

TONI DE MOORESPORT, LOUISIANA

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**FINANCIAL STATEMENTS**

June 30, 1990

These financial statements were prepared by the undersigned in accordance with the provisions of the Louisiana Code of Governmental Accounting and Financial Reporting, which requires that such statements be prepared in accordance with the generally accepted accounting principles and practices prevailing in Louisiana for the preparation of such statements for the purpose of providing information to the public regarding the financial condition of the government.

Prepared and certified by the undersigned on this 20th day of February, 1991.

Martha G. Milligan  
Certified Public Accountant  
Mooresport, Louisiana

TOWN OF HOOGINGSPORT, LOUISIANA

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# Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

## INDEPENDENT AUDITOR'S REPORT

The Honorable Douglas Elder, Mayor  
and Members of the Town Council  
Mooringsport, Louisiana

I have audited the accompanying general purpose financial statements of Town of Mooringsport, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of Town of Mooringsport, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in 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 accounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 Town of Mooringsport, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued a report dated November 2, 1999, on my consideration of Town of Mooringsport, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

*Marsha O. Millican*

Certified Public Accountant  
November 2, 1999



LIABILITIES

Accounts payable	\$ 4,885	\$	3,145	\$	0	\$	6,930
Payable from restricted assets:							
Accrued interest on reverse bonds	-	-	1,268	-	-	-	1,268
Customers' deposits	-	-	30,165	-	-	-	30,165
Deferred revenue	28,866	-	-	-	-	-	28,866
Revenue bonds payable	-	-	380,629	-	-	33,645	394,274
Due to other funds	16,164	-	25,611	-	-	-	41,775
<b>Total liabilities</b>	<b>50,021</b>	<b>0</b>	<b>328,813</b>	<b>0</b>	<b>0</b>	<b>33,645</b>	<b>383,479</b>
<b>Fund Balances:</b>							
Contributed capital	-	-	3,237,939	-	-	-	3,237,939
Investment in general fixed assets	-	-	-	374,383	-	-	374,383
Retained earnings:							
Reserved for revenue bond retirement	-	-	312,830	-	-	-	312,830
Unreserved (deficit)	-	-	( 337,393)	-	-	-	( 337,393)
Fund Reserves:							
Reserved for packs	9,943	-	-	-	-	-	9,943
Reserved for Coxsackey	63,568	-	-	-	-	-	63,568
Reserved for debt service	-	-	28,399	-	-	-	28,399
Reserved for law enforcement	1,662	-	-	-	-	-	1,662
Reserved for library improvements	27,816	-	-	-	-	-	27,816
Unsubsidized	282,828	-	28,711	-	-	-	311,539
<b>Total retained earnings/fund balances (deficit)</b>	<b>384,816</b>	<b>0</b>	<b>1,222,822</b>	<b>374,383</b>	<b>0</b>	<b>0</b>	<b>1,021,521</b>
<b>Total fund equity</b>	<b>384,816</b>	<b>0</b>	<b>1,022,822</b>	<b>374,383</b>	<b>0</b>	<b>0</b>	<b>1,021,521</b>
<b>Total liabilities and fund equity</b>	<b>\$ 412,000</b>	<b>\$ 0</b>	<b>\$ 1,412,813</b>	<b>\$ 374,383</b>	<b>\$ 0</b>	<b>\$ 33,645</b>	<b>\$ 1,412,813</b>

\* See accompanying notes to financial statements.

TOWN OF BOONVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and  
changes in Fund Balance - All Governmental Fund Types  
Year Ended June 30, 1999

	GOVERNMENTAL FUND TYPES			TOTAL
	GENERAL	CAPITAL PROJECTS	DEPT SERVICES	(REVENUE OR CHG)
<b>Revenues:</b>				
Taxes	\$ 45,824	\$ -	\$ 5,149	\$ 50,973
Licenses and permits	32,843	-	-	32,843
Intergovernmental	12,528	129,228	-	141,756
Charges for services	22,434	-	-	22,434
Fines and penalties	17,379	-	-	17,379
Miscellaneous	18,487	-	252	18,739
<b>Total revenues</b>	<b>155,595</b>	<b>129,228</b>	<b>5,401</b>	<b>390,224</b>
<b>Expenditures:</b>				
<b>Current:</b>				
General government	112,883	-	-	112,883
Public safety	22,422	-	-	22,422
Streets	7,849	-	-	7,849
Sanitation	12,579	-	-	12,579
<b>DEPT. SERVICES:</b>				
Retiree retirement	-	-	4,264	4,264
Interest and fiscal charges	-	-	887	887
Capital projects	-	129,228	-	129,228
<b>Total expenditures</b>	<b>155,734</b>	<b>129,228</b>	<b>5,151</b>	<b>390,113</b>
Excess of revenues over expenditures	( 2,887)	-	250	174
Fund balance - beginning of year	284,280	-	27,284	311,564
Fund balance - end of year	\$ 281,393	\$ -	\$ 27,534	\$ 308,927

