

TOWN OF SHOULDSBOROFT, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1986

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Release Date 1000 0 1986

Marsha G. Milliken  
Certified Public Accountant  
Shreveport, Louisiana

TOWN OF MORNINGSPORT, LOUISIANA

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# **Marsha O. Millican**

**CERTIFIED PUBLIC ACCOUNTANT**

## **INDEPENDENT AUDITOR'S REPORT**

The Honorable J. B. Nichols, 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, 1998, 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 amounts 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, 1998, 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 September 22, 1998, 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  
September 22, 1998

STATE OF MISSISSIPPI - 2001-2002

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 2002

ASSETS	Governmental Fund Types		Proprietary Fund Types		Account Groups		Totals (Memorandum Only)
	General	Capital Projects	Debt Service	Intergovernmental	General Fund	Fixed Assets	
Cash and cash equivalents	\$ 117,288	\$ 4,400	\$ -	\$ 88,238	\$ -	\$ -	\$ 199,824
Investments	194,883	-	-	-	-	-	194,883
Receivables, net of allowance for uncollectibles:							
Taxes	323	-	-	-	-	-	323
Accounts	856	-	-	18,712	-	-	19,568
Other governments	1,180	3,943	-	-	-	-	5,123
Restricted assets:							
Cash	23,945	-	15,842	115,843	-	-	149,630
Investments - at cost	88,850	-	-	8,287	-	-	97,137
Due from other funds	-	-	28,863	33,838	-	-	62,691
Buildings	-	-	-	-	66,291	-	66,291
Improvements other than buildings	-	-	-	-	300,711	-	300,711
Equipment	-	-	-	-	317,523	-	317,523
Land	-	-	-	-	47,291	-	47,291
Utility plant & equipment (net of accumulated depreciation)	-	-	-	1,884,343	-	-	1,884,343
Amount available in debt service fund	-	-	-	-	-	17,229	17,229
<b>Total Assets</b>	<b>\$ 315,324</b>	<b>\$ 8,343</b>	<b>\$ 27,221</b>	<b>\$ 2,288,263</b>	<b>\$ 391,291</b>	<b>\$ 17,229</b>	<b>\$ 2,839,631</b>

### Liabilities

Accounts payable	\$ 3,488	\$ 4,143	\$ -	\$ 4,759	\$ -	\$ -	\$ 18,836
Payable from restricted assets:							
Accrued interest on revenue bonds	-	-	-	1,298	-	-	1,298
Customers' deposits	-	-	-	50,385	-	-	50,385
Revenue bonds payable	-	-	-	289,799	-	17,999	289,699
Due to other funds	14,385	-	-	23,811	-	-	48,197
<b>Total Liabilities</b>	<b>18,874</b>	<b>4,242</b>	<b>-</b>	<b>339,012</b>	<b>-</b>	<b>17,999</b>	<b>385,113</b>

### Fund Equity

Contributed capital	-	-	-	1,451,473	-	-	1,451,473
Investment in general fund assets	-	-	-	-	151,723	-	151,723
Retained earnings:							
Reserved for revenue bond retirement	-	-	-	94,587	-	-	94,587
Conserved (deficit)	-	-	-	( 298,828)	-	-	( 298,828)
Fund Balance:							
Reserved for parks	11,556	-	-	-	-	-	11,556
Reserved for cemetery	40,708	-	-	-	-	-	40,708
Reserved for debt service	-	-	21,498	-	-	-	21,498
Unassigned	233,175	-	-	25,303	-	-	258,478

Total retained earnings/fund balances (deficit)	365,080	-	17,234	( 283,821)	-	-	88,493
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Total fund equity	365,080	-	17,234	943,262	331,213	-	1,706,891
<b>Total liabilities and fund equity</b>	<b>\$ 168,924</b>	<b>\$ 4,242</b>	<b>\$ 17,234</b>	<b>\$ 1,282,264</b>	<b>\$ 331,213</b>	<b>\$ 17,999</b>	<b>\$ 2,009,684</b>

See accompanying notes to financial statements.

