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STATE OF LOUISIANA
REPORT ON STATE
OF GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1968

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Release Date ~~1968-2-6~~ 1968

STATE OF INDEPENDENCE, MONTGOMERY

YEAR ENDED JUNE 30, 1999

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Durnin & James

CHARTERED PUBLIC ACCOUNTANTS

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Chartered Accountants

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1500 E. 12th, CPAA

Member
Institute of Accountants
Chartered Public Accountants

August 14, 1988

Independent Auditor's Report

Honorable Phillip P. Tomjara, Mayor
and the Members of the Board of Aldermen
Town of Independence, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Independence, Louisiana, as of June 30, 1988, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Independence, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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. These 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 financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Independence, Louisiana, as of June 30, 1988, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 14, 1988, on our considerations of the Town of Independence's internal control over financial reporting and our tests of the 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 Independence, Louisiana taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents as supplementary information including the accompanying schedule of expenditures of federal awards required by U.S. Office of Management and Budget Circular 4-723, Radio of States, Local Governments, and Non-Profit Organizations, are presented for purposes of additional analysis and are not as required

TOWN OF INDEPENDENCE, LOUISIANA

part of the general purpose financial statements of the Town of Independence, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, 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 respective general purpose financial statements taken as a whole.

The financial information for the preceding year which is included for comparative purposes was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose financial statements of the Town of Independence, Louisiana.

Respectfully submitted,


DURBIN & JONES, CPAs

GENERAL PURPOSE FINANCIAL STATEMENTS
COMBINED STATEMENTS - OVERVIEW

TOTAL OF DISBURSANCE

EXHIBIT A

ORDERED DISBURSMENT - ALL FUND TYPES, INC. ACCOUNT GROUP

FISCAL YEAR 2010

ACCOUNT	GENERAL FUND		SPECIAL SERVICES		DEBT		SPECIAL INVESTMENT		GENERAL INVESTMENT		TOTAL	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
GRAND TOTAL	\$ 17,447	100.00%	\$ 145,273	100.00%	\$ -	0.00%	\$ -	0.00%	\$ 654,399	100.00%	\$ 824,119	100.00%
Accountants	15,100	86.62%	145,273	100.00%	-	-	-	-	399,442	48.45%	554,715	67.31%
Administrative	-	-	-	-	-	-	-	-	25,000	3.06%	25,000	3.04%
Capital	-	-	-	-	-	-	-	-	25,000	3.06%	25,000	3.04%
Construction	-	-	-	-	-	-	-	-	487,643	59.29%	487,643	59.29%
Debt	-	-	-	-	-	-	-	-	4,875	0.59%	4,875	0.59%
Electricity	-	-	-	-	-	-	-	-	2,000	0.24%	2,000	0.24%
Food	7,447	42.75%	127,300	87.65%	-	-	-	-	344,315	42.23%	471,055	57.15%
Gas	11,400	65.41%	24,000	16.52%	-	-	-	-	204,438	25.13%	339,838	41.23%
Health	-	-	25,000	17.21%	-	-	-	-	38,412	4.65%	63,412	7.71%
Information Technology	-	-	25,000	17.21%	-	-	-	-	25,000	3.06%	50,000	6.07%
Insurance	-	-	-	-	1,487,477	100.00%	-	-	4,028,410	49.48%	5,515,887	66.92%
Interest	-	-	-	-	-	-	-	-	62,381	7.69%	62,381	7.57%
Legal	-	-	-	-	-	-	-	-	-	-	-	-
Liability	-	-	-	-	1,450,000	100.00%	-	-	150,289	18.65%	1,600,289	19.42%
Materials	-	-	-	-	-	-	-	-	117,700	14.47%	117,700	14.28%
Medical	11,400	65.41%	-	-	-	-	-	-	-	-	-	-
Miscellaneous	31,147	178.53%	-	-	-	-	-	-	-	-	-	-
Office	31,147	178.53%	25,000	17.21%	-	-	-	-	32,249	3.99%	88,396	10.72%
Printing	-	-	25,000	17.21%	-	-	-	-	200,000	24.45%	250,000	30.45%
Professional	-	-	-	-	-	-	-	-	-	-	-	-
Public Works	-	-	-	-	-	-	-	-	-	-	-	-
Real Estate	-	-	-	-	-	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-	-	-	-	-	-
Travel	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	-	-	-	-	-	-	-	-	-	-	-
Wages	-	-	-	-	-	-	-	-	-	-	-	-
Water	-	-	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL	\$ 17,447	100.00%	\$ 145,273	100.00%	\$ -	0.00%	\$ -	0.00%	\$ 654,399	100.00%	\$ 824,119	100.00%

10/27/2010

TYPE OF INFORMATION

EXHIBIT A

FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - ALL INFORMATION FOR YEARS

For the Year Ended June 30, 1966

	REVENUES FOR YEAR			TOTAL	
	1965		1966	1965	
	1964-65	1965-66		1964-65	1965-66
REVENUES:					
Taxes	\$ 41,200	\$ 112,700	\$ -	\$ 149,873	\$ 149,700
Miscellaneous and Permits	110,000	-	-	110,000	110,770
Intergovernmental	15,500	-	-	15,500	120,220
Fees and Profits	2,700	-	-	2,700	19,490
Income Taxes	70,000	-	-	70,000	40,570
Interest	1,100	10,000	2,700	16,200	16,700
On behalf payments by state municipalities	17,100	-	-	17,100	14,200
	<u>48,600</u>	<u>122,700</u>	<u>2,700</u>	<u>184,873</u>	<u>185,280</u>
Total Revenues	\$ 48,600	\$ 122,700	\$ 2,700	\$ 184,873	\$ 185,280
EXPENDITURES:					
Current:					
General Revenues	\$ 300,500	\$ 10,000	\$ -	\$ 310,500	\$ 275,000
Public Safety	200,000	-	-	200,000	170,000
Waste and Public	21,000	-	-	21,000	21,000
Public Works	75,000	-	-	75,000	10,000
Public and Public	-	-	-	-	-
Other	6,000	600	-	6,600	100,000
Capital Expenditures	40,000	-	-	40,000	10,000
Net Increase	<u>18,500</u>	<u>10,000</u>	<u>10,000</u>	<u>38,500</u>	<u>38,000</u>
Total Expenditures	\$ 640,000	\$ 20,600	\$ 10,000	\$ 670,600	\$ 563,000
Income Deficiency of revenues over Expenditures	- 200,000	20,000	10,000	10,000	10,000
Other Financing Transactions:					
Operating Activities in operating transactions net	\$ 200,000	\$ -	\$ 10,000	\$ 210,000	\$ 200,000
Long Term Debt	-	1,000,000	-	1,000,000	1,000,000
Grants from operating units	-	-	-	-	-
Payment in kind bonds	-	-	-	-	-
Total Other Financing	<u>200,000</u>	<u>1,000,000</u>	<u>10,000</u>	<u>1,210,000</u>	<u>1,200,000</u>
Income Deficiency of Revenues and Other Financing over Expenditures and Other Financing	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0
Net Increase at Beginning of Year	<u>18,500</u>	<u>10,000</u>	<u>10,000</u>	<u>38,500</u>	<u>38,000</u>
Fund Balance at End of Year	<u>18,500</u>	<u>20,000</u>	<u>20,000</u>	<u>58,500</u>	<u>76,000</u>

The accompanying notes are an integral part of this statement.