See accompanying notes to financial statements.

STATE OF MICHIGAN - RECEIPTS

Continued Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (Final Revised and Actual) - General and Debt Service Funds  
 Year ended June 30, 1993

	GENERAL FUND		VOLUNTARY-FUND		DEBT SERVICE FUND		TOTAL
	BUDGET	ACTUAL	RECEIPTS	EXPENDITURES	BUDGET	ACTUAL	
Revenues:							
Class:							
Licenses and permits	87,750	81,808	91	5,918	5	8,799	818
Miscellaneous	11,758	11,043	-	7,542	-	-	-
Miscellaneous	4,722	23,213	-	6,818	-	-	-
Charges for services	21,000	21,318	-	1,018	-	-	-
Fines and forfeits	15,000	17,878	1	7,823	-	182	183
Miscellaneous	4,880	28,802	-	23,782	-	-	-
Total revenues	144,810	185,852	-	55,882	-	8,981	908
Expenditures:							
Contract:							
General government	91,040	112,883	(	21,883)	-	-	-
Public safety	26,800	33,438	-	3,818	-	-	-
Fire	4,200	7,888	(	3,688)	-	-	-
Education	15,970	15,870	-	-	-	-	-
SAC section -	-	-	-	-	4,294	4,294	-
Miscellaneous	-	-	-	-	882	882	-
Interest and fiscal charges	-	-	-	-	-	-	-
Total expenditures	138,010	180,081	(	28,883)	-	8,981	-
Balance of previous year expenditures	-	1,000	(	1,000)	-	908	908
Fund balance - beginning of year	265,880	265,880	-	-	17,208	17,208	-
Fund balance - end of year	1,265,880	1,264,888	81	1,082)	17,208	18,116	908

See accompanying notes to financial statements.

TRON OF MONROEBOROUGH, LOUISIANA

Statement of Revenues, Expenses, and Changes in  
 Retained Earnings (Deficit) - Proprietary Fund Type  
 Year Ended June 30, 1988

Operating revenues:	
Charges for sales and services	\$ 143,253
Miscellaneous revenues	<u>4,877</u>
Total operating revenues	<u>148,130</u>
Operating expenses:	
Costs of sales and services	80,434
Administration	2,664
Depreciation	<u>88,288</u>
Total operating expenses	<u>171,386</u>
Operating (loss)	<u>( 23,256)</u>
Non-operating revenues (expenses):	
Interest income	3,253
Interest expense	<u>( 18,428)</u>
Total non-operating revenues (expenses)	<u>( 15,175)</u>
Net (loss)	( 38,431)
Retained earnings (deficit) - beginning of year	<u>( 201,923)</u>
Retained earnings (deficit) - end of year	<u>\$ ( 240,354)</u>

See accompanying notes to financial statements.



## TOWN OF MONROEGROVEPORT, LOUISIANA

EXHIBIT 5

Statement of Cash Flows - Proprietary Fund Type  
Year Ended June 30, 1999

Cash flows from operating activities:	
Cash received from customers	\$ 142,948
Cash payments to suppliers and employees	( 105,189)
Other operating income	<u>4,477</u>
Net cash provided by operating activities	<u>42,236</u>
Cash flows from investing activities:	
Interest received on investments	<u>3,352</u>
Cash flows from capital and related financing activities:	
Contributions by federal grant	148,042
Acquisition of fixed assets	( 148,042)
Principal paid on revenue bonds	( 8,500)
Interest paid on revenue bonds	( 14,458)
Net cash used by capital and related financing activities	<u>( 22,958)</u>
Net increase in cash	24,609
Cash and cash equivalents, July 1, 1998 (including \$15,882 in restricted accounts)	<u>183,382</u>
Cash and cash equivalents, June 30, 1999 (including \$12,768 in restricted accounts)	<u>208,553</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating (loss)	\$ ( 10,415)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	58,989
Changes in assets and liabilities:	
(Decrease) in accounts receivable	318
(Increase) in due from other funds	( 1,380)
Decrease in customer deposits	( 228)
Decrease in accounts payable	( 2,982)
Net cash provided by operating activities	<u>\$ 42,236</u>

See accompanying notes to financial statements.

