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**FINANCIAL REPORT
OF THE
TOWN OF BARROU, LOUISIANA
FOR THE TERM ENDING
DECEMBER 31, 1997**

RECEIVED
TOWN OF BARROU
DECEMBER 31 1997

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 Bayou Rouge office of the Legislative Aide for and, where appropriate, at the office of the parish clerk of court.

Release Date: APR 22 1998

Table of Contents

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
GENERAL PURPOSE FINANCIAL STATEMENTS (Combined Statement-Overview)	
Combined Balance Sheet-All Fund Types and Account Groups.....	3 - 4
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-All Governmental Fund Types.....	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances-Budget (GRAF BASIS), and Actual-General and special Revenue Fund Types..	8
Comparative Balance Sheet-Proprietary Fund Type.....	9 - 8
Comparative Statement of Revenues, Expenses and Changes in Retained Earnings-Proprietary Fund Type.....	9
Comparative Statement of Cash Flows - Proprietary Fund Type.....	10
Notes to Financial Statements.....	11 - 25
 REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS.....	 26 - 29

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Miss Addressee Section
of
Common Bond Accounts

Miss Addressee
of
Common Bond Accounts & Investments

INDEPENDENT AUDITOR'S REPORT

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

I have audited the accompanying general purpose financial statements of the Town of Mamou, Louisiana, as of and for the year ended December 31, 1987, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Mamou, Louisiana's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

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

In my opinion, except for the effects on the general purpose financial statements of the omission described in the preceding paragraph, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Mamou, Louisiana, as of December 31, 1987, 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, I have also issued my report dated June 9, 1998, on my consideration of Town of Mamou, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Michael W. Johnson

Michael W. Johnson
Certified Public Accountant

Monroe, Louisiana
June 9, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

Combined Statements Overview

STATE OF OHIO
GENERAL BALANCE SHEET - (BY FUND TYPE)
AND RELATED ACCOUNTS
DECEMBER 31, 1992

	GENERAL FUND TYPE			PROFESSIONAL	ACCOUNT GROUPS	
	General	Special	Joint	Subordinate	General Long-Term Debt	General Fixed Assets
ASSETS						
Police Cash	\$	\$	\$	\$	\$	\$
Cash on Deposit	608,352	109,448	758	128,887		
Contributions of Support Organizations (PBA, MWA) applicable to all accounts for 1992-1993			758	128,887		
Account Interest	3,451			1,378		
Special Assessments of Debt	55,480	2,777				
Accounts Due of Allowance for 1992-1993 (Bills Account)				128,887		
Prepaid Expenses				12,000		
Due from Other Funds	221,777	758,221	5,229	23,274		
Revolving Loans						
Cash and Certificates of Deposit				344,000		
Fixed Assets (Net of Allowance for Depreciation) Amount Available in Self Service Fund				2,378,874		1,453,270
Amount to be Provided for Retirement of General Long-Term Debt					131,737	
					214,231	
TOTAL ASSETS	885,607	871,467	6,015	2,475,048	346,038	1,453,270

The accompanying notes are an integral part of this statement.

(Continued)

STATE OF MICHIGAN
GENERAL BALANCE SHEET - ALL FUND TYPES
AND ACCOUNT BUDGET
ENDING 30, 1997
(continued)

	<u>GENERAL FUND TYPE</u>			<u>PROPERTY</u>	<u>ACCOUNT AMOUNT</u>	
	<u>GENERAL</u>	<u>Special</u>	<u>SALE</u>	<u>Restriction</u>	<u>General</u>	<u>Special</u>
<u>(LIABILITY)</u>		<u>Service</u>	<u>Factor</u>		<u>Income</u>	<u>Assets</u>
Accounts Payable	\$ 47,864	\$ 188	\$	\$ 13,800	\$	\$
Unearned Payable				10,000		
Payable from Restricted Assets				260,000		
Notes Payable						
Revenue Bonds and Certificates of Indebtedness				540,000		
Due to Other Funds	170,000	62,000	6,000	150,000		
General Obligation Bonds					100,000	
Total Liabilities	<u>\$ 325,864</u>	<u>\$ 188,000</u>	<u>\$ 6,000</u>	<u>\$ 810,800</u>	<u>\$ 100,000</u>	<u>\$ 0</u>
<u>ASSETS</u>						
Investment in General Fund Assets	\$	\$	\$	\$	\$	\$ 1,011,000
Restricted Capital				1,400,000		
Retained Earnings:						
Reserve for Revenue Bond Retirement	\$	\$	\$	1,210,000	\$	\$
Reserve for				800,000		
Fund balances:						
Reserved for Debt Service			150,000			
Unreserved, Unappropriated	1,000,000	100,000				
Local Governmental Employees Fund Balance	\$ 1,000,000	\$ 100,000	\$ 150,000	\$ 800,000	\$ 0	\$ 0
Total Fund Equity	<u>\$ 1,000,000</u>	<u>\$ 100,000</u>	<u>\$ 150,000</u>	<u>\$ 800,000</u>	<u>\$ 0</u>	<u>\$ 1,011,000</u>
Total Liabilities and Fund Equity	<u>\$ 1,325,864</u>	<u>\$ 288,000</u>	<u>\$ 116,000</u>	<u>\$ 1,610,800</u>	<u>\$ 100,000</u>	<u>\$ 1,011,000</u>