STATE OF TEXAS

1985

GENERAL STATEMENT OF REVENUES, EXPENDITURES, ENCUMBRANCES, AND BALANCES - FISCAL YEAR 1985

For the year ended June 30, 1985

ACCOUNTS	GENERAL FUND		SPECIAL REVENUE FUND		STATE FUND		TOTAL	
	REVENUE	EXPENDITURE	REVENUE	EXPENDITURE	REVENUE	EXPENDITURE	REVENUE	EXPENDITURE
REVENUE	\$ 81,142	\$ 81,483	\$ 7,253	\$ 173,000	\$ 8,719	\$ 881,545	\$ 97,114	\$ 866,028
Interest and dividends	25,152	25,843	2,341	-	-	27,493	28,184	27,493
Royalties	11,715	12,014	1,489	-	-	13,204	13,518	13,204
Fines and forfeitures	44,189	44,626	4,963	-	-	49,152	49,626	49,152
Other	1,087	980	2,259	-	-	3,346	2,980	3,346
Grants	1,155	1,024	2,259	25,000	4,411	21,724	24,974	21,724
Miscellaneous	8,853	8,002	1,152	-	-	10,005	8,002	10,005
ENCUMBRANCES	\$ 281,719	\$ 429,781	\$ 41,133	\$ 249,130	\$ 11,747	\$ 421,879	\$ 334,599	\$ 602,790
EXPENDITURES	\$ 171,485	\$ 198,892	\$ 11,489	\$ 21,609	\$ 1,128	\$ 184,125	\$ 184,125	\$ 21,733
Salaries	141,265	148,714	21,181	-	-	162,446	148,714	162,446
Travel	13,116	13,116	80,000	-	-	93,116	13,116	93,116
Printing	11,187	11,187	87	-	-	11,274	11,187	11,274
Supplies and books	1,118	1,118	-	-	-	1,118	1,118	1,118
Utilities	1,118	1,118	-	-	-	1,118	1,118	1,118
Telephone	1,118	1,118	-	-	-	1,118	1,118	1,118
Repairs and maintenance	1,118	1,118	-	-	-	1,118	1,118	1,118
Contractual	1,118	1,118	-	-	-	1,118	1,118	1,118
Miscellaneous	1,118	1,118	-	-	-	1,118	1,118	1,118
Capital outlay	1,118	1,118	-	-	-	1,118	1,118	1,118
Debt service	1,118	1,118	-	-	-	1,118	1,118	1,118
Total	\$ 171,485	\$ 198,892	\$ 11,489	\$ 21,609	\$ 1,128	\$ 184,125	\$ 184,125	\$ 21,733
Balance (deficiency) at beginning of year	\$ 111,429	\$ 128,640	\$ 34,449	\$ 251,480	\$ 8,692	\$ 1,479	\$ 154,669	\$ 164,669
Balance at end of year	\$ 189,142	\$ 200,071	\$ 21,222	\$ 273,079	\$ 7,564	\$ 269,650	\$ 216,711	\$ 285,402
Change (increase) in balance	\$ 77,713	\$ 71,431	\$ 16,773	\$ 221,599	\$ 1,472	\$ 267,951	\$ 61,142	\$ 120,733

OTHER INFORMATION: OF REVENUES AND EXPENDITURES FROM DEPARTMENT OF TRANSPORTATION AND PUBLIC SAFETY

State Revenue of Department of Transportation and Public Safety

State Revenue of Department of Transportation and Public Safety

State Revenue of Department of Transportation and Public Safety

State Revenue of Department of Transportation and Public Safety

STATEMENT OF CASH FLOWS - INTERIMINARY PERIODS

For the Years Ended June 30, 1997 and 1997

	1996	1997
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ 33,828	\$ 13,843
Adjustments to Reconcile Operating Loss to Net Cash Used in Operating Activities:		
Depreciation	58,771	38,790
Changes in Assets and Liabilities:		
Decreased (Increase) in Accounts Receivable	(8,211)	(4,047)
(Increased) Increase in Accounts Payable	488	-
(Increased) Decrease in Sales Tax Receivable	-	1 583
Increase (Decrease) in Accounts Payable	6,540	1 2,140
Increase (Decrease) in Customer Deposits Payable	2,840	1 2,200
Increase (Decrease) in Accounts Payable	1 30	1 100
Increase (Decrease) in Construction Payables	1 288,200	288,100
TOTAL ADJUSTMENTS	<u>41 88,818</u>	<u>4 288,626</u>
NET CASH USED IN OPERATING ACTIVITIES	(\$ 54,982)	4 304,883
Cash Flows From Noncapital Financing Activities:		
(Increase) Decrease in Due from Other Funds	(75,228)	(-)
Increase (Decrease) in Due to Other Funds	1 14,000	1 4,804
(Increase) Increase in Due from Other Governments	1 38,772	1 182,809
Operating Transfer In	-	38,800
Operating Transfer Out	1 31,104	1 38,800
NET CASH PROVIDED BY NONCAPITAL FINANCING ACTIVITIES	41 47,440	41 189,613
Cash Flows From Capital and Related Financing Activities:		
Construction of Capital Assets	15,820,000	1 488,800
Proceeds from sale of Bond Anticipation Notes	828,712	128,507
Purchase of Equipment	-	(6,957)
Proceeds from Sale of Some Revenue Bonds	878,000	-
Capital Lease Obligation Principals Paid	-	(2,774)
Dedicated Sales Tax Revenue (3/29 1990 Tax)	20,247	32,508
Principal Payments on Bond Anticipation Notes	(808,288)	-
Revenue Bond Principal Paid	(24,488)	(15,000)
Interest Paid	(38,100)	(5,135)
Purchase of Land	-	-
Capital Grants Received	1 218,134	218,858
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	1 184,927	1 144,943
Cash Flows from Investing Activities:		
Interest Earned on Investments	(12,065)	(2,508)
Purchase of Investments	(88,000)	(88,000)
Proceeds from Maturity of Investments	88,000	88,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	5 12,000	5 12,000

CONTINUED

YORK OF MASSACHUSETTS
 STATEMENT OF CASH FLOWS - FORTY-NINTH FUND YEAR 1997/1998

PAGE 2
 CONTINUED

FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
Increase (Decrease) in Cash	\$ 45,524	\$ 85,718
Cash at beginning of year	133,362	133,684
Cash at end of year	<u>\$ 178,886</u>	<u>\$ 219,402</u>
Reconciliation of Cash Accounts:		
Unrestricted Cash	\$ 189,373	\$ 128,813
Restricted Cash	<u>89,513</u>	<u>90,589</u>
Total Cash	<u>\$ 278,886</u>	<u>\$ 219,402</u>

The accompanying notes are an integral part of this statement.