TOWN OF MOORINGSPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1988

The Town of Mooringsport, was incorporated in 1894 under the provisions of the Levee Act. The Town operates under a Mayor-Town Council form of government.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The financial statements of Town of Mooringsport, Louisiana, have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The following is a summary of the more significant accounting policies:

Reporting Entity. These financial statements include all funds and account groups over which the Town exercises control, authority, management, influence or accountability. Control by or influence over by the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting. The accounts of Town of Mooringsport, Louisiana, are organized on the basis of funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities and the acquisition or construction of general fixed-assets (capital projects funds). The general fund is used to account for all activities of the general government not accounted for in some other fund. 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.

(Continued)

TOWN OF HOOGINGSPOET, LOUISIANA

Notes to Financial Statements  
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within 90 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded on fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, permits and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

{Continued}

TOWN OF MOORINGSPOFF, LOUISIANA

Notes to Financial Statements  
June 30, 1988

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

Prior to July 1, the Mayor submits to the Town Council a proposed budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.

A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

After 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.

Budgetary agreements 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 Town Council.

All budgetary appropriations lapse at the end of each fiscal year.

Budgets for the General Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts include the original adopted budget amounts and all subsequent amendments.

Investments. Investments consist of long-term certificates of deposit and treasury bills and are stated at cost which approximates market.

Bad Debt. Uncollectible amounts due for ad valorem taxes receivables are 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. Amounts due from utility customers are considered to be fully collectible.

(Continued)

TOWN OF HOOGERSPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued):

Cash Flows. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Compensated Absences. No liability is recorded for accruing accumulating rights to receive vacation or sick pay benefits.

Property, Plant, and Equipment. 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 a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included in 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.

Property, plant and equipment used in governmental fund type organizations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized along with other general fixed assets. No depreciation has been provided on general fixed assets.

All property, plant, and equipment are stated at historical cost, or estimated cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

The account group is not a fund. It is concerned only with the measurement of financial position and is not involved with the measurement of results of operations.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

(Continued)

TOWN OF HOOGHINSBORO, VERMONT

Notes to Financial Statements  
June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

Depreciation is provided in the Enterprise Fund in amounts sufficient to relate the cost of the depreciable assets to operations over their estimated service lives on the straight line basis. The estimated service lives by asset type are as follows:

Meter, sewer, and gas system	30 - 40 years
Equipment	5 - years

Total Columns on Combined Statements. Total columns on the combined statements are captioned Memorandum only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial 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.

2. INVESTMENTS:

At June 30, 1999, the Town had treasury notes totaling \$150,161 and Certificates of Deposit totaling \$147,381. Investments in certificates of deposit are fully secured by Federal Deposit Insurance. The market values of these investments approximate cost.

3. AD VALOREM TAXES:

Ad Valorem taxes attach as an enforceable lien on property as of December 3, each year. Taxes are levied by the Town and billed to the taxpayers in December, and become delinquent on January 1, of the following year. Revenues from Ad Valorem taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Caddo Parish. For the year ended June 30, 1999, taxes of 16.12 mills were levied on property with assessed valuations totaling \$1,162,140 and were dedicated for as follows:

Debt Service	5.31 Mills
General Operating Purposes	10.71 Mills

Total taxes levied after adjustments were \$18,449. Taxes receivable at June 30, 1999 were \$75.

4. RECEIVABLE FROM OTHER GOVERNMENTS - GENERAL FUND:

Receivable from other governments in the General Fund represents amounts due for tobacco tax, and is fully collectible.

