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TOWN OF HARRINGTON
HARRINGTON, LOUISIANA
SEPTEMBER 30, 1997

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Released Date MAR 1 1998

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EO 12812-0008

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Mariagequin, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Mariagequin, Louisiana, as of and for the year ended September 30, 1997, as listed in the table of contents. These general purpose financial statements are the responsibility of the management of the Town of Mariagequin, Louisiana. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Because of the inadequacy of property records relating to general fixed assets and property, plant and equipment of the proprietary fund acquired and held prior to January 1, 1995, we were unable to form an opinion regarding the amounts at which such property, plant and equipment and related accumulated depreciation are recorded in the proprietary fund and the amounts at which property and equipment are recorded in the general fixed asset account group. At September 30, 1997, assets reported in the proprietary fund that were acquired and held prior to January 1, 1995, reflect an aggregate cost of \$1,193,391, accumulated depreciation of \$668,391 and current depreciation expense of \$11,963. Assets reported in the general fixed asset account group that were acquired and held prior to January 1, 1995, reflect an aggregate cost of \$661,926.

Continued...

In our opinion, except for the effects of such adjustment, if any, that might have been determined to be necessary had property records been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Maringouin, Louisiana, as of September 30, 1997, and the results of its operations and the cash flows of its proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated January 27, 1998, on our consideration of the Town of Maringouin, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Maringouin taken as a whole. The supplementary information - schedules of utility accounts receivable, water and gas rates, number of utility customers, and schedule of insurance - listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Maringouin. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects, in relation to the general purpose financial statements taken as a whole.

L. A. Chagnon, CPA, LL.P.
January 27, 1998

TOWN OF MARINGOIN, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS

September 30, 2007

	Governmental Fund Types		Proprietary	Account Groups		Total Liabilities (Net)
	General	Special Revenue		General Fund Assets	Special Proprietary Liab.	
ASSETS AND OTHER DEBIT BALANCES						
Cash and cash equivalents.....	\$ 182,379	\$ 45,507	\$ 188,887	\$ -	\$ -	\$ 407,483
Short-Term Investments.....	-	-	25,000	-	-	25,000
Accounts Receivable.....	-	-	-	-	-	-
Allowance for uncollectibles	-	-	-	-	-	-
Accounts Payable.....	60,106	8,508	1,000	-	-	138,607
Prepaid items and equipment	-	-	-	-	-	-
Net accumulated depreciation	-	-	2,087,046	779,971	-	3,788,987
Other assets.....	-	-	-	-	83,184	83,184
Amount to be provided from general revenues, resources.....	-	-	-	-	123,439	123,439
Amount to be provided for retirement of general long-term obligations.....	-	-	-	-	182,821	182,821
Total	\$ 242,485	\$ 54,015	\$ 2,200,913	\$ 779,971	\$ 182,821	\$ 4,788,184

Continued...

	Governmental Fund Types		Proprietary	Bondable Group		Totals (Governmental Only)
	General	Special Revenue		General Fund Balance	Special Fund Balance	
LIABILITIES, NET ASSETS AND OTHER CREDITS						
LIABILITIES						
Accounts payable.....	\$ 11,127	\$ 893	\$ 19,000	\$ -	\$ -	\$ 30,648
Payroll tax and retirement plan withholdings and advances... Gifts from payee.....	50	-	3,178	-	-	3,228
Unpaid expense bonds.....	1,826	-	33,893	-	-	35,719
Customer note deposits.....	-	-	-	-	65,188	65,188
Claims payable.....	-	-	-	-	332,437	332,437
Local APICs.....	-	-	1,528,078	-	-	1,528,078
Revenue bonds payable.....	-	-	-	-	381,641	381,641
	\$ 12,603	\$ 893	\$ 1,570,079	\$ -	\$ 381,641	\$ 1,952,216
NET ASSETS AND OTHER CREDITS						
Contracted capital.....	-	-	1,536,168	-	-	1,536,168
Investment in general fund asset group.....	-	-	-	775,371	-	775,371
Fund balances: reserved.....	428,807	81,176	-	-	-	510,000
unreserved.....	-	-	25,448	-	-	25,448
retained earnings: reserved.....	-	-	23,293	-	-	23,293
unreserved.....	485,907	51,176	2,879,633	775,371	-	3,141,107
	\$ 432,909	\$ 94,089	\$ 1,268,712	\$ 775,371	\$ 381,641	\$ 2,864,703

See accompanying notes

TOWN OF MARINGOUIN, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUNDS
Year Ended September 30, 1997

	Governmental Fund Type		Totals Reconciliation Only
	General	Special Revenue	
REVENUES			
Taxes:			
Property and ad valorem.....	\$ 31,098	\$ -	\$ 31,098
Sales and use.....	307,837	83,824	391,661
Municipal insurance premium.....	28,491	-	28,491
	467,426	83,824	551,250
License, permit, and franchise fees.....	55,245	-	55,245
Intergovernmental revenues:			
State of Louisiana:			
Tobacco, beer and video poker revenue.....	13,114	-	13,114
Rebate of Devolite - fire protection.....	-	3,438	3,438
	13,114	3,438	16,552
Utility service agreement fees.....	1,195	-	1,195
Grant income.....	8,886	-	8,886
Interest income.....	8,428	-	8,428
Other revenues.....	18,739	9,063	27,802
	\$22,362	\$9,501	\$31,863
EXPENDITURES			
OUTGO:			
General government.....	148,819	-	148,819
Public safety - police protection.....	108,124	-	108,124
Public safety - fire protection.....	-	48,388	48,388
Roads and streets.....	123,059	-	123,059
Capital outlay.....	38,447	21,798	60,245
Debt service - principal and interest.....	-	38,138	38,138
	418,449	68,326	486,775
EXCESS OF REVENUES OVER EXPENDITURES.....	138,131	28,318	166,449
Fund balance - beginning of year.....	291,576	37,976	329,552
Fund balance - end of year.....	\$ 429,707	\$ 66,294	\$ 496,001