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June 30, 1968

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FORM OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS

APR 18, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Independence, Louisiana (the "Town") was incorporated under the provisions of the Louisiana Act. The Town operates under a Mayor-Board of Aldermen form of government. The Town provides the following services: public safety (police and fire), streets, drainage, sanitation, culture-recreation, public improvements, planning and zoning, and general and administrative services. Other services include water and sewer services.

The accounting and reporting policies of the Town of Independence conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, *Audits of State and Local Governmental Units*.

The following is a summary of certain significant accounting policies:

A. FINANCIAL REPORTING ENTITY

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

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Independence for financial reporting purposes. The basic criterion 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. Those criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town Council to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the town council.
2. Organizations for which the Town Council does not appoint a voting majority but are financially dependent on the Council.
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.

TYPE OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Based on the application of the above criteria, it was determined the Town of Independence has no potential component units. As a result, this report includes all funds and account groups which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on 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.

B. FUND ACCOUNTING

The accounts of the Town of Independence 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 the assets, liabilities, fund equity, revenues, and expenditures, or expense, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into five general fund types and two trust fund categories as follows:

GOVERNMENTAL FUNDS

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

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds and trust funds).

PROPRIETARY FUNDS

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

TYPE OF INSTRUMENT

NOTE TO FINANCIAL STATEMENTS CONTINUED

6. PROPERTY, PLANT AND EQUIPMENT AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (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.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to include amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and liabilities (whether current or noncurrent) associated with their activities are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components.

Depreciation of all depreciable fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility -	
Mains	20 Years
Storage Tanks	40 Years
Lines and Motors	40 Years
Sewerage Utility -	
Pump Stations	20 Years

FORM OF INTERESTS

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Lines	60 Years
Trucks and Equipment	5 Years
Garbage collection system	10 Years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date denoted.

The town capitalizes the amount of interest paid during the construction of a project and then amortizes, over the useful life of the asset, the interest capitalized.

D. BASIS OF ACCOUNTING

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting refers to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available or not current assets. Temporary-assessed income, grants receivable, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. All major revenues are measurable in annual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fixed liability is incurred. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued (Note 11-31), (2) principal and interest on long-term debt, which is recognized when due; and (3) expendable operating supplies which are recorded as expenditures at the time of purchase under the "purchase method" (Note 11-31).

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility services receivable for the water and sewer enterprise fund are not recorded at year end as the amount is not material. The town applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1988, unless those pronouncements conflict with or contradict GASB pronouncements.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and

FORM OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS CONTINUED

Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year. The proposed budget for the year ended June 30, 1998, was submitted to the Board of Aldermen on May 12, 1997.

3. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called. The proposed budget for the year ended June 30, 1998, was published in the official journal on May 27, 1997.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing on the proposed budget for the year ended June 30, 1998, was held on June 10, 1997.
4. After holding the public hearing and completion of all actions necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance. The proposed budget for the year ended June 30, 1998, was adopted by ordinance on June 18, 1997.
5. Budgetary amendments involving the transfer of funds from one Department, program or Division to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen. The budget for the year ended June 30, 1998, was not amended.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the general and special revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). A budget was also adopted for the Water and Sewer Enterprise Fund. Formal budgetary integration is not employed for Solid Service Funds because effective budgetary control is alternatively achieved through general obligation bond indenture provisions.

F. CASH AND INVESTMENTS

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the Town may deposit 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.

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

As reflected on Exhibit A, the Town of Independence has cash totaling \$602,349 and investments totaling \$308,481 at June 30, 1998. Under state law, these deposits must be secured by Federal Deposit Insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the

FORM OF INTEREST

NOTE 20. FINANCIAL STATEMENTS CONTINUED

Notes of the fiscal agent bank has pledged to the Town. The following is a summary of cash and investments bank balances at June 30, 1998, with the related federal deposit insurance and pledged securities:

	CONTINUED		
	CASH BALANCE JUNE 30, 1998	FDIC INSURANCE	SECURITIES BALANCE
Cash:			
Demand Deposits	\$ 1,844	\$ -	\$ 1,844
Interest Bearing Demand deposits	551,858	180,800	550,450
Time Deposits	<u>48,392</u>	<u>-</u>	<u>48,391</u>
Total Cash	\$ 714,094	\$180,800	\$ 712,685
Investments:			
Certificate of deposit	<u>218,482</u>	<u>180,800</u>	<u>218,481</u>
Total	\$180,134	\$260,800	\$ 403,134
Unaccrualized -			
Securities in the Name of and Held by the Fiscal Agent Pledged to the Town			1,122,800
Notes of FDIC Insurance and Pledged Securities over Cash and Investment Bank Balances			<u>2,180,134</u>

Even though the pledged securities are considered unaccrualized Category 31 under the provisions of GASB Statement 3, Louisiana Revised Statute 28:1229 imposes a statutory requirement on the custodial bank to advise and mail the pledged securities within 30 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

D. INVENTORY

The Town utilizes the "purchase method" of accounting for supplies in governmental funds whereby expendable operating supplies are recognized as expenditures when purchased. The Town did not record any inventory at June 30, 1997, as the amount is not material.

E. ACCUMULATED COMPENSABLE BENEFITS

The Town's policy is to allow employees' vacation pay based on employee classification and length of service. Vacation pay is non-accumulative with any unpaid amounts paid to employees upon separation from Town's service. In governmental funds, the cost of vacation pay is recognized when payments are made to employees. No liability has been recorded in the Water and Sewer Enterprise Fund for unaccrued vacation pay at June 30, 1998, as the amount is not material.

The Town's employees earn sick pay benefits based on length of service. Employees may accumulate sick leave benefits up to a maximum of 90 days. Sick pay benefits have not been accrued as the employee's right to sick pay benefits,

FORM OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

although cumulative, do not vest.

2. PENSION PLANS

The Town has two pension plans which cover all of the Town's employees. Both pension plans are joint contributory defined contribution plans administered by the statewide Louisiana Municipal Employees' Retirement System and the statewide Louisiana Municipal Police Employees Retirement System. Both pension plans are funded by contributions from employees through payroll withholding deductions and matching contributions from the Town (Notes 12 and 13).

3. RESERVEES AND DEDICATIONS OF FUND EQUITY

The Town records reserves and dedications to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves and dedications used by the Town.