The accompanying notes are an integral part of this statement.

STATE OF TEXAS
COMBINED FINANCIAL STATEMENTS - EXPENDITURES AND REVENUES
IN FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
FOR FISCAL YEAR ENDED DECEMBER 31, 2017

	General	Special	Debt	Total
		Accounts	Service	(Encumbrance)
				Balance
REVENUES:				
Taxes	\$ 287,751	\$ 498,157	\$ -	\$ 785,908
License and Permits	95,558			95,558
Intergovernmental	95,331			95,331
Interest	900,000			900,000
Charges for Services	500			500
Fees and Permits	31,076			31,076
Miscellaneous	34,520			34,520
Total Revenue	\$1,835,736	\$498,157	\$ -	\$2,333,893
EXPENDITURES:				
Supplies				
Special Government	\$ 589,479	\$ 31,989	\$ 1,000	\$ 622,468
Culture and Recreation	59,000	889		59,889
Highways and Streets	500,000			500,000
Public Safety - Police	247,337			247,337
State Services			83,880	83,880
Capital Outlays	210,408	311,913		522,321
Total Expenditures	\$1,596,224	\$344,801	\$85,880	\$1,926,905
EXCESS (DEFICIENCY) OF REVENUES				
OVER ENCUMBRANCES	\$ 239,512	\$ 153,356	\$ (85,880)	\$ 306,988
OTHER CHANGES IN FUND BALANCE:				
Interest Revenue	\$ 190,000	\$ 3,476	\$ 1,071	\$ 194,547
Operating Transfers In	85,239		90,000	175,239
Gifts of Assets	50,000			50,000
Operating Transfers Out	-	(162,876)		(162,876)
Total Other Financing	\$ 375,239	\$ (159,400)	\$ 91,071	\$ 306,910
EXCESS (DEFICIENCY) OF REVENUES				
AND OTHER CHANGES IN				
FUND BALANCE, END OF YEAR	\$ 462,500	\$ 153,356	\$ (85,880)	\$ 529,976
FINANCIAL POSITION - DECEMBER 31, 2017				
Current Assets	\$ 1,137,700	\$ 70,507	\$ 50,000	\$ 1,258,207
Current Liabilities	\$ 1,135,000	\$ 178,850	\$ 500,000	\$ 1,813,850

The accompanying notes are an integral part of this statement.

STATE OF MICHIGAN
COMBINED STATEMENT OF REVENUES, EXPENSES, AND TRANSFERS
IN FUND BALANCE - GENERAL FUND, SPECIAL FUND, AND TRUSTS
GENERAL AND SPECIAL REVENUE FUND (1974)
YEAR ENDED DECEMBER 31, 1974