(Continued)

**TOWN OF MOORENSPORT, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**5. DEPOSITS WITH FINANCIAL INSTITUTIONS:**

Under state law, the Town may invest in United States bonds or Treasury notes and may deposit its funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana and national banks having their principal offices in Louisiana. At June 30, 1999, the carrying amount of the Town's cash deposits (including long-term certificates of deposit) was \$209,421 and the bank balances was \$235,151. This difference is due to outstanding checks at June 30, 1999.

Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the market value of the pledged securities owned by the fiscal agent bank. The 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. Deposits of \$430,260 are fully insured by federal deposit insurance.

Deposits of \$114,873 are collateralized with securities held in the name of the pledging institution and are categorized below to give an indication of the level of credit risk:

	Bank Balance
Category 1 Deposits insured or collateralized with securities held by the Town or by its agent in the Town's name.	\$ -
Category 2 Deposits collateralized with securities held by pledging financial institution's trust department or agent in the Town's name.	-
Category 3 Deposits that are uncollateralized, including any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent, but not in the town's name.	—114,873
Total	<u>\$ 114,873</u>

TOWN OF MOORINGPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1999

6. FIXED ASSETS:

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Buildings	\$ 64,864	\$ 7,470	\$ -	\$ 72,334
Improvements other than buildings	100,711	-	-	100,711
equipment	157,532	27,793	12,810	152,504
Land	47,251	-	14	47,237
<b>Total general fixed assets</b>	<u>\$ 310,358</u>	<u>\$ 35,263</u>	<u>\$ 12,824</u>	<u>\$ 332,797</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1999 follows:

Water and sewer system	\$ 1,894,942
Equipment	41,922
Land	5,383
<b>Total</b>	<u>\$ 1,942,247</u>
Less: accumulated depreciation	702,822
<b>Net property, plant, and equipment</b>	<u>\$ 1,239,425</u>

7. LONG-TERM DEBT:

The following is a summary of bond transactions of the Town of Mooringport, Louisiana for the year ended June 30, 1999:

	General Obligations	Revenue Bonds	Total
Balance, July 1, 1998	\$ 17,989	\$ 280,798	\$ 298,787
Bonds retired	4,264	5,383	9,647
Bonds Payable, June 30, 1999	<u>\$ 13,725</u>	<u>\$ 280,428</u>	<u>\$ 294,153</u>

(Continued)



**TOWN OF HOORINGSPOET, LOUISIANA**

**Notes to Financial Statements  
June 30, 1999**

**7. LONG-TERM DEBT (Continued):**

Bonds payable at June 30, 1999 are comprised of the following individual issues:

**General Obligation Bonds:**

Bonds issued May 27, 1982, in the amount of \$80,000, due in annual installments of \$5,133 beginning May 27, 1985 through the year 2002; interest at 5% on the unpaid balance. \$ 12,642

**Revenue Bonds:**

Serial bonds issued May 27, 1982, due in annual installments of \$28,811 through May 28, 2002, interest at 5% on the unpaid balance. 280,428

**Total debt** \$ 293,074

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$109,878 are as follows:

<u>Year Ending June 30</u>	<u>General Obligation</u>	<u>Revenue Bonds</u>	<u>Total</u>
2000	\$ 5,133	\$ 28,811	\$ 33,944
2001	5,133	28,811	33,944
2002	5,133	28,811	33,944
2003	=	28,811	28,811
2004	=	28,811	28,811
2005-2002	<u>=</u>	<u>274,228</u>	<u>274,228</u>
	\$ <u>15,399</u>	\$ <u>628,622</u>	\$ <u>644,021</u>

(Continued)

TOWN OF HOORINGSPORT, LOUISIANA

Notes to Financial Statements  
JUNE 30, 1999

8. GENERAL FUND - FUND BALANCES RESERVED:

At June 30, 1999 a portion of the fund balance in the General Fund was reserved for the following purposes:

Parks and recreation - reserved for development of parks and recreation.

Cemetery - reserved for perpetual care of lots in Memorial Gardens Cemetery.

Law Enforcement - reserved for unspent grant funds.

Library improvements - reserved for unspent grant funds.