	BALANCE AT JUNE 30, 1998
Reservees of Fund Balance/Fund Equity:	
a. Debt Service Funds	
(1) Reserved for General Obligation Bond Debt Service	\$ 42,327
b. Water and Sewer Enterprise Fund	
(1) Reserved for Revenue Bond Debt Service	\$ 35,845
 Dedications of Fund Balance:	
a. Special Revenue Funds	
(1) Dedicated for Economic Development	217,125
(2) Dedicated for Historical District Renovations	52,182
	\$87,479

4. PAYABLE FROM RESTRICTED ASSETS

Certain assets of the Independence Water and Sewer System have been restricted for payment of the following:

	BALANCE AT JUNE 30, 1998
Utility Customer Deposits	\$ 47,845
Revenue Bonds Payable	30,323
Repayment Bond Interest Payable	1,052
	\$ 79,220

FORM OF DISCLOSURE

NOTES TO FINANCIAL STATEMENTS - CONTINUED

1. ALLOWANCE FOR UNCOLLECTIBLE ACCOUNTS

Doubtful accounts due for all valorem taxes, customers' utility receivables and innovative financing program notes 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. The following details the description and amount of the allowance for uncollectible accounts at June 30, 1988.

	BALANCE AT JUNE 30, 1988
a. General Fund	
(a) Allowance for Uncollectible ad Valorem Tax Receivable	\$ 19,374
b. Special Revenue Funds	
(a) Allowance for Uncollectible Innovative Financing Program Notes Receivable	\$ 14,480
c. Water and Sewer Enterprise Fund	
(a) Allowance for Doubtful Water and Sewer Fees	\$ 5,880

2. COMPARATIVE DATA

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations.

3. SEVERAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total valorem on the combined statements - overview are captioned "Miscellaneous 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 cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Intended eliminations have not been made in the aggregation of this data.

4. STATEMENT OF CASH FLOW

In accordance with Governmental Accounting Standards Board Statement No. 5, the Town in presenting a statement of cash flows. For purposes of the statement of cash flows, the Water and Sewer Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

5. AD VALOREM TAXES

Ad valorem taxes listed as an receivable 1988 on property as of January 1 of each

TOWN OF INTERPOND

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

post. Taxes are levied by the town in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Excession from all various taxes are budgeted in the year billed. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of Piscataway Parish.

For the year ended June 30, 1998, taxes of 26.84 mills were levied on property with taxable assessed valuations totaling \$8,980,628 and were dedicated to the following purposes:

General Corporate Purposes	4.75 Mills
Police Department	5.00 Mills
Fire Department	5.00 Mills
	<u>14.75 Mills</u>

Total Taxes levied were \$23,120. Taxes receivable were \$18,287 at June 30, 1998. The allowance for uncollectible ad valorem taxes totaled \$14,134 at June 30, 1998.

1. INTERFUND RECEIVABLES AND PAYABLES

The following is a summary of amounts due from and due to other funds at June 30, 1998:

	DUE FROM	DUE TO
General Fund:		
Special Revenue Funds	\$ 1,800	\$ 18,500
Lower Intergration Fund	28,287	-
Water Intergration Fund	22,268	-
Total General Fund	53,355	18,500
Special Revenue Funds:		
General Fund	\$ 1,800	\$ 1,800
Total Special Revenue Funds	1,800	1,800
Lower Intergration Fund:		
Water Intergration Fund	\$ 18,500	-
General Fund	-	28,287
Total Lower Intergration Fund	18,500	28,287
Water Intergration Fund:		
Lower Intergration Fund	-	\$ 14,888
General Fund	-	22,268
Total Water Intergration Fund	-	37,156
Total All Funds	\$88,882	\$106,623

STATE OF LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. INTERFUND TRANSFERS

The following is a summary of the operating transfers between funds during the fiscal year ended June 30, 1988:

	TRANSFERS IN FROM	TRANSFERS OUT TO
General Funds:		
1988 Sales Tax Fund	\$ 185,808	-
1982 Sales Tax Fund	25,808	-
L.E.P.A. Debt Fund	7	-
Water Enterprise Fund	51,144	-
Total General Funds	\$ 262,767	-
Special Revenue Funds:		
General Fund	-	\$ 240,807
Debt Service Funds	-	28,808
Enterprise Fund	-	-
Total Special Revenue Funds	\$ -	\$ 269,615
Debt Service Funds:		
Special Revenue Funds	\$ 28,808	-
Total Debt Service Funds	\$ 28,808	-
Enterprise Fund:		
General Fund	-	\$ 51,144
Special Revenue Funds	-	-
Total Enterprise Fund	\$ -	\$ 51,144
Total All Funds	\$ 291,575	\$ 320,761

5. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at June 30, 1988, consisted of the following:

	Enterprise Fund	General Fund
Beer Tax Due from the State of Louisiana	-	\$ 851
Tobacco Tax Due from the State of Louisiana	-	3,123
Video Game Poker Tax Due from the State of Louisiana	-	4,788
USDA Waterways Improvement Grant from the U.S. Department of Agriculture	151,000	-
TOTAL:	\$151,000	\$ 8,762

6. RESTRICTED ASSETS - RESTRICTION FROM TYPE

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

TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2029,000 Revenue Bond Debt Service - Cash	\$ 43,400
2182,000 Revenue Bond Debt Service - Cash	94,120
2182,000 Revenue Bond Debt Service - Investments	10,000
Customers' Deposits - Cash	17,000
Total Restricted Assets	<u>\$166,520</u>

7. GENERAL FIXED ASSETS ACCOUNT GROUP

A summary of changes in general fixed assets follows.

	BALANCE 06-30 '11	CURRENT YEAR		BALANCE JUNE 30, 1998
	<u>1997</u>	ADDITIONS	DEDUCTIONS	<u>1998</u>
Land	\$ 94,500	0 -	0 -	\$ 94,500
Buildings	212,500	20,000	-	232,500
Machinery, Equipment and Vehicles	179,000	3,300	-	182,300
Total General Fixed Assets	<u>\$386,000</u>	<u>\$23,300</u>	<u>0 -</u>	<u>\$409,300</u>

8. PROPRIETARY FUND PROPERTY, PLANT AND EQUIPMENT

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

	---BALANCE	---DEBIT	---TOTAL
Media	\$ 120,000	0 -	\$ 120,000
Pumping Stations and Equipment	-	50,000	50,000
Garage Truck	50,000	-	50,000
Scowage Lift Stations	-	100,000	100,000
Water and Sewer Lines, etc.	700,000	1,000,000	4,050,000
Vehicles and Equipment	50,512	-	50,512
Total Fixed Assets	<u>\$ 970,512</u>	<u>1,050,000</u>	<u>5,450,512</u>
Less: Accumulated Depreciation	<u>428,310</u>	<u>518,000</u>	<u>1,000,000</u>
	<u>\$ 542,202</u>	<u>532,000</u>	<u>2,450,512</u>
Land	50,000	48,100	68,000
Construction in Progress	-	-	-
Net Fixed Assets	<u>\$ 492,202</u>	<u>483,900</u>	<u>\$ 976,102</u>

All items of plant and equipment acquired prior to 1987, except Land, have been stated at estimated historical cost. The depreciation accumulated to 1987 has also been estimated. Acquisitions after 1987 are stated at historical cost. Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1998, totaled \$56,071.