	<u>GENERAL FUND</u>		<u>SPECIAL REVENUE FUND</u>	
	Budget	Actual	Budget	Actual
REVENUES:				
Taxes	\$ 355,100	\$ 357,774	\$ 500,000	\$ 498,767
Fees and Permits	80,000	79,428		
Intergovernmental	10,150	10,284		
Leases	100,000	100,000		
Charges for Services	175	183		
Fines and Penalties	10,000	11,076		
Miscellaneous	5,100	10,000		
Total Revenues	<u>\$1,655,425</u>	<u>\$1,662,655</u>	<u>\$ 500,000</u>	<u>\$ 498,767</u>
EXPENSES:				
Salaries				
General Government	\$ 475,000	\$ 380,679	\$ 100	\$ 12,000
Police and Recreation	74,100	74,000	25,000	800
Public Services				
Highways and Streets	680,875	508,700		
Public Safety - Police	180,100	167,887		
Public Utilities		218,600	150,000	192,187
Total Expenses	<u>\$1,390,075</u>	<u>\$1,350,676</u>	<u>\$ 275,000</u>	<u>\$ 284,987</u>
TRANSFERS FROM OTHER FUNDS	<u>\$ 1,000,000</u>	<u>\$ 1,000,000</u>	<u>\$ 225,000</u>	<u>\$ 213,780</u>
NET FINANCING SOURCE (DEFICIT):				
Interest Revenue	\$ 150,000	\$ 150,400	\$ 5,100	\$ 5,476
Operating Transfers In	100,000	100,000		
Operating Transfers Out			(100,000)	(100,076)
Net of Assets			50,000	50,000
Total Other Financing				
Source (Deficit)	<u>\$ 250,000</u>	<u>\$ 250,400</u>	<u>\$225,100</u>	<u>\$220,400</u>
TRANSFERS FROM OTHER FUNDS	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 10,000</u>	<u>\$ 10,376</u>
TRANSFERS TO OTHER FUNDS		100,000		
FUND BALANCE, BEGINNING OF YEAR		<u>\$ 3,377,136</u>		<u>150,137</u>
FUND BALANCE, END OF YEAR		<u>\$3,577,536</u>		<u>\$ 320,513</u>

The accompanying notes are an integral part of this statement.

STATE OF MICHIGAN
INDUSTRIAL FUND
YEARS 1996
COMPARATIVE BALANCE SHEET - RESTRICTED FUND TYPE
DECEMBER 31, 1997 AND 1996

ASSETS	1997	1996
CURRENT ASSETS:		
Cash on Deposit	\$ 108,307	\$ 242,399
Accounts Receivable, Net Allowance for Uncollectible Accounts (1997, \$18,679; 1996, \$18,679)	120,000	120,000
Accounts Interest Receivable	1,299	2,074
Prepaid Insurance	12,699	13,824
Due from Other Funds	<u>52,824</u>	<u>4,263</u>
Total Current Assets	<u>\$ 425,129</u>	<u>\$ 482,560</u>
RESTRICTED ASSETS:		
Cash on Deposit for Water Bonds		
Bond Sinking Fund	\$ 22,865	\$ 22,043
Bond Reserve Fund	42,722	26,081
Bond Depreciation Fund	64,208	62,181
Water Deposit Reserve		
Certificates of Deposit	189,491	196,186
Cash on Deposit for State Water Certificates of Indebtedness		
Indebtedness Sinking Fund	<u>24,266</u>	<u>23,060</u>
Total Restricted Assets	<u>\$ 363,552</u>	<u>\$ 433,551</u>
Plant Assets:		
Utility Plant in Service, at Cost, Net of Accumulated Depreciation, (1997, \$4,173,253; 1996, \$3,165,253)	<u>\$ 4,173,253</u>	<u>\$ 3,165,253</u>
TOTAL ASSETS	<u>\$ 8,141,732</u>	<u>\$ 8,201,568</u>

The accompanying notes are an integral part of this statement.

Continued

TOWN OF BARRY
FINANCIAL STATEMENTS
UTILITY FUND
COMPARATIVE BALANCE SHEET - PROPRIETARY FUND TYPE
DECEMBER 31, 2007 AND 2006
 (Cont. Ineod)