See accompanying notes

TOWN OF MARINGOULIN, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES BUDGET (GAAP BASIS) AND ACTUAL - GOVERNMENTAL FUNDS
 Year ended September 30, 1997

	General Fund		Special Revenue Fund	
	Budget	Actual	Budget	Actual
REVENUES				
From:				
property and ad valorem.....	\$ 20,000	\$ 21,054	\$ 1,054	\$ -
sales and use.....	400,000	487,015	7,037	854
municipal franchise premium.....	22,800	20,400	11,880	-
	422,800	428,469	9,971	854
licenses, permits, and franchises	89,000	88,348	133,000	-
	12,800	13,118	1,118	-
	0	-	-	-
	12,800	13,118	1,118	-
	0	-	-	-
	12,800	13,118	1,118	308
	0	-	-	308
	0	-	-	-
	1,000	1,208	1,000	-
	6,000	5,000	1,100	-
	4,000	4,000	2,000	-
	10,000	10,708	4,000	40
	0	-	-	-
	89,000	88,348	133,000	3,012

Cont'd next page...

General Fund.....	Special Revenue Fund.....	
	Budget	Actual	Budget	Actual
REVENUES				
Current:				
General government.....	\$ 275,440	\$ 245,829	\$ -	\$ -
Public safety - police.....	105,000	105,124	-	-
Public safety - fire.....	-	852	-	-
Police and sheriff.....	428,790	425,859	40,000	40,000
Social and services.....	18,000	28,987	-	-
Capital outlay.....	-	-	44,000	44,000
Public utilities.....	-	-	25,000	25,000
Total current.....	818,170	818,849	113,000	113,000
Special revenue.....	-	-	-	-
Total special revenue.....	-	-	-	-
TOTAL REVENUES	\$ 818,170	\$ 818,849	\$ 113,000	\$ 113,000
Fund balances - beginning of year.....	200,000	200,000	0	0
Fund balances - end of year.....	200,000	200,000	0	0
TOTAL FUNDS	\$ 1,018,170	\$ 1,018,849	\$ 113,000	\$ 113,000

See accompanying notes

TOWN OF MARINGQUIN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND
Year Ended September 30, 1997

OPERATING REVENUES

Gas sales.....	\$	267,863	
Water Sales.....		262,850	
Sewer User fees.....		9,479	
Utility service connection fees.....		4,310	
Late payment charges.....		18,499	
Interest income.....		1,324	
Other operating revenue.....		1,871	

	\$		546,796

OPERATING EXPENSES

Gas purchased.....	143,883	
Salaries and related taxes and benefits....	73,134	
Depreciation.....	94,004	
Repairs and maintenance of systems and equipment.....	59,334	
Bad debts (recoveries) - net.....	348	
Insurance.....	18,337	
Professional services.....	34,683	
Billing supplies and expense.....	1,179	
Postage.....	1,993	
Utilities.....	15,058	
Telephones.....	1,093	
Vehicle expense.....	1,073	
Meals and leases.....	727	
Uniforms.....	1,343	
Fuel - equipment.....	71	
Taxes, licenses and permits.....	1,070	
Cash shortages.....	89	
Other operating expenses.....	1,737	

		446,979

OPERATING INCOME		110,726

Continued...

NON OPERATING REVENUE

Interest income.....	\$	452	
Other non operating revenue.....		1,853	
		-----	\$ 1,850

NON OPERATING EXPENSES

Interest on bond indebtedness.....		69,115	

NET INCOME..... 51,120

Retained earnings - beginning of year.....	449,822
Reserve under bond indenture.....	58,359
Amortization of contributed capital.....	39,610

Retained earnings - end of year.....	\$ 523,293

See accompanying notes

TOWN OF MARINGOUIN, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND
Year Ended September 30, 1997