9. CHANGES IN LONG-TERM DEBT

The following is a summary of debt transactions of the town of Independence for the year ended June 30, 1998:

TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (Continued)

	DEBT PAYABLE JUNE 30, 1987	INCREASE IN 1987	DEBT RETIRED	DEBT PAYABLE JUNE 30, 1988
Certificate of Obligation	\$ 24,472	\$ -	\$ 19,838	\$ 4,434
Notes Payable, 1987	209,563	938,731	948,398	-
Notes Payable, 1988	5,085	-	5,085	-
General Obligation Bonds	-	-	-	-
Sales Tax Refunding Bonds	208,000	-	18,000	190,000
Revenue Bonds	208,000	915,880	24,488	1,218,312
Capital Lease Obligation	-	-	-	-
Total	<u>4,538,120</u>	<u>918,811</u>	<u>972,921</u>	<u>4,583,910</u>

Long-term debt payable at June 30, 1988, is comprised of the following:

Certificate of Obligation:

\$18,088 Note Payable to Standard Bank,
Independence, Louisiana, dated
September 28, 1981, payable in
Eighty-Four (84) Monthly Installments
of \$1,748.80 with interest at 9.00%.

Secured by a pledge and dedication of
excess revenues of the Town above statutory,
necessary and usual charges.

4,434

A schedule of the outstanding certificate of obligations and the principal and interest requirements are as follows:

DEBT PAYABLE JUNE 30, 1989	1988		TOTAL
	PRINCIPAL	INTEREST	
	<u>4,434</u>	<u>0</u>	<u>4,434</u>
	<u>4,434</u>	<u>0</u>	<u>4,434</u>

General Obligation Bonds:

\$248,000 Sales Tax Refunding Bonds Issued
2/27/84, Due in 81-month installments
of \$22,880 - \$22,880 Through 2/7/96;
Interest at 6.1% Payable from a
Pledge of the Town's 1987 1/2 Sales and
Use Tax.

4,000

A schedule of the outstanding General Obligation Bonds and the principal and interest requirements are as follows:

TOWN OF HERRINGTON

NOTES TO FINANCIAL STATEMENTS (Continued)

ISS DATES	PUBLIC IMPROVEMENT BONDS		
	PRINCIPAL	INTEREST	TOTAL
1999	\$ 28,000	\$ 14,500	\$ 42,500
2000	28,000	10,675	38,675
2001	27,000	9,000	36,000
2002	27,000	8,000	35,000
2003	28,000	7,000	35,000
2004	28,000	6,000	34,000
2005	28,000	5,000	33,000
2006	28,000	4,000	32,000
2007	28,000	3,000	31,000
2008	<u>28,000</u>	<u>2,000</u>	<u>30,000</u>
	<u>\$ 280,000</u>	<u>\$ 58,000</u>	<u>\$ 338,000</u>

Revenue Bonds:

\$150,000 Revenue Bonds Dated 4/21/90:

Due in Annual Installments of \$2,000 -
\$1,900 Through 4/21/2005; Interest at 5% \$ 40,000

\$250,000 Public Improvement Bonds:

Dated 8/21/93; Due in Annual Installments of \$5,000 - \$20,000 Through 4/21/2004; Interest at 5% (Payable From a Pledge of the Town's Special Tax Sales and Tax Fee) 100,000

\$275,000 Revenue Bonds Dated 12/24/97:

Due in monthly installments of \$4,387.50
Through 12/24/2017; Interest at 4.5%
(Payable from a Pledge of the Town's Taxes and revenues of the Sewerage System) \$20,513

\$20,513

A schedule of the outstanding Enterprise Fund Revenue Bonds and the principal and interest requirements are as follows:

	\$175,000 REVENUE BONDS	\$150,000 REVENUE BONDS	\$200,000 REVENUE BONDS	TOTAL
04/21/1990	\$ 50,000	\$ 7,000	\$ 24,000	\$ 81,000
04/21/1990	50,000	6,700	20,500	77,200
04/21/1991	50,000	6,500	20,700	77,200
04/21/1992	50,000	6,000	20,000	76,000
04/21/1993	50,000	5,000	20,000	75,000
Thereafter	<u>3,818,423</u>	<u>14,000</u>	<u>32,000</u>	<u>3,864,423</u>
TOTAL	3,878,423	48,450	120,200	3,947,073
Less Interest	<u>3,000,163</u>	<u>8,420</u>	<u>18,300</u>	<u>3,026,883</u>
	<u>\$ 878,260</u>	<u>\$ 40,030</u>	<u>\$ 101,900</u>	<u>\$ 1,019,190</u>

FORM OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Group of Revenue Bonds Outstanding:

	PRINCIPAL	INTEREST	SOVEREIGN
\$775,000 Revenue Bonds	\$ 775,510	\$ 183,363	\$ 075,870
2100,000 Revenue Bonds	40,800	8,400	48,400
2398,000 Revenue Bonds	180,800	18,200	123,200
	<u>\$1,000,000</u>	<u>\$2,100,013</u>	<u>\$2,213,200</u>

14. ALLOCATION OF PROCEEDS OF SALE OF BONDS - SALES AND USE TAX

A. 1988 1% SALES AND USE TAX SPECIAL REVENUE FUNDS

The proceeds of the 1988 1% sales and use tax levied by the Town of Independence (current collections were \$111,000 for the year ended June 30, 1988) are allocated as follows:

The Town, through its governing authority, adopted a resolution on March 14, 1987, authorizing the issuance of \$188,000 of Public Improvement Bonds and entering into certain covenants in connection with the security and payment of said bonds. In that resolution the proceeds of the sales and use tax were irrevocably and irrevocably pledged and dedicated to an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The bond resolution requires that the proceeds of the special one percent 1988 sales and use tax now being levied and collected by the Town be to be deposited with the Town's fiscal agent bank in a Sales Tax Fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax \$11,808.08 is to be retained in the Sales Tax Fund for operating expenses certain monthly payments must be made from the Sales Tax Fund to the Sales Tax Bond Sinking Fund and the Sales Tax Bond Reserve Fund, which must be established with the Town's fiscal agent bank. The payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until March 1990, unless bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund. Payments into the Reserve Fund will cease after the amount of \$18,055 has been accumulated therein. No payments into the Reserve Fund will be due if the bonds would require withdrawals from this Fund for the purpose of paying retiring principal and interest on the bonds.

Any monies remaining in the Sales Tax Fund on the 15th day of each month in excess of \$1,000 retained for operating expenses and after making the required payments into the bond sinking fund and the bond reserve fund for the current month and for prior months during which the required payments may not have been made, is considered as surplus.

Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bonds.

TOUR OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (Continued)

bonds authorized in advance of their maturities.

As of April 3, 1980, these March 31, 1987 Public Improvement bonds were paid in full and the sales tax is no longer dedicated for payment of these bonds. Payments in the Sales Tax 1980 Debt Service Fund were transferred to the 1980 Sales Tax Fund by a residual equity transfer.

B. 1980 5% SALES AND USE TAX (RESERVE FUND)

The proceeds of the 1980 5% sales and use tax levied by the Town of Independence pursuant to Ordinance 88,847, for the year ended June 30, 1980 are dedicated to the following purposes:

construction, acquisition, extending, improving, operating and/or maintaining sewers and sewerage disposal works for the Town.