	2007	2006
Liabilities and Equity:		
CURRENT LIABILITIES:		
(Payable from Current Assets)		
Accounts Payable	\$ 33,480	\$ 58,085
Interest Payable	<u>12,880</u>	<u>12,256</u>
Total	<u>\$ 46,360</u>	<u>\$ 70,341</u>
(Payable from Restricted Assets)		
Capital Bonds & Certificates Payable	\$ 37,920	\$ 38,880
Gas Customer Meter Deposits	<u>145,155</u>	<u>142,581</u>
Water Customer Meter Deposits	<u>58,721</u>	<u>58,289</u>
Total	<u>\$ 594,896</u>	<u>\$ 599,750</u>
Total CURRENT LIABILITIES	<u>\$ 641,256</u>	<u>\$ 670,091</u>
LONG-TERM LIABILITIES:		
Sewer Rehabilitation Payable	\$ 134,880	\$ 132,880
Revenue Bonds Payable	<u>488,810</u>	<u>488,120</u>
Total Long-Term Liabilities	<u>\$ 623,690</u>	<u>\$ 621,000</u>
Other Liabilities:		
Due to Other Funds	\$ 156,525	\$ 147,525
Total Other Liabilities	<u>\$ 156,525</u>	<u>\$ 147,525</u>
Total Liabilities	<u>\$ 824,471</u>	<u>\$ 838,616</u>
Equity:		
Dedicated Capital (net of		
amortization for capital grant)	<u>22,427,202</u>	<u>22,512,172</u>
Retained Earnings:		
Reserved for Revenue Bond		
Retirement	\$ 37,920	\$ 38,880
Unreserved	<u>158,633</u>	<u>158,883</u>
Total Retained Earnings	<u>\$ 196,553</u>	<u>\$ 197,763</u>
Total Equity	<u>\$ 22,623,755</u>	<u>\$ 22,710,935</u>
Total Liabilities and Equity	<u>\$ 847,226</u>	<u>\$ 859,551</u>

The accompanying notes are an integral part of this statement.

TOWN OF BACH
BILLITE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND CHANGES
IN ACCUMULATED EARNINGS - PROPRIETARY FUND TYPE
YEAR ENDED DECEMBER 31, 1997 AND 1996

	1997	1996
Operating Revenues:		
Charge for Services:		
Gas Sales	\$ 449,169	\$ 539,449
Water Sales	381,119	399,079
Street Service Charges	339,381	383,177
Garbage Collection Fees	38,369	138,889
Transfers, Reconnect Fees and Tapping	19,358	31,269
Local Charges & Miscellaneous	<u>25,194</u>	<u> </u>
Total Operating Revenues	<u>\$1,352,869</u>	<u>\$1,491,864</u>
Operating Expenses:		
Gas Department Expenses	\$ 539,787	\$ 554,417
Water Department Expenses	179,389	179,389
Streetage Department Expenses	384,889	389,889
Garbage Collection Department	82,889	181,829
Depreciation Expense	<u>288,889</u>	<u>288,889</u>
Total Operating Expenses	<u>\$1,395,884</u>	<u>\$1,594,413</u>
Operating Income	<u>\$ 56,985</u>	<u>\$1 78,351</u>
Non-Operating Income (Expense):		
Interest Earned	\$ 27,126	\$ 26,849
Interest Expense	<u>(24,778)</u>	<u>(28,288)</u>
Total Non-Operating Income (Expense)	<u>\$ 2,348</u>	<u>\$ 8,561</u>
Income (Loss) Before Operating Transfers	\$ 59,333	\$1 86,912
Other Financing Sources (Uses):		
Operating Transfers	<u>\$ 32,831</u>	<u>\$ 328,188</u>
Total Other Financing Sources (Uses)	<u>\$ 32,831</u>	<u>\$ 328,188</u>
Net Income (Loss)	<u>\$ 92,164</u>	<u>\$ 415,093</u>
Add: Depreciation on fixed assets acquired by grants externally restricted for capital acquisitions and construction that reduces contributed capital	119,878	169,878
Retained Earnings, Beginning of Year	<u>798,313</u>	<u>674,682</u>
Retained Earnings, End of Year	<u>\$ 910,355</u>	<u>\$ 1,258,653</u>

The accompanying notes are an integral part of this statement.