	Budget	Actual	Variances: Favorable Unfavorable
OPERATING REVENUES			
Gas sales.....	\$ 275,000	\$ 167,862	\$ 107,138
Water Sales.....	250,000	287,888	37,888
Power Over Fees.....	5,000	5,479	479
Utility service connection fees.....	2,000	4,210	2,210
Late payment charges.....	17,000	16,499	501
Interest income.....	200	1,224	1,024
Other operating income.....	200	1,571	1,371
	566,400	645,703	79,303
OPERATING EXPENSES			
Gas purchased.....	197,000	146,883	50,117
Salaries and fringe benefits.....	84,880	79,134	5,746
Depreciation.....	155,000	94,808	60,192
Repairs and maintenance of systems and Equipment.....	58,000	89,234	(31,234)
Bad debts.....	1,800	368	1,432
Insurance.....	18,000	16,287	1,713
Professional services.....	44,000	36,583	7,417
Printing supplies and expenses.....	3,700	1,279	2,421
Postage.....	2,000	8,802	(6,802)
Utilities.....	16,000	15,858	142
Telephone.....	2,200	1,897	303
Vehicle expenses.....	2,000	2,872	(872)
Supplies and licenses.....	750	327	423
Uniforms.....	2,400	1,242	1,158
Gas and other consumables.....	200	-	200
Fuel - equipment.....	100	93	7
Taxes, licenses and premiums.....	200	1,870	(1,670)
Cash shortages.....	100	66	34
Other operating expenses.....	2,200	1,787	413
	663,180	486,371	176,809
OPERATING INCOME.....	93,220	159,332	66,112
NON OPERATING REVENUES			
Interest income.....	488	932	444
Other non operating revenues.....	2,000	1,852	148
	2,488	2,804	316

Continued...

	Budget	Actual	Variance Favorable Unfavorable
	-----	-----	-----
NON OPERATING EXPENSES			
Interest on bond indebtedness.....	\$ 44,000	\$ 48,315	\$ (4,315)
	-----	-----	-----
NET INCOME	\$ 8,458	\$ 11,100	\$ 2,642
	-----	-----	-----
Retained earnings - beginning of year....		448,922	
Reserved under bond indenture.....		18,375	
Amortization of contributed capital.....		38,802	

Retained earnings - end of year.....		\$ 523,399	

See accompanying notes

TOWN OF MARINGOUIN, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY PUBLIC UTILITY ENTERPRISE FUND
Year Ended September 30, 1997

CASH FLOWS FROM OPERATING ACTIVITIES

Operating income.....	\$	110,710
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation.....	58,008	
Other revenues.....	1,053	
Increase in accounts receivable.....	(1,640)	
Increase in accounts payable.....	1,151	
Increase in sales taxes payable.....	61	
		50,751
Net cash provided by operating activities..		160,461

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Net reduction of customer meter deposits...	(1,857)	
Net cash used in noncapital financing activities.....		(1,857)

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Additions to gas system.....	(815)	
Additions to waterworks system.....	(17,184)	
Additions to sewer system.....	(9,383)	
Equipment acquisition.....	(12,212)	
Payment on intergovernmental loan.....	(9,886)	
Principal paid on revenue bonds.....	(9,810)	
Interest paid on revenue bonds.....	(69,112)	
Contributed capital - grants.....	10,399	
Net cash used in capital and related financing activities.....		(114,492)

CASH FLOWS FROM INVESTING ACTIVITIES

Maturity of time deposits.....	59,800	
Acquisition of time deposits.....	(19,000)	
Interest income on reserve funds.....	452	
Net cash provided by investing activities..		452

NET INCREASE IN CASH

Cash and cash equivalents - beginning of year.....		91,814
Cash and cash equivalents - end of year....	\$	169,667

See accompanying notes

TOWN OF MARINGOUIN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

September 30, 1997

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General Information

The Town of Maringouin, Louisiana, was incorporated in 1907 under the provisions of the "Levee Act" (R.S. 18:121-141) of the constitution of the State of Louisiana. The Town operates under a Board of Aldermen - Mayor form of government and as permitted under the act provides police protection, fire protection, roads, streets and sidewalks, health and sanitation services, recreation facilities and programs, sponsorship of federal and state supported programs, gas, water and sewer utilities, and, other necessary public services.

Financial reporting entity

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

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

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

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

As required by generally accepted accounting principles, these financial statements present the Town of Marquette and where applicable its component units. However, there are no component units to be included either blended within the Town's funds or discretely presented in these financial statements.

Basis of presentation

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, 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 as follows:

Governmental funds:

Governmental funds of the Town include the following:

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 fund - Special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Town has a special revenue fund for the fire department.

Proprietary funds:

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

Public utility enterprise fund - The enterprise fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuous basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that the determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

A. 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, including General and Special Revenue 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 (revenues and other financial sources) and decreases (expenditures and other 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 all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements for proprietary fund types present increases (revenues) and decreases (expenses) in net total assets.

Governmental funds are maintained on the modified accrual basis of accounting wherein revenues are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy that falls within the Town's fiscal year. Sales taxes are considered measurable and are recognized in the month received by the Parish Tax Collector. Gross receipts business taxes are recognized when received. State shared revenues such as tobacco, beer and video poker taxes are recorded in the period collected by the State. Licenses, permits, fines, forfeits, and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash. Charges for services and investment earnings are recorded as earned since they are measurable and available. Revenues from State and Federal grants are recognized when the reimbursable expenditures have been incurred. Special assessments are recognized as revenues only to the extent that individual installments are considered current assets. Expenditures are recognized in the accounting period in which the liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims, and compensated absences are recorded as expenditures when paid with expendable available financial resources.

Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period incurred, if measurable.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenues susceptible to accrual

Under the modified accrual basis of accounting, some revenues are susceptible to accrual while others are not. Major revenues created as susceptible to accrual are sales taxes, property taxes, gross receipts related business taxes, and certain state shared revenues such as tobacco, beer and video poker taxes.