TOWN OF BOONINGOPOFF, LOUISIANA

EXHIBIT 2

Combined Statement of Revenues, Expenditures, and  
Changes in Fund Balance - All Governmental Fund Types  
Year Ended June 30, 1988

	GOVERNMENTAL FUND TYPES			TOTALS (COMBINATION TOTAL)
	GENERAL	CAPITAL PROJECTS	DEBT SERVICES	
<b>Revenues:</b>				
Taxes	\$ 25,142	\$ -	\$ 5,622	\$ 30,764
Licenses and permits	23,851	-	-	23,851
Intergovernmental	5,400	28,887	-	34,287
Charges for services	10,792	-	-	10,792
Fines and penalties	28,132	-	-	28,132
Miscellaneous	22,518	-	288	22,806
<b>Total revenues</b>	<b>125,835</b>	<b>28,887</b>	<b>5,910</b>	<b>159,632</b>
<b>Expenditures:</b>				
Currents:				
General government	78,188	-	-	78,188
Public safety	28,781	-	-	28,781
Streets	8,488	-	-	8,488
Sanitation	12,570	-	-	12,570
Debt Services:				
Principal retirement	-	-	3,890	3,890
Interest and finance	-	-	1,142	1,142
Charges	-	-	-	-
Capital projects	-	28,887	-	28,887
<b>Total expenditures</b>	<b>125,551</b>	<b>28,887</b>	<b>5,032</b>	<b>159,470</b>
<b>Excess of revenues over</b>				
<b>expenditures</b>	<b>28,284</b>	<b>-</b>	<b>778</b>	<b>29,062</b>
<b>Fund balance - beginning</b>				
<b>of year</b>	<b>280,268</b>	<b>-</b>	<b>26,422</b>	<b>306,690</b>
<b>Fund balance - end of year</b>	<b>\$ 308,552</b>	<b>\$ -</b>	<b>\$ 27,200</b>	<b>\$ 335,752</b>

See accompanying notes to financial statements.

2001-02 HOUSING-RELATED PROGRAMS

Consolidated Statement of Revenues, Expenditures, and Changes

in Fund Balance - Budget (MAY BUDGET) and Actual -

General and Loan Services Funds

May Budget Year - 2001-2002

	GENERAL FUND		HOUSING-RELATED PERMANENT FUND		DEBT SERVICE FUND		HOUSING-RELATED PERMANENT FUND	
	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL	BUDGET	ACTUAL
Revenues:								
State	44,000	28,242	0	17,420	0	0	0	0
Licenses and permits	16,000	16,000	0	0	0	0	0	0
Miscellaneous	2,000	0	0	0	0	0	0	0
Changes for services	20,000	18,000	0	0	0	0	0	0
Fees and penalties	20,000	20,000	0	0	0	0	0	0
Miscellaneous	0	12,000	0	11,000	0	11,000	0	11,000
Total revenues	122,000	144,242	0	17,420	0	11,000	0	11,000
Expenditures:								
General:								
Social services	0	70,700	0	0	0	0	0	0
Public utility	20,000	20,000	0	7,810	0	0	0	0
Transportation	0	0	0	0	0	0	0	0
Utilities	10,000	0	0	0	0	0	0	0
Debt services	0	0	0	0	0	0	0	0
Miscellaneous	0	0	0	0	0	0	0	0
Total expenditures	30,000	90,700	0	7,810	0	0	0	0
Total expenditures	30,000	90,700	0	7,810	0	0	0	0
Income of revenues over expenditures	92,000	53,542	0	10,000	0	11,000	0	11,000
Fund balance beginning of year	345,000	345,000	0	0	0	0	0	0
Fund balance end of year	437,000	398,542	0	10,000	0	11,000	0	11,000

The accompanying notes to financial statements.

## TOWN OF HOOLINGROVE, LOUISIANA

Statement of Revenues, Expenses, and Changes in  
Retained Earnings (Deficit) - Proprietary Fund Type  
Year Ended June 30, 1998

Operating revenues:	
Charges for sales and services	\$ 120,496
Miscellaneous revenues	<u>3,554</u>
Total operating revenues	<u>124,050</u>
Operating expenses:	
Costs of sales and services	91,749
Administration	3,207
Depreciation	<u>53,873</u>
Total operating expenses	<u>148,829</u>
Operating (loss)	<u>( 24,779)</u>
Non-operating revenues (expenses):	
Interest income	3,463
Interest expense	<u>( 14,581)</u>
Total non-operating revenues (expenses)	<u>( 11,118)</u>
Net (loss)	<u>( 35,897)</u>
Retained earnings (deficit) - beginning of year	<u>( 173,024)</u>
Retained earnings (deficit) - end of year	<u>\$ 281,923</u>

See accompanying notes to financial statements.