TOWN OF NASH
COMPARATIVE STATEMENTS OF CASH FLOWS
MUNICIPAL FUND TYPE
PERIOD ENDING DECEMBER 31, 1997 AND 1996

	1997	1996
Cash flow from operating activities.		
Net income (loss) from operating activities	\$ 42,882	\$ 78,838
Adjustments to reconcile net income/loss to net cash provided (used) by operating activities:		
Depreciation	\$ 266,800	\$ 236,800
Increase/Decrease in receivables	1 5,289	2,322
Increase/Decrease in prepaids	4 3821	1 8,149
Increase/Decrease in accounts payable	4 33,433	18,906
Increase/Decrease in interest payable	4 2881	1 2,888
Increase/Decrease in notes deposit liabilities	6,596	12,184
Increase/Decrease in loans to other funds	<u>1 25,122</u>	<u>229,518</u>
Total adjustments	<u>3 185,522</u>	<u>3 365,197</u>
Net cash provided by operating activities	<u>\$ 228,424</u>	<u>\$ 444,035</u>
Cash flow from non-capital financing activities.		
Payments (to)/from other funds	\$ 1 32,832	\$ 326,128
Net cash used for non-capital financing activities	<u>\$ 1 32,832</u>	<u>\$ 326,128</u>
Cash flow from capital and related financing activities.		
Payments for property, plant, and equipment	\$ 143,707	\$ 142,461
Bond principal payments	4 28,881	1 5,788
Note principal payments		1 82,081
Contributions to capital	<u> </u>	<u>212,264</u>
Net cash provided (used) by capital and related financing activities	<u>\$ 1 172,588</u>	<u>\$ 342,600</u>
Cash flow from investing activities.		
Interest received	\$ 27,328	\$ 26,749
Interest paid	<u>4 26,222</u>	<u>1 28,282</u>
Net cash used for investing activities	<u>\$ 1 22,894</u>	<u>\$ 1 1,533</u>
Net increase (decrease) in cash and cash equivalents	\$ 4 8,232	\$ 109,974
Cash and cash equivalents at beginning of year	<u>512,452</u>	<u>402,578</u>
Cash and cash equivalents at end of year	<u>\$ 520,684</u>	<u>\$ 512,552</u>

The accompanying notes are an integral part of this statement.

TOWN OF MEMPHIS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 1997

Note A-Summary of Significant Accounting Policies

The Town of Memphis, Louisiana was incorporated January 4, 1911, under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government.

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

Reporting Entity

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

TOWN OF MAMOU
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Excluded from the Reporting Entity:

TOWN OF MAMOU HEALTH CARE ENTERPRISE FUND.

The Town of Mamou owns the physical plant operated by Sareco Medical Center, Inc. The Town appoints five of the fifteen members of the governing board.

Fund Accounting

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

Governmental Funds

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

Special Revenue Funds - The Special Revenue Funds account for revenue derived from special taxes or other earmarked revenue sources. The Sales Tax Fund is a Special Fund used to account for proceeds of a 3% Sales and Use Tax in the Town of Mamou.

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

Proprietary Funds

Enterprise Fund - The Utility Fund is used to account for the operation of the natural gas and Water Sales, and Sewerage and Garbage Collection Service Enterprise Fund. The Health Care Fund is used to account for the operations of the hospital. Enterprise Funds are used to account for operations (a) which

TOWN OF HANCO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All Governmental Funds are accounted for on spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental Fund Operating Statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "Available Spendable Resources" during a period.

Fixed assets used in Governmental Fund Type Operations and infrastructure assets such as roads, etc. (General Fixed Assets) are accounted for in the General Fixed Assets Account group, rather than in Governmental Funds. No depreciation has been provided on General Fixed Assets.

\$1,577,672 of fixed assets are valued at historical cost. \$25,488 of fixed assets are valued at estimated historical cost by management.

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

Long-Term Liabilities expected to be financed from governmental Funds are accounted for in the General Long-Term Debt Account Group not in the governmental funds.

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

TOWN OF NARRO
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Because of their spending measurement focus, expenditure recognition for Governmental Fund Types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as Governmental Fund Type Expenditures or Fund Liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

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

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

Natural Gas Utility:	
Automotive Equipment	4-5-10 Years
Gas Lines	25 Years
Gas Meters	18 Years
Radios	10 Years
Office Equipment	10 Years
Fence	20 Years
Water Utility:	
Wells	87 Years
Water Lines	35-57 Years
Rebuilt Water Tank	25 Years
Motors, Etc.	4-5 Years
Water System Improvements	10 Years
Sewerage Utility:	
Disposal Plant	35 Years
Collection System	18 Years
Line Extension and Relocations	25 Years
Lift Stations	25 Years
Transit Level, Sprayer, Etc.	5 Years
Automotive Equipment	3 Years
Garbage Collection Utility:	
Solid Waste Incinerator System and Building	30 Years
Automotive Equipment	15 Years

Basis of Accounting

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

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

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

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

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

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

TOWN OF MARSH
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

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

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

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

Restricted Assets

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

Reserves

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

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

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

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

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

Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of March 14, of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on March 14, of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

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

For the year ended December 31, 1997 taxes of 19.68 Mills were levied on property with assessed valuations totaling \$7,461,160 and were dedicated as follows:

General Corporate Purposes	7.45 Mills
Street Maintenance	11.70 Mills
Recreation Maintenance	.53 Mills
Total	19.68 Mills

Total taxes levied were \$146,835.