Budget Policies and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Clerk and Mayor prepare a proposed budget and submit same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A notice is published to inform the public that the proposed budget is available for public inspection, and that a public hearing concerning the budget is to be held.
3. A public hearing is held on the proposed budget at least ten days following publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a budget and appropriation ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Total departmental expenditures constitute the legal level of budgetary control. That is, budgetary amendments involving the transfer of funds from one department, program or function to another or those involving increases in department expenditures resulting from proposed spending of revenues that exceed amounts estimated, require approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. General and special revenue fund budgets as presented for comparison in this report are adopted under the modified accrual basis of accounting. The proprietary public utility fund budget as presented for comparison is adopted under the accrual basis of accounting. Such budgetary methods are consistent with generally accepted accounting principles (GAAP). Budgeted amounts presented are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriation.

A: **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrance accounting (under which purchase orders, contracts, and other commitments for expenditures of resources are recorded to reserve that portion of the applicable appropriations) is not utilized by the Town. Encumbrances at year end, even if utilized, would not be considered expenditures in the financial statements presented on the accrual basis.

Cash and cash equivalents

Cash includes amounts in demand deposit accounts, interest-bearing demand deposit accounts and money market accounts. Cash equivalents include amounts in savings and time deposits and certificates of deposit with original maturities of ninety days or less. Certificates of deposit with maturities of ninety days or more are classified as other time deposits.

Under state law, the Town may deposit funds in demand deposit, interest-bearing demand deposit, money market, savings or time deposit accounts of state banks organized under Louisiana laws and national banks having their principal offices in Louisiana.

Under state law, the Town may also invest in U. S. Government bonds, notes or certificates. Those with maturities of ninety days or less would be classified as cash equivalents and all others reported as investments.

For the purpose of the Statement of Cash Flows for Proprietary Funds, cash and cash equivalents include demand, savings and time deposit account balances and certificates of deposit with maturities of three months or less.

Inventories

The Town does not record any inventories of materials or supplies. These items are recorded as expenditures when purchased, rather than when consumed. Materials and supplies on hand at year end are not considered material and, accordingly, the failure to record such inventories is not considered to be a significant departure from generally accepted accounting principles.

Interfund receivables and payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables. Receivables and payables between the primary government and discretely presented component units if any, are disclosed separately from interfund balances as due to/from component units.

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Advances to other funds

Recurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

Other interfund transactions

Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions are reported as operating transfers in/out. Transfers between the primary government and discretely presented component units are reported separately from interfund transfers as transfers to/from component units.

Property, Plant and Equipment and depreciation

Fixed assets of the Town are maintained on the basis of original cost, except those arising from gifts or donations which are recorded at their fair market value at the time of receipt.

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized and reported in the general fixed assets account group. Interest costs incurred during construction of general fixed assets are not capitalized. No depreciation has been provided on the general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Public domain or infrastructure assets including roads, bridges, curbs, gutters, streets, sidewalks, drainage and lighting systems constructed or acquired prior to January 1, 1995 are not capitalized.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Interest and other financing costs incurred during construction of proprietary fund fixed assets are capitalized. Depreciation of all depreciable fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method based on estimated useful lives of the assets as follows:

Buildings and structures	10 - 25 years
Utility systems	15 - 40 years
Equipment	5 - 10 years
Furniture and fixtures	10 years
Vehicles	5 years

A: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contributed capital is recorded in the proprietary fund to account for contributions of capital assets from other governments, private developers, and others and to recognize grants and other contributed funds dedicated and restricted to the acquisition or construction of capital assets. The contributed capital is amortized based upon the depreciation recognized on the fixed assets contributed or those acquired or constructed from contributed resources. This depreciation is closed to the contributed capital account, and recorded as a retirement of contributed capital and an adjustment to net income.

Compensated absences

GASB Statement No. 16 provides that vacation leave should be accrued as a liability as the benefits are earned if the rights to receive the compensation are attributable to services already rendered and it is probable that the employee will be compensated through paid time off or cash payment upon termination or retirement. Permanent, full-time employees earn annual leave on the anniversary date of their employment based upon years of service. Such leave may not carry over or accumulate from one anniversary date to another. Therefore, only the current-year unused leave from the employees' most recent anniversary date to the current fiscal year-end is subject to accrual. This amount is not considered material and no liability is recorded in the accompanying statements.

GASB Statement No. 16 requires the accrual for sick leave to the extent it is probable that benefits will be paid in cash upon termination or retirement rather than payments for absences due to illness or other contingencies. Sick leave is earned at the rate of one day per month to a maximum of ten days per year, and no more than thirty days may be accumulated at any time. Policy provides that sick leave is paid only for designated absences and that no payment for accrued sick leave is made upon retirement or termination. Therefore, accrual of the liability for unused sick leave is not required.

Long-term obligations

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

Total columns on combined statements

Total columns on the combined statements are captioned "Memorandum Only" to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles, nor is such data comparable to consolidation. Interfund items are not eliminated from the total column.

B: CASH, CASH EQUIVALENTS AND INVESTMENTS

The following is a summary of cash, cash equivalents and investments at book value as of September 30, 1997:

Cash and cash equivalents:	
Cash on hand.....	\$ 180
Demand deposits.....	103,800
Interest-bearing savings and time deposits.....	409,343

	607,603
Other time deposits	
Certificates of deposits.....	28,500

Total cash, cash equivalents and other time deposits.....	\$ 637,103

Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by and held in the name of the depository bank under safekeeping at a custodial bank.