## TOWN OF ROCKESBURG, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type  
Year Ended June 30, 1998

Cash flows from operating activities:	
Cash received from customers	\$ 124,201
Cash payments to suppliers and employees	( 54,468)
Other operating income	<u>3,344</u>
Net cash provided by operating activities	<u>33,337</u>
Cash flows from investing activities:	
Maturities of investments	8,500
Purchases of investments	( 9,287)
Interest received on investments	<u>3,362</u>
Net cash provided by investing activities	<u>3,422</u>
Cash flows from capital and related financing activities:	
Principal paid on revenue bonds and certificates of indebtedness	( 4,301)
Interest paid on revenue bonds and certificates of indebtedness	( 14,829)
Net cash used by capital and related financing activities	<u>( 19,130)</u>
Net increase in cash	17,629
Cash and cash equivalents, July 1, 1997 (including \$115,135 in restricted accounts)	<u>160,222</u>
Cash and cash equivalents, June 30, 1998 (including \$125,843 in restricted accounts)	<u>183,321</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating (loss)	\$( 17,789)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	83,873
Changes in assets and liabilities:	
Increase in accounts receivable	( 4,485)
Increase in due from other funds	( 1,300)
Increase in customer deposits	1,350
Increase in accounts payable	<u>1,888</u>
Net cash provided by operating activities	<u>\$ 33,337</u>

See accompanying notes to financial statements.

## TOWN OF MOORINGSPOET, LOUISIANA

Notes to Financial Statements  
June 30, 1998

The Town of Mooringsport, was incorporated in 1824 under the provisions of the Louisiana 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 MONROE, LOUISIANA

Notes to Financial Statements  
June 30, 1988

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 60 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 as 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.

These 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 MOORINGSPOKT, LOUISIANA

NOTES to Financial Statements  
June 30, 1958

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 amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the 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 Debts. Uncollectible amounts due for ad valorem taxes and customers' utility 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 MOORINGSPOUT, 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 MOCKINGBROOK, LOUISIANA

Notes to Financial Statements  
June 30, 1988

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:

Water, sewer, and gas system	18 - 48 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, 1988, the Town had treasury notes totaling \$183,248 and certificates of deposit totaling \$108,351. 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 1, 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 Calde Parish. For the year ended June 30, 1988, taxes of 16.22 mills were levied on property with assessed valuations totaling \$1,138,930 and were dedicated for as follows:

Debt Service	3.21 Mills
General Operating Purposes	13.01 Mills

Total taxes levied after adjustments were \$18,373. Taxes receivable at June 30, 1988 were \$323.

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 MONROESPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1998

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 law and national banks having their principal offices in Louisiana. As June 30, 1998, the carrying amount of the Town's cash deposits (including long-term certificates of deposit) was \$438,965 and the bank balance was \$455,263. This difference is due to outstanding checks at June 30, 1998.

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 \$485,734 are fully insured by federal deposit insurance.

Deposits of \$48,565 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.	48,565
Total	<u>\$ 48,565</u>

(Continued)

**TOWN OF MOORINGSPORT, LOUISIANA**

**Notes to Financial Statements  
June 30, 1998**

**6. FIXED ASSETS:**

A summary of changes in general fixed assets follows:

	Balance July 1, 1997	Additions	Deletions	Balance June 30, 1998
Buildings	\$ 44,201	\$ -	\$ -	\$ 44,201
Improvements other than buildings	109,711	=	=	109,711
Equipment	137,522	=	=	137,522
Land	<u>47,398</u>	<u>-</u>	<u>-</u>	<u>47,398</u>
 Total general fixed assets	 <u>\$ 338,832</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 338,832</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1998 follows:

Water and sewer system	\$ 1,739,800
Equipment	41,822
Land	<u>2,308</u>
 Total	 \$ 1,783,930
 Less:--accumulated depreciation	 <u>711,762</u>
 Net property, plant, and equipment	 <u>\$ 1,072,168</u>

**7. LONG-TERM DEBT:**

The following is a summary of bond transactions of the Town of Mooringsport, Louisiana for the year ended June 30, 1998:

	General Obligation	Revenue Bonds	Total
Balance, July 1, 1997	\$ 21,000	\$ 292,000	\$ 314,000
Bonds retired	<u>2,222</u>	<u>2,222</u>	<u>4,444</u>
Bonds Payable, June 30, 1998	<u>\$ 18,778</u>	<u>\$ 286,738</u>	<u>\$ 305,516</u>

(Continued)



TOWN OF HOOGERSPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1988

7. LONG-TERM DEBT (Continued):

Bonds payable at June 30, 1988 are comprised of the following individual issues:

General Obligation Bonds:

Bonds issued May 27, 1982, in the amount of \$60,000, due in annual installments of \$5,133 beginning May 27, 1985 through the year 2002; interest at 5% on the unpaid balance. \$ 37,988

Revenue Bonds:

Serial bonds issued May 27, 1980, due in annual installments of \$20,811 through May 20, 2002; interest at 5% on the unpaid balance. 288,780

\$ 326,768

The annual requirements to amortize all debt outstanding as of June 30, 1988, including interest payments of \$215,386 are as follows:

<u>Year</u> <u>Ending</u> <u>June 30</u>	<u>General</u> <u>Obligation</u>	<u>Revenue</u> <u>Bonds</u>	<u>Total</u>
1990	\$ 5,133	\$ 20,811	\$ 25,944
2000	5,133	20,811	25,944
2001	5,133	20,811	25,944
2002	5,133	20,811	25,944
2003	-	20,811	20,811
2004-2002	<u>-</u>	<u>180,400</u>	<u>180,400</u>
	<u>\$ 20,532</u>	<u>\$ 400,400</u>	<u>\$ 420,932</u>

(continued)

TOWN OF HOORINGSPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1998

8. GENERAL FUND - FUND BALANCES RESERVED:

At June 30, 1998 a portion of the fund balances 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.

9. RETIREMENT COMMITMENTS:

A. Municipal Employees' Retirement System:

1. Plan Description:

All eligible employees of the Town of Hooringsport 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 30 hours per week, not participating or eligible for membership in another public funded retirement system and who are under age 65 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 39% of his final compensation.

TOWN OF MOONINGSPORT, LOUISIANA

Notes to Financial Statements  
June 30, 1997

2. Contributions Required and Made:

Employees of the Town are required to pay 5.25% of their total monthly earnings. Employer contributions are 4.25% of each and every member's earnings, excluding bonuses, overtime pay, or severance pay. Total contributions to this retirement system were \$3,590 for the year ended June 30, 1996. The Town's total payroll for the year ended June 30, 1996 was 67,238 and the Town's contribution to the above plan was based on a payroll of \$38,288.

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, 1997 was as follows:

Total pension benefit obligations	\$ 404,327,383
Net assets available for pension benefits	<u>344,313,961</u>
unfunded pension benefit obligation	<u>\$ 60,013,422</u>

The measurement of the total pension benefit obligation is based on an actuarial valuation as of June 30, 1997. Net assets available to pay pension benefits were valued as of the same date.

Ten-year historical trend information is presented in the 1997 Municipal Employee's 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.

TOWN OF MOOREHOMET, LOUISIANA

Notes to Financial Statements  
June 30, 1988

10. RESTRICTED ASSETS:

Restricted assets were applicable to the following at June 30, 1988:

Bond contingency	\$ 7,987
Bond debt service	61,266
Bond sinking fund	4,747
Bond reserve account	12,643
customers deposits	<u>38,987</u>
Total	<u>\$124,630</u>

11. DEFICIT BALANCE:

The Utility fund has a deficit in retained earnings of \$201,931. The Town, through increased fees and reduced overhead and operating costs, intends to eliminate this deficit over a period of time.

12. COMMUNITY DEVELOPMENT BLOCK GRANT

On November 11, 1987, the Town was awarded a Community Development Block grant for sewer improvements in the amount of \$ 175,333. Revenue and expenditures under this grant for the year ended June 30, 1988 were \$ 28,697.

TOWN OF MOCKINGBROOK, LOUISIANA

Schedule of Compensation Paid -  
Mayor and Town Council  
For the Year Ended June 30, 1998

J. B. Nichols, Mayor	\$	3,000
Mary Ellen Gardner		600
Randell Perkins		600
Robert Lowry		300
Mirard Pickering		600
Douglas Elder		<u>600</u>
Total	\$	<u>6,200</u>

# **Marsha O. Millican**

## **CERTIFIED PUBLIC ACCOUNTANT**

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

The Honorable J. B. Nichols, 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, 1998, and have issued my report thereon dated September 22, 1998. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

#### **Compliance**

As part of obtaining reasonable assurance about whether Town of Mooringsport's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement accounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

#### **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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in accounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

I noted a certain matter involving the internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect Team of Mooringsport's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Findings:	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:	We concur with the finding.

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

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I noted the following reportable condition that I believe to be a material weakness as defined above:

Findings:	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:	We concur in the finding.

This report is intended for the information of management, Town Council, and Legislative Auditor and should not be used for any other purpose.

*Margie D. Melvin*

certified Public Accountant  
September 22, 1998