Municipal Police Employees' Retirement System (MPEERS)

Plan Description and Provisions:

Two of the Town's full-time police employees participate in the MPEERS, a multiple-employer, cost-sharing pension plan. The payroll for the employees covered by the MPEERS for the year ended December 31, 1997 was \$17,481; the Town's total police payroll was \$336,826. A census of the group is not available at December 31, 1997.

Employees attaining the earlier age of 55 with 10 years of service or age 65 with 12 years of service are entitled to a monthly benefit of 3 and 1/3 per cent of average final compensation times years of creditable service (as defined in the plan), not to exceed 120 per cent of final salary. Active employees who become disabled with at least 5 years of creditable service receive 1 per cent of average final compensation (as defined in the plan) multiplied by years of creditable service, but not less than 40 per cent nor more than 48 per cent of average final compensation. If an active employee dies, his designated beneficiary receives the retirement benefit the member has earned to his date of death, but not less than 40 per cent and not more than 80 per cent of the member's average final compensation.

TOWN OF NASSO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Description of Funding Policy:

Covered employees are required by state statute to contribute 7.5 per cent of their salary to MRSBS. The Town is required by this statute to contribute 9 per cent of covered salaries to the system; plus, the system receives a State appropriation of the gross direct premiums received by Louisiana Insurance Rating Commission, to meet actuarial funding requirements. The contribution requirements for the year ending December 31, 1997, was \$8,778 which consisted of \$8,373 (9% of covered payroll) from the Town and \$4,411 (7.5% of covered payroll) from the covered employees.

The pension benefit obligation is not available at December 31, 1997. Future deficits in the system will be financed by the State and the Town has no further liability to the system, other than required current contributions.

Bad Debts

Bad debts are written off when they are deemed to be uncollectible by Town officials. An allowance is made each year for the amount of receivables which are anticipated to be uncollectible based on prior experience and current conditions. Amounts written off as bad debts for 1997 are as follows:

General Fund	\$3,088
Utility Fund	-0-
Total Bad Debts	<u>\$3,088</u>

Comparative Data

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

Comparative data for the prior year is presented for the year ended December 31, 1996.

Total Columns on Combined Statements

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

TOWN OF MARCO
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

Capitalization of Interest Cost

Interest accrued during construction of projects is capitalized as a component of the project. There was no interest capitalized during the year ended December 31, 1997.

NOTE B - PROPERTY, PLANT, AND EQUIPMENT

A summary of Proprietary (Utility) Fund Type Property, Plant and Equipment at December 31, 1997 follows.

Natural Gas Utility:	
Automotive Equipment	\$ 114,859
Gas Lines	409,729
Meters, Air compressors, Radio Equipment, Etc.	64,382
Office Equipment	19,048
Real Estate	18,950
Water Utility:	
Plant and Equipment	428,004
Office Equipment	504
Automotive Equipment	39,618
Water System Improvements	1,988,099
Sewerage Utility:	
Sewerage Lines and Disposal Plant	1,325,683
Land	43,916
Machinery and Equipment	398,423
Auto	1,000
Garbage Collection:	
Machinery and Equipment	<u>371,223</u>
Total	\$ 8,842,129
Less: Accumulated Depreciation	<u>2,311,281</u>
Net	<u>\$ 6,530,848</u>

TOWN OF MANOY
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note C - Changes in Long-Term Debt

The following is a summary of changes in Long-Term Debt of the Town for the year ended December 31, 1983:

	Funds January 1, 1983	Additions	Retirements	Balance December 31, 1983
General Obligation Bonds	\$24,000	\$4,000	\$4,000	\$24,000
Notes	\$25,000	\$4,000	\$4,000	\$25,000

Bonds and Notes Payable are comprised of the following:

General Obligation Bonds:

\$681,000 Public Improvement Sales Tax Refunding Bonds, Series 1985, of the Town of Manoy, State of Louisiana, Dated June 1, 1985, due in Annual Installments Beginning April 1, 1990, Interest at 6% per annum.