The Town, through its governing authority, adopted a resolution on February 25, 1980, authorizing the issuance of \$250,000 Public Improvement bonds and entering into certain covenants in connection with the security and payment of said bonds. It is the resolution the proceeds of the 5% sales and use tax were irrevocably and irrefragably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The 5% sales and use tax levied and collected by the Town is to be deposited in a separate Sales Tax 1980 Fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, certain monthly payments must be made from the Sales Tax 1980 Fund to the Sales Tax 1980 Bond Sinking Fund and the Sales Tax 1980 Bond Reserve Fund, which have been established with the Town's fiscal agent bank. The payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until March 1984, unless bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund.

Payments in the Reserve Fund will cease after the amount of \$25,000 has been accumulated therein. No payments into the Reserve Fund will be due after accumulation of \$25,000, unless there is a default in connection with the payment of the bonds which requires withdrawal from this fund for the purpose of paying maturing principal and interest on the bonds. Any monies remaining in the Sales Tax 1980 Fund on the 31st day of each month after making the required payments into the Bond Sinking Fund 1980 and the Bond Reserve Fund 1980 for the current month and for prior months during which the required payments may not have been made, is considered as surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bonds hereto authorized in advance of their maturities.

Debitors in the Sales Tax 1980 Sinking Fund and Sales Tax 1980 Reserve Fund were in accordance with the bond covenants.

TOON OF INDEPENDENCE

STATE OF FINANCIAL STATEMENTS CONTINUED

C. 1982 1/4 SALES AND USE TAX (SPECIAL REVENUE FUND)

The proceeds of the 1982 1/4 sales and use tax levied by the Town of Independence General Ordinance were \$112,882 for the year ended June 30, 1984 are dedicated as follows:

contracting, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works for the Town, constructing, paving, widening, and improving streets in the Town and for construction, acquiring, extending, improving, operating and/or maintaining waterworks facilities.

The Town, through its governing authority, adopted a resolution on September 13, 1984, authorizing the issuance of \$24,488 Sales Tax Sinking Bonds, Series 1984, and entering into certain covenants in connection with the security and payment of said bonds. In that resolution the proceeds of the 1982 1/4 sales and use tax were irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

The 1/4 sales and use tax authorized at a special election held on November 28, 1981, must be deposited as collected into a separate Sales Tax Fund - 1982. Monies in the Sales Tax Fund - 1982 shall be first used for the payment of all reasonable and necessary costs and expenses of collecting said tax, after payment of all reasonable and necessary costs of collection of the tax, certain monthly payments must be made from the Sales Tax Fund - 1982 to the Sales Tax Bond Sinking Fund - 1984, and the Sales Tax Bond Reserve Fund - 1984, which have been established with the Town's fiscal agent bank.

These funds are maintained in two separate interest-bearing accounts. The required monthly payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until June, 1988, when bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payment into the sinking fund. The required monthly payments into the Reserve Fund are 17% percent 1/8% of the amount required to be deposited into the Sinking Fund and will cease after the amount of \$24,488 has been accumulated therein. No payments into the Reserve Fund will be due after accumulation of \$24,488, unless there is a default in connection with the payment of the bonds which requires withdrawal from this fund for the purpose of paying maturing principal and interest on the bonds. Any monies remaining in the Sales Tax 1982 Fund on the 28th day of each month after making the required payments into the Sales Tax Bond Sinking Fund - 1984 and the Sales Tax Bond Reserve Fund - 1984 for the current month and for prior months during which the required payments may not have been made, is considered as surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bonds hereto authorized in advance of their maturities.

Balance in the Sales Tax Sinking Fund - 1984 and the Sales Tax Reserve Fund - 1984 were in accordance with the bond covenants.

TERM OF INSTRUMENT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

31. PLAN OF REVENUE: DISTRIBUTION OF USE - SEWER REVENUES

The Town, through its governing authority, adopted a resolution on February 28, 1988, authorizing the issuance of \$201,000 of Revenue Bonds and entering into certain covenants in connection with the security and payment of said bonds. The proceeds of these bonds are to be used to extend the Town's sewer system. In that resolution the additional revenues resulting from the extension of water and sewer service to additional customers were irrevocably and irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest on they become due and for other purposes.

Additionally, the Town, through its governing authority, adopted a resolution on March 22, 1989, authorizing the issuance of \$75,000 Sewer Revenue Bonds issued on a complete parity with the outstanding \$45,000 of Revenue Bonds dated April 23, 1988 referred to in the first paragraph above, and entering into certain covenants in connection with the security and payment of said bonds. The proceeds of these bonds are to be used to finance a portion of the cost of acquiring and constructing improvements, extensions and replacements to the Town's sewerage system.

The bond resolutions require that revenues earned from the operation of the Sewer System be deposited with the Town's fiscal agent bank in a Sewer Revenue Fund. After the payment of all reasonable and necessary costs and expenses of operating and maintaining the system, certain monthly payments must be made from the Sewer Revenue Fund as follows:

Each month, there will be set aside into a fund called the "Sewer Revenue Bond and Interest Sinking Fund" an amount constituting 1/10 of the next occurring installment of principal and interest on the outstanding bonds. The payments will continue monthly until December 2007, unless bonds are called in advance of their maturity date, in which event it is possible to reduce the required payments into the sinking fund.

There shall also be set aside into a "Sewer Reserve Fund" an amount equal to 5% of the principal and interest payments required during the current fiscal year until such fund reaches an amount of \$60,000. On January 1, 1990, the reserve requirement is to be reduced to \$25,000. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and on to which there would otherwise be default.

Funds will also be set aside into a Sewer Depreciation and Contingency Fund at the rate of 2% per month. Money in this fund may be used for the making of repairs or replacements to the system which are necessary to keep it in operating condition.

Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in other bond funds.

All of the revenues received in any fiscal year and not required to be paid in

TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

each fiscal year into any of the above noted funds shall be considered an surplus and may be used for any lawful corporate purpose.

Expenses in the Sewer Revenue Sinking Fund, Street Reserve Fund, and Sewer Depreciation Fund were in accordance with the fund covenants.

11. EMPLOYEE PENSION PLAN (FORMER TOWN POLICE OFFICERS)

All Town of Independence full-time employees, with the exception of police officers, participate in the Louisiana Municipal Retirement System - Plan A ("System"), a multiple-employer public employee retirement system. The payroll for employees covered by the System for the year ended June 30, 1990 was \$147,877; the Town's total payroll was \$261,958.

All Town full-time employees, with the exception of police officers, are eligible to participate in the System. Members are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final compensation multiplied by years of creditable service providing he meets one of the following criteria:

1. Any age with thirty (30) or more years of creditable service.
2. Employee is age 55 and has twenty-five (25) years or more of creditable service.
3. Employee is age 60 with a minimum of ten (10) or more years of creditable service. However, benefits are reduced by three (3) percent for each year below age 60.
4. Employee is under age 60 with five (5) years of creditable service and is eligible for disability benefits.
5. Retirement to survivor's benefits require five (5) years of creditable service at the time of the death of a member.

