ 19,247	\$ 3,853
Retained earnings (deficit), beginning	186,583	(115,556)
Retained earnings (deficit), ending	\$ 205,830	\$ (111,703)

<u>Power Utility</u>	<u>Totals</u>
\$ 22,812	\$ 446,327
\$ ---	\$ 138,043
2,476	17,899
---	148,412
3,390	47,998
8,860	14,954
<u>43,678</u>	<u>138,903</u>
\$ 33,295	\$ 388,138
\$ (32,982)	\$ (53,867)
\$ 88	\$ 17,327
<u>(2,924)</u>	<u>(17,884)</u>
\$ (1,818)	\$ 222
\$ (34,298)	\$ (60,440)
<u>(12,467)</u>	<u>11,421</u>
\$ (46,765)	\$ (42,319)
<u>(209,872)</u>	<u>(329,704)</u>
\$1367,877	\$1,821,928

TOWN OF HORRENCKE
ENTERPRISE FUNDS

COMBINING SCHEDULE OF CASH FLOWS
Year Ended June 30, 1996

	<u>Gas Utility</u>	<u>Water Utility</u>
Cash flows from operating activities:		
Cash received from customers	\$ 385,388	\$ 42,367
Cash payments to suppliers for goods and services	(206,838)	(28,884)
Cash payments for employee services and employee related fringe benefits	(128,384)	---
Net cash provided (used) by operating activities	<u>\$ 49,724</u>	<u>\$ 26,981</u>
Cash flows from noncapital financing activities:		
Rental expense and other	\$ (12,088)	\$ (3,088)
Operating transfers in (out)	36,233	(13,403)
Net cash provided (used) for noncapital financing activities	<u>\$ 24,145</u>	<u>\$ (16,491)</u>
Cash flows from capital and related financing activities:		
Construction grants received	\$ 39,085	\$ ---
Acquisition and construction of capital assets	(71,164)	---
Net cash used for capital and related financing activities	<u>\$ (32,079)</u>	<u>\$ ---</u>
Cash flows from investing activities:		
Interest on cash management activities	\$ 16,518	\$ 825
Net increase (decrease) in cash and cash equivalents	<u>\$ 48,744</u>	<u>\$ 12,199</u>
Cash and cash equivalents, beginning of year	<u>337,086</u>	<u>21,367</u>
Cash and cash equivalents, end of year	<u>\$ 385,830</u>	<u>\$ 33,566</u>

<u>Sewer Utility</u>	<u>Totals</u>
\$ 23,111	\$ 486,666
(13,665)	(214,881)
_____	<u>113,284</u>
\$ 10,446	\$ 77,981
\$ 12,884	\$ 117,884
<u>112,881</u>	<u>11,821</u>
118,411	12,382
\$ _____	\$ 39,599
_____	<u>171,164</u>
\$ _____	\$ 132,872
\$ _____	\$ 17,322
\$ (3,877)	\$ 57,066
<u>6,137</u>	<u>164,598</u>
\$ 2,262	\$ 421,855

(Continued)

TOWN OF NORWICH
ENTERPRISE FUNDS

COMBINED SCHEDULE OF CASH FLOWS
Year Ended June 30, 1998

RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES	Gas Utility	Meter Utility
Operating income (loss)	\$ 49,111	\$ 18,838
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	\$ 77,328	\$ 3,388
Changes in assets & liabilities		
(Increase) decrease in accounts receivable	\$ 3,193	\$ (710)
(Increase) decrease in prepaid expenses	1,388	(580)
Increase (decrease) in accounts payable	(384)	(538)
Increase (decrease) in allowance for bad debts	(2,140)	1848
Increase (decrease) in payroll taxes payable	(341)	---
Increase (decrease) in customer deposits	3,132	525
Total adjustments	\$ 82,182	\$ 8,353
Net cash provided (used) by operating activities	\$ 131,293	\$ 27,191

Schedule 2

<u>Sewer Utility</u>	<u>Totals</u>
\$ (132,382)	\$ (132,862)
\$ 42,679	\$ 130,995
\$ 38	\$ 1,318
(178)	582
(728)	(1,562)
(144)	(2,639)
---	(241)
188	2,820
<u>\$ 42,928</u>	<u>\$ 131,384</u>
\$ 10,846	\$ 77,501