Payments to Maturity are as follows:

Year	Amount
1986	\$ 51,000
1987	55,000
1988	59,000
1989	63,000
1990	67,000
1991	70,000
1992	73,000
1993	81,000
1994	81,000
1995	88,000
Total	<u>\$681,000</u>

These bonds and notes are secured by sales tax collections.

TOWN OF MONROE
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note 2 - Enterprise Fund Debt:

Revenue Bonds:

\$481,738 of Water Revenue Bonds of the Town of Monroe, State of Louisiana, dated April 4, 1983, bearing interest at the rate of 11% per annum payable annually beginning April 1, 1990.

<u>Payment Date</u>	<u>Amount</u>
1988	\$ 9,920
1989	10,010
1990	10,100
1991	10,190
1992	10,280
1993	10,370
1994	10,460
1995	10,550
1996	10,640
1997	10,730
1998	10,820
1999	10,910
2000	11,000
2001	11,090
2002	11,180
2003	11,270
2004	11,360
Total	<u>\$481,738</u>

Certificates of Indebtedness:

\$200,000 of Certificates of Indebtedness dated June 1, 1994, bearing interest at a rate of 8.0% per annum payable semiannually beginning December 1, 1994.

Payments to maturity are as follows:

<u>Year</u>	<u>Amount</u>
1998	\$ 10,000
1999	10,000
2000	10,000
2001	10,000
2002	10,000
2003	10,000
2004	<u>10,000</u>
Total	<u>\$60,000</u>

TOWN OF MARIU
 NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note E - Internal Transactions

During the course of normal operations, the Town has numerous transactions between funds including expenditures and transfers of resources primarily to provide services. The General and Sales Tax Funds' Financial Statements generally reflect such transactions as transfers, except in cases where transfers are believed to be advances and reimbursement is anticipated. Individual Fund Interfund Receivable and Payable balances at December 31, 1997 arising from these transactions were as follows:

Fund	Interfund Receivable	Interfund Payable
General Fund	\$218,497	\$178,848
Special Revenue Funds	110,331	43,777
Utility Fund	53,894	158,525
Debt Service Fund	<u>5,822</u>	<u>6,218</u>
Totals	<u>\$388,544</u>	<u>\$487,368</u>

Note F - Litigation

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

Note G - Compensation of Mayor and Board of Aldermen

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

	Mayor	Board	Total
Marion Pierrotti (Mayor)	\$ 4,000	\$ 3,400	\$ 7,400
Stacy Pomeroy	2,400	1,800	4,200
J. L. Seeger	2,400	2,800	5,200
Phyllis Sillars	1,800	900	2,700
Betty Sober	2,800	1,800	4,600
Edward Ardoin	2,400	1,800	4,200
Robbery Pomeroy	1,800	750	2,550
Michelle Chamberlain	<u>248</u>	<u>182</u>	<u>430</u>
Total	<u>\$18,848</u>	<u>\$14,432</u>	<u>\$33,280</u>

TOWN OF NARDO
NOTES TO FINANCIAL STATEMENTS, CONTINUED

Note H - Collateralization of Cash

Bank Balances at December 31, 1997	\$ 4,884,789
Less Amount Insured by FDIC	(488,000)
Less Amount Collateralized with securities pledged in the Town's name	<u>48,739,673</u>
Uninsured/Uncollateralized bank balances at December 31, 1997	<u>\$ 4,346,116</u>

Note I - Statement of Cash Flow

Under Governmental Accounting Standards Board Statement No. 3, all governmental entities, whose fiscal year begins after December 15, 1999, must adopt a statement of cash flows to replace the statement of changes in financial position for all proprietary funds.

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

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

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

Operating activities generally result from providing services and producing and delivering goods, and include all transactions and other events that are not defined as investing activities. Cash flows from operating activities generally are the cash effects of transactions and other events that enter into the determination of operating income.

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

TOWN OF MAMON
NOTES TO FINANCIAL STATEMENTS, CONTINUED

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

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

Note J - Changes in Contributed Capital - Utility Fund

Beginning Balance, January 1, 1997	\$2,810,271
Additions	-0-
Deletions: Depreciation attributable to grants	(312,870)
Ending Balance, December 31, 1997	<u>\$2,497,401</u>

Note K - Changes in General Fixed Assets

Beginning Balance, January 1, 1997	\$1,350,703
Additions	362,569
Ending Balance, December 31, 1997	<u>\$1,713,272</u>

Note L - Hospital Lease

The Town of Mamon owns a hospital facility in the Town of Mamon. In January of 1995 the Town terminated its operating agreement with Sovey Medical Center, Inc., and signed a lease with Columbia Health Care. The Town receives \$75,000 per month in lease payments for a period of 10 years with four, 3 year options.