9. RETIREMENT COMMITMENTS:

A. Municipal Employees' Retirement System:

1. Plan Description:

All eligible employees of the Town of Mooringsport are participants in the Municipal Employees Retirement System of Louisiana (Plan A). All employees who are working on a regularly scheduled basis of at least 26 hours per week, not participating or eligible for membership in another public funded retirement system and who are under age 60 at date of employment are eligible to participate. The plan provides retirement benefits, survivor's benefits, and disability benefits. A member may retire at age 55 with 25 years or more of creditable service. Benefits vest after 10 years of service. The monthly amount of the retirement allowance shall consist of an amount equal to 1% of the member's final compensation multiplied by his years of creditable service.

Retirement provisions include survivor's benefits and disability benefits. For any member who is eligible for normal retirement at time of death, the surviving spouse shall receive benefits for the duration of his/her life. Members must have at least 10 years of creditable service to be eligible for disability retirement. Upon retirement caused by disability, a member shall receive a normal retirement allowance if eligible therefore. If he is not eligible, he shall receive a disability benefit which shall consist of an amount equal to 1% of the member's final compensation multiplied by his years of creditable service projected to his earliest normal retirement age not to exceed 30% of his final compensation.

(Continued)

**TOWN OF MOORINGSTOWN, LOUISIANA**

**Notes to Financial Statements  
June 30, 1999**

**2. Contributions Required and Notes:**

Employees of the Town are required to pay 6.15% of their total monthly earnings. Employer contributions are 4.29% of each and every member's earnings, excluding bonuses, overtime pay, or severance pay. Total contributions to this retirement system were \$2,422 for the year ended June 30, 1999. The Town's total payroll for the year ended June 30, 1999 was \$71,442 and the Town's contribution to the above plan was based on a payroll of \$38,752.

**3. Funding Status and Progress:**

The amount of the total pension benefit obligation is based on a standardized measurement established by GASB-5 that, with some exceptions, must be used by a public retirement system. The standardized measurement is the actuarial present value of credited projected benefits. This pension valuation method reflects the present value of estimated pension benefits that will be paid in future years as a result of employee services performed to date, and is adjusted for the effects of projected salary increases. A standardized measure of the pension benefit obligation was adopted by the GASB to enable readers of financial statements to assess the funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among other retirement systems and among other employers.

Total unfunded pension benefit obligation of the Municipal Employees Retirement System as of June 30, 1999 was as follows:

Total pension benefit obligations	\$ 192,315,456
Net assets available for pension benefits	<u>310,311,350</u>
Unfunded pension benefit obligation	<u>\$ 62,004,106</u>

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 1998. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the 1999 Municipal Employees' Retirement System Comprehensive Annual Financial Report. This information is useful in assessing the plan's accumulation of sufficient assets to pay benefits as they become due.

(continued)

TOWN OF MOORINGSPOFT, LOUISIANA

Notes to Financial Statements  
June 30, 1999

10. RESTRICTED ASSETS - ENTERPRISE FUND:

Restricted assets were applicable to the following at June 30, 1999:

Bond contingency	\$	6,375
Bond debt service		81,378
Bond sinking fund		-
Bond reserve account		13,484
Customers deposits		<u>38,515</u>
Total	\$	<u>143,752</u>

11. DEFICIT BALANCES:

The Utility fund has a deficit in retained earnings of \$223,522. The Town completed major improvements to its sewer system through a community development block grant during the year ended June 30, 1999, and intends to eliminate this deficit over a period of time.

12. COMMUNITY DEVELOPMENT BLOCK GRANT:

On November 13, 1997, the Town was awarded a Community Development Block Grant for sewer improvements in the amount of \$178,332. This grant was completed during the year ended June 30, 1999. Revenues and expenditures under this grant for the year ended June 30, 1999 were \$139,328.

13. DEFERRED REVENUE:

Deferred revenue consists of grant monies that had been received at June 30, 1999 but not spent by year end.

14. YEAR 2000 ISSUES:

The internal accounting records of Town of Mooringsport are maintained on manual systems.