The Town's deposits (including demand deposit accounts, interest-bearing savings and time deposit accounts and certificates of deposits) at September 30, 1997, are summarized by collateral categories as follows:

	Carrying Amount	Book Balance
Category 1.....	\$ 145,225	\$ 145,669
Category 2.....	-	-
Category 3.....	491,878	499,699
	-----	-----
	\$ 637,103	\$ 645,368
	-----	-----

The Town's bank balance of deposits at September 30, 1997, is categorized above in three levels of credit risk. Category 1 includes bank balances insured or collateralized with securities held by the Town or its agent in the Town's name. This category includes deposits covered by federal deposit insurance. Category 2 includes bank balances collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name. Category 3 includes uncollateralized bank balances and those collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the Town's name.

Although deposits secured by pledged securities are considered uncollateralized in Category 3, RSA 29:1229 imposes a statutory requirement on the custodial bank to sell the pledged security within ten days of notification that the depository bank has failed to pay deposited funds upon demand.

B: CASE, CASE EQUIVALENTS AND INVESTMENTS (Continued)

Certain cash and investment deposit balances are restricted in that they comprise reserves that are required to be maintained under various bond indentures. See also Note J. Following is a schedule of restricted cash and investment balances at September 30, 1997:

Proprietary Fund	Amount
-----	-----
Cash and cash equivalents.....	\$ 39,440

C: PROPERTY TAXES

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, including land, are to be assessed at 25%, and public service properties, including land, are to be assessed at 25% of fair market value. Fair market value is determined by the elected assessor of the parish on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 49:1857). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to re-assess all property subject to taxation at intervals of not more than four years.

All property taxes are recorded in governmental funds, and as explained in Note A above, revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the taxes assessed for the calendar year falling within the current fiscal year are recorded as revenues. Property taxes are considered available because they are substantially collected by the tax collector within 90 days subsequent to the calendar year-end and are therefore available to liquidate liabilities of the current period.

For the fiscal year ended September 30, 1997, taxes of 5.88 mills were levied on property with assessed valuations totaling \$3,169,420, and were dedicated for general municipal purposes.

Total taxes of \$18,812 were levied on November 3, 1996, and were due and payable prior to December 31, 1996. Uncollected amounts at September 30, 1997 are not considered material.

D: RECEIVABLES

Receivables as of September 30, 1997 are scheduled as follows:

	General Fund	Special Revenue Funds	Proprietary fund
Taxes, licenses and fees			
Sales and use tax.....	\$ 22,997	\$ 9,900	\$ -
Utility franchise fees.....	13,758	-	-
	36,755	9,900	-
Intergovernmental			
State of Louisiana:			
Tobacco tax.....	1,424	-	-
Beer tax.....	1,442	-	-
Video poker.....	416	-	-
	3,282	-	-
Iberville parish:			
Fire protection tax.....	-	3,628	-
	3,282	3,628	-
Utility billings.....	-	-	90,773
Less allowance for uncollectible accounts.....	-	-	119,834
	-	-	71,939
Other.....	489	-	-
	\$ 48,198	\$ 9,528	\$ 71,939

E: FIXED ASSETS

Changes in general fixed assets for 1997 are as follows:

	Balance 9-30-96	Additions	Deletions	Balance 9-30-97
General Fixed Assets				
Land.....	\$ 96,415	\$ -	\$ -	\$ 96,415
Buildings and improvements.....	949,949	11,943	19,908	941,954
Equipment.....	98,138	27,604	-	125,742
Vehicles.....	17,408	-	-	17,408
Furniture and fixtures.....	26,954	-	-	26,954
	\$ 1,108,864	\$ 38,547	\$ 19,918	\$ 1,127,493

E. FIXED ASSETS (Continued)

A schedule of proprietary utility fund property, plant and equipment as of September 30, 1987, follows:

	Balance 9-30-86	Additions	Deletions	Balance 9-30-87
Proprietary Fund				
Land.....	\$ 8,851	\$ -	\$ -	\$ 8,851
Buildings and improvements.....	55,981	-	-	55,981
Gas distribution system.....	298,573	625	-	299,198
Water plant and distribution system.....	3,688,190	17,184	-	3,705,374
sewer system.....	756,270	8,189	-	764,459
Equipment.....	126,634	10,122	-	136,756
Vehicles.....	15,875	-	-	15,875
Furniture and fixtures.....	8,881	-	-	8,881
Less accumulated depreciation..	3,882,489	59,195	-	3,941,684
	888,210	176,690	-	1,064,900
	\$ 49,624,256	\$ 134,670	\$ -	\$ 49,758,926

Prior to fiscal year 1993, interest costs of \$24,104 had been capitalized into the water plant and distribution system.

Construction in progress for the proprietary utility fund as of September 30, 1987, is composed of the following:

	Balance 9-30-86	Additions	Projecting Completed	Balance 9-30-87
Watered waterworks system.....	\$ -	17,184	17,184	-

F. EMPLOYEES' RETIREMENT AND PENSIONS

Municipal Employees Retirement System of Louisiana (System) Plan Description. Substantially all qualified Town employees are members of the Municipal Employees Retirement System of Louisiana (System), a multiple-employer, cost sharing, defined benefit pension plan, controlled and administered by a separate Board of Trustees. The System provides retirement and disability benefits, cost-of-living adjustments, and death benefits to plan members and beneficiaries. The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70803, or by calling (504) 323-4818.