Note M - Residual Equity Transfer

Accounts Receivable collected by the hospital facility which is owned by the Town of Mamon, were turned over to the Town's attorney in 1997. Of the \$751,791 collected by the attorney, \$308,226 was remitted to the Town and \$443,565 was retained by the attorney in an escrow account for contingent attorney fees.

Note N - Police Chief and Detective Indicted on Malfeasance in Office

As a result of the investigation into the theft of evidence and cash from the Town's police station, the police chief of the Town of Mamon was indicted on one count of malfeasance in office and one of the Town's former detectives was indicted on

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

fourteen counts of malfeasance in office. The police chief pled guilty to the charge after the indictment was handed down. As part of a plea agreement, the police chief turned in his resignation to town officials. A new police chief has since been elected.

Note O - Awarding of Block Grant

In October of 1993, the Town of Mamou was awarded with \$411,988 in federally funded block grants to be used for sewer improvements.

Note P - Subsequent Event

A \$681,000 judgment against the Town of Mamou was upheld by the appellate court in May of 1998. The judgment was awarded for damages resulting from a beating that took place in March of 1995.

Note Q - Contingent Liability

In 1990 the Town of Mamou entered into an agreement for legal services to collect funds owed to the Town as a result of the prior operations of the hospital facility owned by the Town. Although the funds owed to the Town were collected by the attorney in 1990, no attorney fees had been paid as of June 15, 1998 due to a dispute as to the estimated \$287,500 owed by the Town.

Note R - Deferred Debt

In May of 1998 the Town of Mamou issued \$295,490 of refunding bonds to refund the outstanding issue of its Water Revenue bonds. The proceeds of the issue were placed into an escrow account until the bonds are called in 1999.

MICHAEL W. JOHNSON

Certified Public Accountant

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Member and in good standing
of
FEDERAL ACCOUNTING ASSOCIATION

Member in good
of
LOUISIANA SOCIETY OF CERTIFIED ACCOUNTANTS

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

To the Mayor and Town Council
Town of Mamou, Louisiana

I have audited the general purpose financial statements of Town of Mamou, Louisiana, as of and for the year ended December 31, 1997, and have issued my report thereon dated June 9, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of Mamou, 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 instances of noncompliance that are required to be reported under Government Auditing Standards as follows:

Finding:	Delinquent utility bills (predominantly, water and sewerage) were allowed for some residents of the Town of Mamou without cutting off the utilities.
Cause:	Lack of implementation of the Town's policies.
Recommendation:	Policies for all delinquent utility bills should be enforced for all residents. Delinquent residents should have all utilities cut-off on the designated cut-off date and should be required to pay the balance in full and the reconnect fee before reconnecting the utilities.

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

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

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

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

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

Finding: The Town's police chief and detective were indicted on malfeasance charges.

Cause: The indictment was the result of an investigation into the theft of evidence and cash from the Town's police station.

Recommendation: None.

Management's Response: We concur in the finding.

Internal Control Over Financial Reporting

in planning and performing my audit. I considered the Town of Mamou, 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. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town of Mamou, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are as follows:

Finding No. 1: Delinquent utility bills (predominantly, water and sewerage) were allowed for some residents of the Town of Mendon without cutting off the utilities.

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

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

Management's Response:

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

Finding No. 2: There was a lack of controls over police tickets issued and turned in.

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

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

Management's Response:

We concur in the finding and are implementing the recommendation.

Finding No. 3: The Town's police chief and detective were indicted on malfeasance charges.

Cause: The indictment was the result of an investigation into the theft of evidence and cash from the Town's police station.

Recommendation: None.

Management's Response:

We concur in the finding.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control 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 to be material weaknesses. However, of the reportable conditions described above, I consider item No.'s. 1, 2, and 3 to be material weaknesses.

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

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

Michael W. Johnson

Michael M. Johnson
Certified Public Accountant

Buxton, Louisiana
June 9, 1998