Final compensation means the average monthly earnings during the highest thirty-six months (36) or fewer months of service if interrupted. Benefits are established by state statute.

The contribution rate for employees is 8.25% of taxable compensation and is established by state statute.

The employer contribution rate is 8.50% of members earnings. The System also receives 1/4 of 1% of all children income collected within the respective political entity for credits. The monies are apportioned between Plan A and Plan B in proportion to number of plan participants. The System also receives revenue sharing funds each year as appropriated by the legislature. These additional sources of income are used as additional employer contributions. The remaining employer contributions are determined according to actuarial requirements and are set annually.

The Town's total payroll in the fiscal year ended June 30, 1990, was \$261,958, and

TOWN OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

the Town's contributions were based on a payroll of \$147,877. Both the Town and the covered employees made the required contributions, amounting to \$20,182. There were no related party transactions.

Trend Information

contributions required by state statute:

Fiscal Year	Required Contribution	Percentage Contribution
June 18 1996	\$ 17,785	100%
1997	\$ 17,886	100%
1998	\$ 20,182	100%

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 visiting the Municipal Employees Retirement System of Louisiana, 7827 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4816.

All employees of the Town of Independence, Louisiana are also members of the Social Security system.

21. EMPLOYEE PENSION PLAN (POLICE OFFICERS)

Full-time police employees of the Town of Independence participate in the Municipal Police Employees Retirement System ("Police System"), a multiple-employer public employee retirement system. The payroll for employees covered by the police system for the year ended June 30, 1998, was \$68,000; the Town's total payroll was \$241,000.

All Town police employees who participate in the plan shall be eligible for retirement if he has 28 years or more of creditable service and is at least age 55, or 15 years or more of creditable service and is at least age 58. Retirement benefits are equal to 5 1/3 percent of average final compensation multiplied by the number of years of creditable service and is payable monthly for life. Average final compensation is the average annual earned compensation of an employee for any period of thirty-six successive or joined months of service during which the average compensation was the highest. Benefits are not considered fully vested until the employee has attained both the age and years of service requirements which entitle him to regular retirement benefits. The Police System also provides death and disability benefits. Benefits are established by state statute.

The contribution rate for employees is 9.5% of earnable compensation and is established by state statute.

The employer contribution rate is 9.8% of member earnings.

The Town's total payroll in the fiscal year ended June 30, 1998, was \$241,000, and the Town's contributions were based on a payroll of \$68,000. Both the Town and the

TOWN OF INDEPENDENCE

INDEX TO FINANCIAL STATEMENTS - CONTINUED

covered employees made the required contributions, amounting to \$12,154. There were no related party transactions.

Trust Information

Contributions required by STATE STATUTE:

Financial Year June 30	Required Contributions	Percentage Contribution
1995	\$ 12,819	100%
1997	\$ 12,042	100%
1998	\$ 12,154	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-3250, or by calling (225)928-7412.

All employees of the Town of Independence, Louisiana are also members of the Social Security System.

14. ON BEHALF PAYMENTS MADE BY STATE OF LOUISIANA

For the year ended June 30, 1998, the State of Louisiana made on behalf payments in the form of supplemental pay to the Town's policemen and firemen. In accordance with SAWS 24, the Town has recorded \$27,076 of on behalf payments as revenue and as expenses in the General Fund, as follows:

Department	Amount
Police	\$ 7,154
Fire	\$ 20,000
Total	\$ 27,154

15. ENTERPRISE FUND DEFICIT

As June 30, 1998, the Enterprise Fund had a deficit in retained earnings - unreported - undesignated of \$75,850, but due to contributed capital, total fund equity was \$1,681,349 as June 30, 1998.

TECH OF INDEPENDENCE

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

18. SEGMENTS OF ENTERPRISE ACTIVITIES

Some services provided by the Tech of Independence are financed by user charges - sewerage system and water system. The significant financial data for these enterprises are as follows:

	Water	Sewerage	
	\$1000	\$1000	Total
Operating Revenues	2148,877	0	2148,877
Depreciation	25,743	38,828	64,571
Operating Income (Loss)	41,586	(37,761)	3,825
Operating Grants	-	-	-
Operating Transfers Out	(51,044)	-	(51,044)
Taxes	-	-	-
Net Income (Loss)	(9,458)	38,844	2,944
Working Capital	82,814	322,343	405,157
Change in Capital Contributions	-	1,328,174	1,328,174
Property, Plant and Equipment:			
Additions	-	2,620,800	2,620,800
Retirements	-	-	-
Total Assets	284,288	3,440,844	3,725,132
Liabilities Payable	-	-	-
Revenue Bonds Payable	-	1,310,512	1,310,512
Equity	\$438,867	\$2,130,332	\$2,569,200

SUPPLEMENTARY INFORMATION AND CORRECTIONS

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

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

STATE OF INDEPENDENCE
GENERAL FUND

EXHIBIT F

COMPARATIVE BALANCE SHEET

June 30, 1958 and 1957

ASSETS

	1958	1957
Cash	\$ 27,941	\$ 212,845
Investments	13,890	13,808
Int. Revenue Taxes Receivable, Net of Allowance	523	503
Public Utility Franchise Tax Receivable	8,688	6,278
Due from Other Governmental Units	7,433	7,484
Other Receivables	-	-
Due from other funds	51,684	23,622
TOTAL ASSETS	\$ 100,559	\$ 277,538

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 24,457	\$ 24,148
Unpaid Taxes Payable	2,553	4,950
Accrued Payroll	2,594	2,004
Accrued Employee Loans	3,283	3,884
Due to Other Funds	25,389	42,388
Total Liabilities	\$ 59,276	\$ 77,374
Fund Balance (Deficit):		
Unreserved - Undesignated	40,283	20,164
TOTAL LIABILITIES AND FUND BALANCE	\$ 99,559	\$ 97,538

See auditor's report.