(Continued)

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF BORDENCO

Schedule 10

SCHEDULE OF GENERAL FIXED ASSETS
June 30, 1998

General fixed assets, at cost:	
Land	\$ 14,360
Buildings	51,303
Street Improvements	322,328
Equipment	<u>82,343</u>
Total general fixed assets	<u>\$ 370,334</u>
Investment in general fixed assets:	
General fund revenues	\$ 86,280
Sales tax fixed revenues	82,800
Federal grants	90,300
State grants	40,318
State revenue sharing funds	325
Gift	<u>13,850</u>
Total investment in general fixed assets	<u>\$ 313,573</u>

TOWN OF HERRICK

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1998

	<u>Land</u>	<u>Buildings</u>
General fixed assets, beginning	\$ 16,148	\$ 51,793
Additions	---	---
Deletion	---	---
General fixed assets, ending	\$ <u>16,148</u>	\$ <u>51,793</u>

<u>Street</u> <u>Improvements</u>	<u>Equipment</u>	<u>Total</u>
\$ 311,228	\$ 33,658	\$ 344,886
11,000	1,084	12,084
<u>322,228</u>	<u>34,742</u>	<u>356,970</u>
\$ 322,228	\$ 48,742	\$ 370,970

TOWN OF WOODBURY

Schedule 13

SCHEDULE OF COMPENSATION PAID ALDERMEN
Year Ended June 30, 1999

ALDERMEN	Compensation Paid
Doyle Carpenter	\$ 1,300
Jose Chavez	1,300
Arthur S. Cole, Mayor	4,950
Michael Behan	1,300
Steve Galley	1,300
Lawrence Truzzi	<u>1,300</u>
	<u>\$ 11,050</u>

TOWN OF HERRICK
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year ended June 30, 1998

Prior Audit Findings

The follow-up and corrective action taken on all prior audit findings is presented in the summary schedule of prior audit findings (Schedule 13).

SCHEDULE OF FIVE YEAR AUDIT FINDINGS
Year ended June 30, 1998

Audit Finding No. 1

Initial occurrence - June 30, 1996

Customer Deposits

Finding:

The three utility funds restricted asset cash accounts for customer deposits did not have balances large enough to cover the customer deposit liabilities.

Corrective action taken - yes

Audit Finding no. 2

Initial occurrence - June 30, 1997

Use of Reserved Funds

Finding:

Thirty thousand dollars was transferred out of a restricted asset cash account to the operation and maintenance account in the gas utility fund without board approval. The restricted asset cash account is reserved for replacement and extension of the existing gas system. The money was used for operations in the operations and maintenance account after the transfer was made.

Corrective action taken - At the April 1, 1998 board meeting a motion was made to repay \$18,000 of the \$30,000 that had been taken out of the reserved replacement and extension gas system account. As of my audit report date, December 10, 1998 this amount of \$18,000 is all that had been repaid.

John A. Windham, CPA

A Professional Corporation

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Bossier, LA 70604
Tel. (318) 483-3211
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John A. Windham, CPA

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

The Honorable Arthur S. Cole, Mayor
and the Members of The Board of Aldermen
Town of Bossier, Louisiana

I have audited the general purpose financial statements of the Town of Bossier, Louisiana, as of and for the year ended June 30, 1998, and have issued my report thereon dated December 10, 1998. I conducted my audit in accordance with generally accepted auditing standards and GOVERNMENT AUDITING STANDARDS, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Bossier, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS. However, I noted certain immaterial instances of noncompliance that I have reported to management of the Town of Bossier, Louisiana, in a separate letter dated December 10, 1998.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Bossier, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A

The Honorable Arthur S. Cade, Mayor
and the Members of The Board of Aldermen
Town of Hornbeck, Louisiana
Page 2

material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving the internal control over financial reporting that I have reported to management of the Town of Hornbeck, Louisiana, in a separate letter dated December 10, 1998.