Funding Policy. Plan members are required by state statute to contribute 9.25% of their annual covered salary and the Town

F. EMPLOYEE RETIREMENT AND PENSIONS (Continued)

of Maringoula is required to contribute at an actuarially determined rate. The rate is 8.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of plan members and the Town of Maringoula are established and may not be amended by state statute. As provided by Louisiana Revised Statute 11:403, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. Town of Maringoula's contributions to the System for the years ending September 30, 1997, 1998, and 1999, were \$8,818, \$28,627, and \$8,548, respectively, which was equal to the required contributions for each year.

G. LEASES

The Town rents its phone system on a month-to-month basis since the term of the original lease has been completed. Rentals amounted to \$661 in 1997. Future obligations do not extend beyond the Town's next fiscal year.

H. LONG-TERM DEBT

Long-term liabilities that will be financed from governmental funds are accounted for in the General Long-Term Debt Account Group. The General Long-Term Debt Account Group shows only the measurement of financial position and is not involved with measurement of results of operations. Long-term liabilities of the proprietary utility fund are accounted for in that fund.

Changes in long-term debt and obligations are scheduled as follows:

	Balance 7-01-97	Additions	Payments	Balance 7-01-98
General long-term debt account group				
General obligation bond issue...	\$ 148,848	\$ -	\$ 20,288	\$ 128,560
Claims payable (Note B).....	68,188	-	-	68,188
	217,036	-	20,288	196,748
Proprietary Fund				
Loans payable - Iberville				
Waterworks Rev. Bond.....	3,000	-	3,000	-
1995 Waterworks Revenue Bond...	1,128,488	-	3,810	1,124,678
	1,131,488	-	6,810	1,124,678
	\$1,348,524	\$ -	\$ 27,098	\$1,321,426

B: LONG-TERM DEBT (Continued)

The proceeds of the general obligation bond loan were used for the construction of a new fire station. The loan dated May 4, 1993 in the original principal amount of \$219,023 is payable over ten years in monthly installments of \$2,428 including principal and variable interest at 1% over the six month U. S. Treasury Bill rate established annually on the loan anniversary date. The interest rate at September 30, 1997 was 4.09%. The loan is a general obligation of the Town secured by its full faith and credit.

The claims payable is further discussed in Note H.

The loan payable to the Iberville Parish Police Jury is described further in Note E.

The 1996 Wastewater Revenue Bond was issued on January 27, 1996 in the amount of \$1,499,000 and bears annual interest of 5.625%. The bond is payable over forty years solely from the income and revenues derived or to be derived from the operations of the Town's wastewater system. The debt is payable in monthly installments of \$6,840 including principal and interest. Under the bond indenture, the Town is required to maintain certain reserves for the routine payment of bond interest and principal and for payment of the obligation in the event of default and in certain circumstances for additions and improvements to the utility system. Additional information regarding the reserves is included in Notes E and J. The Town is in compliance with all terms of the bond agreement including the maintenance of required reserves.

The following is a summary of long-term debt at September 30, 1997, and interest requirements to maturity for all outstanding debt:

	Debt Payable 9-30-97	Interest to Maturity	Total
Intragovernmental Payable			
Claims payable - FEMA.....	\$ 62,186	\$	\$ 62,186
General Obligation Debt			
Loan payable - local bank.....	122,457	22,462	144,919
Revenue Bonds			
1996 Wastewater Revenue Bond.....	1,125,078	1,968,274	3,093,352
	\$1,311,719	\$1,990,736	\$3,302,455

8: LONG-TERM DEBT (Continued)

The annual requirements to amortize outstanding debt principal and interest as of September 30, 1997 are as follows:

Year ending September 30,	General Obligation Debt	Intergov- ernmental Payable	Revenue Bonds	Total
1998.....	\$ 29,138	\$ 80,184	\$ 72,884	\$ 182,206
1999.....	29,138		72,884	182,022
2000.....	29,138		72,884	181,838
2001.....	29,138		72,884	181,654
2002.....	27,379		72,884	100,263
2003-2007.....			362,428	362,428
2008-2012.....			362,428	362,428
2013-2017.....			362,428	362,428
2018-2022.....			362,428	362,428
2023-2027.....			362,428	362,428
2028-2032.....			362,428	362,428
2033-2035.....			361,616	361,616
	\$ 182,613	\$ 80,184	\$ 2,888,394	\$ 3,951,191

9: INTERFUND RECEIVABLES, PAYABLES AND OPERATING TRANSFERS

There were no interfund receivables or payables outstanding as of September 30, 1997. Also, there were no operating transfers between funds in fiscal 1997.

10: CAPITAL CHANGES AND RESERVED RETAINED EARNINGS

The proprietary utility fund receives contributions from federal, state, private and other sources for the purposes of acquiring or constructing capital facilities. Retirement of such capital contributions is the equivalent of the depreciation charge against the assets acquired with the funds.