(Continued)

TOWN OF MONROESPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1999

15. COMPENSATION PAID TO MAYOR AND TOWN COUNCIL:

Compensation paid to the Mayor and Town Council for the year ended June 30, 1999 was as follows:

Seaglas Elder, Mayor	\$ 2,340
J. B. Nichols	3,600
Mary Ellen Gardner	400
Winard Pickering	400
Russell Perkins	50
Robert E. Galt	250
Gerritt Kruthof	300
Gloria Sims	900
Edw. Womack	300
Lynn Porter	250
Mark Pacharkie	300
	<u>10,000</u>
Total	<u>\$ 10,000</u>

# **Marsha O. Millican**

## **CERTIFIED PUBLIC ACCOUNTANT**

### **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 Douglas Elder, Mayor  
and Members of the Town Council  
Town of Mooringsport, Louisiana

I have audited the financial statements of Town of Mooringsport, Louisiana as of and for the year ended June 30, 1999, and have issued my report thereon dated November 2, 1999. 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 Mooringsport's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, provisions 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 an instance of noncompliance that is required to be reported under Government Auditing Standards and is described in the accompanying schedule of findings and questioned costs as finding #1.

#### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered Town of Mooringsport's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. 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 Town of Mooringsport's ability to record, process, summarize and report financial data consistent with the assertion of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as finding #2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. 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 reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider item #2 to be a material weakness.

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

*Martha D. Miller*

Certified Public Accountant  
November 2, 1999

TOWN OF BOONISPORT, LOUISIANA

Corrective Action Taken on Prior Year Findings  
June 30, 1992

Prior Year  
Finding: The segregation of duties is inadequate to provide effective internal control.

Cause: The condition is due to economic and space limitations.

Recommendation: No action is recommended.

Management's  
Response: No action was recommended and none was taken.



**TOWN OF MOORESDRIFT, LOUISIANA**

**Schedule of Findings and Questioned Costs  
June 30, 1992**

	<u>Finding/Noncompliance</u>	<u>questioned Costs</u>
<b>Finding #1</b>	The Town is not in compliance with the requirements of the Water & Sewer Revenue Bonds dated 5/17/81. The Water & Sewer Revenue Bonds dated 5/17/82 require the Town to make monthly deposits to a Bond Fund, a Bond Reserve Fund, and Depreciation and Contingency Fund. The required deposits to these funds were not made on a monthly basis for the months of December, 1990 through June 30, 1992.	-0-
<b>Cause:</b>	The Town Clerk directed the paying agent each month to make the deposits required by the bond issue. The paying agent did not follow the Town Clerk's directives.	
<b>Recommendation:</b>	The Town should monitor transactions in the bond fund accounts to ensure that the monthly deposits are made by the paying agent as required.	
<b>Management's Response:</b>	We will monitor monthly reports from the paying agent in order to ensure the required monthly deposits are made.	
<b>Finding #2</b>	The segregation of duties is inadequate to provide effective internal control.	-0-
<b>Cause:</b>	The condition is due to economic and space limitations.	
<b>Recommendation:</b>	No action is recommended.	
<b>Management's Response:</b>	We agree with the finding.	

# **Marsha O. Millican**

## **CERTIFIED PUBLIC ACCOUNTANT**

November 2, 1999

The Honorable Douglas Elder, Mayor  
and Members of the Town Council  
Mooringsport, Louisiana

In planning and performing my audit of the financial statements of Town of Mooringsport, Louisiana, as of and for the year ended June 30, 1999, I considered the Town's internal control in order to determine my auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assurance on internal control.

However, during my audit I became aware of several matters that are opportunities for strengthening internal controls and operating efficiency that are listed below as recommendations. I previously reported on the Town's internal control in my report dated November 2, 1998. This letter does not affect my report dated November 2, 1998, on the financial statements of Town of Mooringsport.

- Recommendation #1: The Town does not utilize purchase orders when ordering supplies. In order to strengthen internal control over purchasing, I recommend the Town use purchase orders when ordering supplies.
- Recommendation #2: The former mayor is listed as the signatory authority on two certificates of deposit owned by the Town. I recommend that all signatories be maintained on a current status.
- Recommendation #3: The Town does not budget capital outlay expenditures. I recommend that all capital outlay expenditures be budgeted.

I will review the status of these comments during my next audit engagement. I appreciate the courtesies extended to me during the course of my audit, and will be pleased to discuss that above recommendations at your convenience.