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

John A. Winkler, CPA
Auditor, Louisiana
December 10, 1998

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John A. Windham, CPA

December 13, 1998

The Honorable Arthur E. Cole, Mayor
and the Members of The Board of Aldermen
Town of Hornbeck, Louisiana

In planning and performing my audit of the general purpose financial statements of the Town of Hornbeck, Louisiana, for the year ended June 30, 1998, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure. However, I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that in my judgement, could adversely affect the Town of Hornbeck, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Internal Control

Invoice Approval

Findings:

Invoices examined during expenditure testwork did not indicate that management had approved the invoices for payment.

Recommendations:

I recommend that the Mayor initial all invoices prior to payment.

The Honorable Arthur E. Cole, Mayor
and the Members of the Board of Aldermen
Town of Norrbuck, Louisiana
Page 2

Other Comments and Recommendations

Compliance with Louisiana Local Government Budget Act

Findings:

The proposed 97/98 budget was not introduced to the Board until June 27, 1997. This is a violation of the Budget act which states that the budget be submitted to the governing authority no later than fifteen days prior to the beginning of the fiscal year.

Recommendation:

The Town should submit the upcoming budget to the board, prior to, fifteen days before the beginning of the next fiscal year. I recommend that the Town obtain a copy of the "Louisiana Local Government Budget Act" and follow its procedures.

Use of Reserved Funds

Findings:

In the prior year audit it was noted that the Town had transferred thirty thousand dollars out of a reserved restricted asset account for use in operations. After the prior year audit comments and correspondence with the Legislative Auditor the board at the April 1998 meeting made a motion to replace ten thousand of the thirty thousand that had been removed. As of this audit report date ten thousand of the thirty thousand had been returned to the reserved restricted asset account.

Recommendation:

I recommend that the Town replace the other twenty thousand to the reserved restricted asset account as soon as possible.

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are

The Honorable Arthur S. Cole, Mayor
and the Members of the Board of Aldermen
Town of Eunice, Louisiana
Page 3

also considered to be material weaknesses as defined above. However, none of the reportable conditions described above is believed to be a material weakness.

These conditions were considered in determining the nature, timing, and extent of the audit tests applied in my audit of the June 30, 1998 general purpose financial statements, and this report does not affect my report on those general purpose financial statements dated December 10, 1998. I have not considered the internal control structure since the date of my report.

This report is intended solely for the information of management, and the Legislative Auditor. This restriction is not intended to limit distribution of this report, which is a matter of public record.

Robert D. Weirich, CPA
Eunice, Louisiana
December 10, 1998

LOCAL GOVT
TOWN OF WORNBECK
P.O. BOX 129
WORNBECK, LOUISIANA 71488

December 31, 1988

Mr. Daniel G. Kyle, CPA
Office of Legislative Auditor
State of Louisiana

ref: June 30, 1988 Audit Findings

Dear Mr. Kyle:

In response to the management letter I received at the conclusion of the Town's annual audit, I offer the following:

Finding #1 - Invoice approval

The Town has recently begun using a check voucher system for all payments. The mayor and the mayor pro-comp have the authority to approve invoices for payment. All invoices will be initiated and dated prior to payment.

Finding #2 - Compliance with "Louisiana Local Government Budget Act"

The Board of Aldermen did not realize that by law, the budget must be completed and submitted to the governing authority and made available for public inspection no later than fifteen days prior to the beginning of the fiscal year. We now have a copy of the Budget act and plan on having the budgets timely completed and submitted in the future.

Finding #3 - Use of Reserved Funds

In the prior year the Town had taken thirty thousand dollars out of a reserved restricted asset account. At the time, it was not known that this was a violation of law. After our prior year audit uncovered this error we corresponded with the Legislative Auditor concerning this matter and agreed to repay the funds.

Mr. Daniel C. Kyle
Legislative Auditor's Office
Page 3

In April of 1998 the Board of Aldermen voted to repay the funds. A check in the amount of ten thousand dollars was deposited back into the Reserved Restricted asset account. The Town plans to repay the other twenty thousand dollars before the end of this fiscal year.

With kindest regards, I am,

Very truly,

Arthur H. Cole
Mayor