The 1997 changes in contributed capital are as follows:

Source of Contributed Capital	Genl. Capital 9-30-96	Capital Cont - added	Retire- ment	Cont. Capital 9-30-97
Parsons' Home Administration - Grant				
Networks system.....	\$ 291,748	\$ 17,136	\$ 26,325	\$ 282,559
Equipment.....	"	12,000	228	12,728
State of Louisiana Community Development Block Grant - Water system.....	241,892	-	18,483	223,409
State of Louisiana Rural Development Block Grant Pipeline relocation.....	12,378	-	312	11,966
	\$ 548,018	\$ 29,136	\$ 45,146	\$ 532,008

J: CAPITAL CHARGES AND RESERVED RETAINED EARNINGS (Continued)

The various bond indentures require the maintenance of reserves to provide for the payment of bond interest and principal in the event of default and for other specified purposes. Following is a schedule of activity related to reserved retained earnings of the proprietary public utility enterprise fund:

	Balance 8-31-88	Additions	Reductions	Balance 8-31-89
1989 Waterworks Revenue Fund				
Reserve fund.....	\$ 5,769	\$ 4,135	\$ -	\$ 9,904
Contingency fund.....	8,812	4,224	-	13,036
	\$ 12,581	\$ 8,359	\$ -	\$ 20,940

K: INTERGOVERNMENTAL PAYABLE

On October 1, 1986, the Town was indebted to the Iberville Parish Police Jury in the amount of \$9,038 on a non interest bearing loan made to the Town to finance the extension of the water system to the Grady Grove School. The loan was payable in monthly installments of \$1,000 and was paid in full in 1987.

L: COMPENSATION - MEMBERS OF THE TOWN GOVERNING BOARD

In accordance with the Town's codified ordinances members of the governing board receive compensation in the amount of \$450 per month. The following, presented in compliance with Louisiana House Concurrent Resolution No. 14 of 1978, is a schedule of compensation paid board members in fiscal 1989:

Board Member	Compensation
Letha McMillan.....	\$ 5,400
Samuel C. Cellars.....	5,400
Cherise D. Sougists.....	5,400
Marcel J. Scott.....	5,400
Thomas M. Tillman.....	5,400
	\$ 27,000

M: CONTINGENCIES

From time to time the Town is involved in litigation or other legal matters in the ordinary course of business. However, no claims for amounts in excess of insurance coverages are presently pending.

As a result of a prior federal audit conducted by the Office of the Inspector General, the Federal Emergency Management Agency has

M: CONTINGENCIES (Continued)

determined that \$60,184 in costs claimed by the Town for disaster clean up were either not allowable or were not supported. This liability has been recorded in the General Long-Term Debt Account Group and is potentially payable from Current general government resources.

The Town has received other federal and state grants for specific purposes that are subject to review by the grantor agencies. Review of these programs could lead to requests for reimbursement by grantor agencies for costs, if any, that might be disallowed under the terms of the grant. Management believes that the amount of such disallowed costs, if any, would not be material.

N: COMMITMENTS

The Parish of Iberville, State of Louisiana, and the Town of Mer Rouge entered into a local services agreement to resurface public roads and streets in the Parish. The cost of resurfacing the roads and streets within the Town is estimated to be \$422,000. The Parish has agreed to fund \$178,000 of project costs attributable to the Town's streets. The Town is to repay the \$244,000, without interest, at the rate of \$8,000 per month, beginning in the first month following completion of the project.

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

To the Honorable Mayor and
Members of the Board of Aldermen
for the Town of Maringouin, Louisiana

We have audited the general purpose financial statements of the Town of Maringouin, Louisiana, as of and for the year ended September 30, 1997, and have issued our report thereon dated January 27, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Maringouin, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of findings as items 87-1 and 97-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Maringouin, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Maringouin's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as items 97-2 and 97-3.

Continued...

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 57-3 to be a material weakness.

This report is intended for the information of the management and governing body of the State of Meriaguine, Louisiana and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

F. L. Caplan, Jr., CPA, CMA, CFE

January 27, 2025

TOWN OF MARINGOUIN, LOUISIANA
SCHEDULE OF FINDINGS

Year Ended September 30, 1997

**INTERNAL CONTROL STRUCTURE AND COMPLIANCE MATTERS REPORTABLE UNDER
GOVERNMENT AUDITING STANDARDS**

37-1. Delinquent Utility Accounts

Criteria - Louisiana Attorney General Opinion 75-1860 provides that delinquent accounts receivable may not be forgiven and that all steps must be taken to collect the delinquent accounts, including the reduction of said accounts to judgement. Chapter 3, Article 4, Section 3.10 and Article 18, Section 3.10 of the Town of Maringouin's Code of Ordinances provide that water and gas may be shut off from any premises for which the bill remains unpaid for a period of ten days after the bill is rendered and mailed. These articles also state that water and gas charges shall be a lien upon the premises and property shall be sold for nonpayment.

Condition - The Town of Maringouin continues to have problems collecting delinquent water and gas accounts. At September 30, 1997, of the \$90,773 gross accounts receivable due from utility customers, \$48,235 has been in delinquent status for 30 days or more.

Effect - By not collecting utility service fees on a timely basis, the Town is losing revenues. This results in inequities in customer billings and service.

Cause - No delinquent accounts were referred to the Town Attorney in fiscal year 1997 and efforts of the collection agency have not been successful.

Recommendation - The Town should monitor those procedures regarding delinquent accounts that were adopted in November 1993. Delinquent accounts should be submitted to the Town Attorney. These accounts should also be monitored by the Town so as not to restore or transfer services to these customers until the accounts are brought current.