Very truly yours,

  
Certified Public Accountant

TOWN OF BROOKINGSPOET, LOUISIANA

Management's Corrective Action Plan

June 28, 1992

- Finding #1: The Town is not in compliance with the requirements of the Water & Sewer Revenue Bonds dated 5/11/82. Required monthly deposits were not made by the paying agent as directed by the Town Clerk.
- Corrective  
Action Plan: The Town Clerk will monitor monthly reports from the paying agent to ensure all conditions of the bond issues are met.
- Finding #2: The segregation of duties is inadequate to provide effective internal control.
- Corrective  
Action Plan: No action was recommended and none will be taken.
- Management Letter  
Recommendation #1: The Town should utilize purchase orders when ordering supplies.
- Corrective  
Action Plan: The Town will institute the use of purchase orders.
- Management Letter  
Recommendation #2: The signatories on all bank accounts owned by the Town should be current.
- Corrective  
Action Plan: The Mayor and Town Clerk will ascertain that signatories on all bank accounts are current.
- Management Letter  
Recommendation #3: The Town should budget all capital outlay expenditures.
- Corrective  
Action Plan: The Town will budget all capital outlay expenditures in the future.

**TOWN OF MOORINGSPORT  
LOUISIANA**

BOULDAIR BLVD  
MOORE

BOX 1  
MOORINGSPORT, LA 70001

J. J. SMITH  
TOWN CLERK  
MOORINGSPORT  
LA 70001

November 2, 1999

Marsha G. Milligan, CPA  
754 Daimell  
Shreveport, Louisiana 71104

In connection with your audit of the general purpose financial statements of the Town of Mooringsport, Louisiana as of June 30, 1999, and for the year then ended for the purpose of expressing an opinion as to whether the financial statements present fairly, in all material respects, the financial position of Town of Mooringsport, Louisiana and the results of its operations and the cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles, we confirm, to the best of our knowledge and belief, the following representations made to you during your audit:

1. We are responsible for the fair presentation in the financial statements of financial position and results of operations of Town of Mooringsport, Louisiana and the cash flows of its proprietary and similar trust fund types in conformity with generally accepted accounting principles. The financial statements include all properly classified funds and account groups of the oversight unit and all component units required by generally accepted accounting principles to be included in the financial reporting entity.
  
2. We have made available to you all:
  - a. Financial records and related data.
  
  - b. Minutes of meetings of the Town Council, or summaries of actions of recent meetings for which minutes have not yet been prepared.

3. There have been no-
  - a. Irregularities involving management or employees who have significant roles in the internal control structure.
  - b. Irregularities involving other employees that could have a material effect on the financial statements.
  - c. Communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices that could have a material effect on the financial statements.
4. We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or fund balances.
5. The following have been properly recorded or disclosed in the financial statements:
  - a. Joint ventures and related party transactions and related accounts receivable or payable, including revenues, expenditures, loans, transfers, leasing arrangements, and guarantees.
  - b. Arrangements with financial institutions involving repurchase or reverse repurchase agreements, compensating balances, or other arrangements involving restrictions on cash balances and lines-of-credit or similar arrangements.
6. There are no-
  - a. Violations or possible violations of budget ordinances, or laws or regulations (including those pertaining to adopting and amending budgets) whose effects should be considered for disclosure in the financial statements or on a basis for recording a loss contingency.
  - b. Other material liabilities or gain or loss contingencies that are required to be accrued or disclosed by Statement of Financial Accounting Standards No. 5.

6. Reservations or designations of fund equity that were not properly authorized and approved.
7. There are no unasserted claims or assessments that our lawyer has advised us are probable of assertion and must be disclosed in accordance with Statement of Financial Accounting Standards No. 5.
8. There are no material transactions that have not been properly recorded in the accounting records underlying the financial statements.
9. Provision, when material, has been made to reduce excess or obsolete inventories to their estimated net realizable value.
10. The Town of Mooringsport has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset been pledged except as made known to you and disclosed in the notes to the financial statements.
11. We are responsible for the Town of Mooringsport, Louisiana compliance with laws and regulations applicable to it; and we have identified, and disclosed to you, all laws and regulations that have a direct and material effect on the determination of financial statement amounts. We have complied with all aspects of laws, regulations, and contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
12. We have identified all accounting estimates that could be material to the financial statements, including the key factors and significant assumptions underlying those estimates, and we believe the estimates are reasonable in the circumstances.

13. No events have occurred subsequent to the balance sheet date that would require adjustments to, or disclosure in, the financial statements.

Signed: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_