Management response - Mayor Carriere states that, as of November 1997, the Town of Maringouin now submits the delinquent accounts to the Town Attorney for collection. The Attorney should send a letter demanding payment to the delinquent customer. If payment is not made, the Town attorney should file suit against the customer. According to the Mayor, it is too early to determine if this process is working effectively. However, he expects this process to be more effective than using a collection agency.

Continued...

97-2. General Fixed Assets and Property, Plant and Equipment

Criteria - Louisiana Revised Statute (LSA-R.S.) 28:515 requires the Town to maintain records of all fixed assets and movable property to include the date of purchase, initial cost, and disposition of such property, if applicable. Furthermore, good business practices require that a proper fixed asset and movable property accounting system be developed to ensure that all assets are accounted for when received and safeguarded against loss or misuse.

Condition - The Town of Maringouin has not maintained adequate records of its general fixed assets and movable property. The Town has not adopted written fixed asset and movable property policies and procedures; an inventory of the Town's fixed assets and movable property has not been performed; and the assets are not tagged.

Effect - Failure to maintain an adequate inventory system subjects the Town to noncompliance with local government laws and regulations and increases the risks that assets could be lost, destroyed, or misplaced and the Town would have no record or description of the asset, assets could be subjected to loss or damage arising from unauthorized use, and assets may not be adequately insured. In addition, financial reporting in accordance with generally accepted accounting principles is not possible without fixed asset records.

Cause - The current administration has not yet completed the procedures necessary to comply with the laws requiring fixed asset records to be maintained.

Recommendation - A complete inventory and tagging of all Town property and equipment should be undertaken and the asset inventory management system and general ledger balances should be updated and adjusted to reflect all inventoried items.

Management response - The Town has begun updating its fixed asset records and has documented all additions and deletions since January 1, 1988. According to Mayor Carrière, the Town has purchased inventory tags and plans to take a complete inventory of all Town property and equipment. The asset inventory management system and general ledger balances will then be updated and adjusted to reflect all inventoried items.

97-3. Lack of Segregation of Duties

Criteria - In order to maintain effective internal controls, no one employee should have access to both physical assets and the related accounting records, or to all phases of a transaction. Consequently, the possibility exists that unintentional or intentional errors or irregularities could exist and not be promptly detected.

Condition - With respect to cash receipts, one employee, while substituting for the assistant clerk, receives cash and issues cash receipts, while her usual duties include authorizing credits on utility accounts and reviewing daily deposits.
continued...

Effect - This concentration of duties increases the risk that intentional or unintentional errors could be made and not detected within the scope of normal operations.

Cause - There is a limited number of available personnel in certain administrative areas of the Town's operations.

Management response - According to Mayor Carriere, the Town Clerk authorizes credits on utility accounts and only collects cash when the assistant clerk is out of the office. The credits, utility accounts receivable, and cash accounts are monitored on a monthly basis by the Mayor, the Treasurer, and the Board of Aldermen. The Mayor feels it would not be most effective to hire an additional employee to separate these small tasks.

TOWN OF MARINGOUIN, LOUISIANA
UTILITY ENTERPRISE FUND
 Year Ended September 30, 1997

AGED UTILITY ACCOUNTS RECEIVABLE

0 - 30	30 - 60	60 - 90	Over 90	Total
\$ 42,539	\$ 12,521	\$ 8,950	\$ 28,984	\$ 92,994

SCHEDULE OF WATER RATES

Residential - inside municipality
 \$8.88 - first 2000 gallons (minimum)
 \$.14 per 100 gallons thereafter

Residential - outside municipality
 \$10.00 - first 1000 gallons (minimum)
 \$.175 per 100 gallons thereafter

Commercial
 \$20.00 - first 1000 gallons (minimum)
 \$.175 per 100 gallons thereafter

SCHEDULE OF GAS RATES

Residential & Commercial
 \$4.60 for first 2 mcf (minimum)
 \$4.46 for next 100 mcf
 \$4.20 for next 100 mcf
 \$3.48 for next 100 mcf
 \$3.60 thereafter

*Plus cost of fuel adjustment

NUMBER OF UTILITY CUSTOMERS

Residential water inside municipality.....	619
Residential water outside municipality.....	615
Commercial water.....	58
Commercial water tank company.....	9
Meter for schools.....	2
Residential gas.....	643
Commercial gas.....	7
	2,640

TOWN OF MARINGOIN, LOUISIANA
SCHEDULE OF INSURANCE

Year Ended September 30, 1997

Policy #	Company	Policy Period	Policy Type/Coverage
880864	Commercial Insurance Agency	08/30/98 - 08/30/99	Commercial Package
880888 Fund 100 Group 88	LA Municipal Risk Management	08/01/97 - 08/01/98	Automobile Liability - no deductible \$500,000 limit Commercial General Ldb.- no deductible \$500,000 premises/operations \$500,000 aggregate \$1,000 per person medical \$10,000 per accident \$25,000 per occurrence fire liab. Law Enforcement Officers' Comprehensive Liability \$1,000 deductible per occurrence \$500,000 personal injury Public officials' errors & omissions \$1,000 deductible per occurrence \$500,000 errors & omissions
88083728	Essexville Trust & Savings Bank	08/08/97 - 08/08/98	Bond - Public Employees
88083018	Essexville Trust & Savings Bank	08/08/97 - 08/08/98	Bond - Public Employees