YEAR OF INFORMATION
GENERAL FUND

EXHIBIT P.1

STATEMENT OF REVENUES, EXPENDITURES, AND
BALANCE IN FUND BALANCE - BUDGET, CASH BASIS, AND ACTUAL

For the Year Ended June 30, 1988
With Comparative Actual Amounts for the Year Ended June 30, 1987

	1988		BUDGET - PSYCHIC SUBSIDIARIES	1987 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Taxes - Ad Valorem:				
General Millage	\$ 30,100	\$ 31,107	\$ 1,007	\$ 29,500
Fire Department Millage	25,000	25,000	00	24,500
Police Department Millage	20,000	20,107	00	24,000
Licenses and Permits:				
Occupational	47,000	74,000	7,100	70,000
Public Utility				
Electrician Fees	20,000	20,000	4,000	21,500
Other Permits	1,000	0,000	0	2,100
Intergovernmental:				
Tulane Taxes	0,000	0,000	0	0,000
New Taxes	1,100	2,000	0	2,000
Village Future Taxes	20,000	10,000	0	20,000
Fire Insurance Rebate	1,000	1,000	0	1,000
Revenue Equalization - Pilot	4,000	-	0	0,100
Rural Development Grants	20,000	20,000	-	-
Louisiana Commission on Law Enforcement	-	4,100	4,100	-
Seismic Commission	-	0,000	0,000	0,000
Rural Fire Protection	1,000	-	0	2,000
Fines and Penalties	14,000	0,000	0	14,000
Other:				
Notices	1,000	1,000	0	1,000
Rental Income	25,000	25,000	-	25,000
State Fund Reimbursement	-	10,000	10,000	-
On behalf payments by State	-	17,100	17,100	14,100
Insurance Proceeds	-	-	-	-
Solid Waste	77,000	70,000	1,000	64,000
Interest	1,000	1,000	1,100	1,000
Miscellaneous	-	0,100	0,100	1,000
Total Revenues	\$ 280,700	\$ 420,050	\$ 40,000	\$ 350,000
Expenditures:				
CURRENT:				
Financial Commitment	\$ 270,000	\$ 280,000	\$ 10,000	\$ 250,000

CONTINUED

TIME OF INTERESTANCE
GENERAL FUND

EXHIBIT P-2
(CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE - BUDGET (UNAP. BASIS) AND ACTUAL (CONTINUED)

For the Year Ended June 30, 1988
With Comparative Actual Amounts for the Year Ended June 30, 1987

	1988		VARIANCE - FAVORABLE - UNFAVORABLE	1987 ACTUAL
	BUDGET	ACTUAL		
Public Safety -				
Police	115,187	112,180	1	5,960
Fire	53,000	48,258	1	25,217
Streets and Parks	128,386	83,988	50,397	83,978
Solid Waste	75,587	75,000	587	31,758
Other	8,248	8,224	24	8,888
Inter Service	21,208	20,888	1	5,821
Capital Outlay	28,880	82,250	1	34,281
Total Expenditures	4,588,422	4,611,815	61	4,588,415
Deficiency of Revenues Over Expenditures	2,023,428	2,188,940	2	24,864
Other Financing Sources (Over):				
Loan Proceeds	-	-	-	-
Operating Transfers IN (OVER):				
State Service Fund	4,788	-	7,888	-
State Tax Fund (1988)	188,880	188,880	-	188,880
State Tax Fund (1987)	88,880	28,880	1	14,880
Metro and State Fund	48,258	51,244	1,284	58,888
Innovative Financing Fund	28,880	-	1	28,880
LEPA Refund	-	7	-	-
Total Other Financing Sources	4,285,884	4,334,251	61	28,281
Deficiency of Revenues and Other Sources Over Expenditures and Other Debt	4,285,884	4,285,887	61	28,281
Fund Balance at Beginning of Year	28,280	28,280	28,281	28,280
Fund Balance at End of Year	4,285,881	4,285,795	4,285,795	4,285,795

See auditor's report.

STATE OF MISSISSIPPI
GENERAL FUND

EXHIBIT P-2

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (DRAFT STATE)

for the Year Ended June 30, 1988
With Comparative Actual Amounts for the Year Ended June 30, 1987

	1988			1987	
	BUDGET	ACTUAL	PERCENTAGE	BUDGET	ACTUAL
General Government:					
Mayor's Salary	\$ 7,200	\$ 8,400	117	\$ 7,200	\$ 7,200
Aldermen's Salary	7,600	8,425	111	7,200	7,500
Town Clerk	20,400	20,527	101	21,500	19,300
Retirement and Payroll Tax	5,100	5,144	101	6,000	6,000
Audit and Accounting	22,800	22,445	98	24,500	20,200
Legal Fees	25,800	28,125	109	23,200	25,500
Insurance	87,300	83,789	96	87,000	106,450
Post and Advertising	2,200	2,007	91	2,000	2,000
Office Supplies and Expenses	4,200	4,400	105	3,800	4,550
Utilities	8,800	8,661	98	9,300	7,200
Telephone	2,700	2,250	83	2,400	2,200
Tax Collector Fees	-	-	-	-	-
Tax Roll Preparation	2,400	2,287	95	2,400	2,400
Meetings and Conventions	4,000	4,127	103	4,000	4,000
Repairs and Maintenance	2,700	2,027	75	2,400	2,000
Lease	200	1,200	600	2,000	200
Miscellaneous	-	1,000	-	2,000	970
Carver Fees	2,500	2,127	85	2,000	2,100
Int. Comm. Law Enforcement	200	120	60	200	200
Electric expenditures	-	-	-	-	-
Survey Fees	-	-	-	-	-
	\$542,800	\$526,500	97	\$538,000	\$518,300
Public Safety - Police:					
Police Salaries	\$ 80,000	\$ 80,500	101	\$ 80,000	\$ 80,000
Police Retirement/Tax	2,000	2,000	100	2,000	2,000
Auto Fuel	7,000	6,800	97	7,500	6,300
Supplies, repairs and maintenance	5,000	4,400	88	5,000	4,200
Telephone	3,000	2,200	73	2,000	2,000
Utilities	5,000	4,000	80	4,500	4,000
Office Expenses	500	500	100	500	500
Uniforms	1,000	800	80	1,000	1,000
Prisoner Meals/Boarding	400	1,000	250	400	2,100
Miscellaneous	-	-	-	-	200
Training	-	-	-	-	-
Meetings and conventions	300	470	157	300	300
	\$125,200	\$122,270	98	\$125,000	\$118,800

UNCOMPLETED

YEAR OF INCORPORATION
GENERAL FUND

EXHIBIT P.3
(CONTINUED)

STATEMENT OF EXPENDITURES COMPARED TO BUDGET - GRANT PARTIAL - (CONTINUED)

For the Year Ended June 30, 1968
With Comparative Actual Amounts for the Year Ended June 30, 1967

	1968			1967	
	BUDGET	ACTUAL	PERCENTAGE	BUDGET	ACTUAL
Public Safety - Fire:					
Salaries	\$ 41,314	\$ 53,493	131	40,000	48,577
Retirement and Payroll Tax	3,778	3,898	103	3,383	3,383
Fuel	1,308	804	61	280	28
Utilities and Telephone	1,000	3,183	318	817	3,270
Supplies and Repairs	1,800	6,232	346	3,322	1,200
Miscellaneous	-	4	1	41	374
Uniforms	500	434	87	134	385
Volunteer Fire Department	-	1,800	-	1,800	2,800
	\$ 51,699	\$ 69,848	135	55,127	63,874
Total Public Safety	\$51,699	\$69,848	135	\$55,127	\$63,874
Streets and Parks:					
Salaries	\$ 19,757	\$ 27,045	137	13,333	25,138
Retirement and Payroll Tax	3,946	3,484	88	3,478	3,583
Fuel	3,475	3,347	96	328	1,893
Supplies and Repairs	5,280	8,822	167	3,388	3,094
Street Lights	27,580	28,682	104	3,838	27,218
Sidewalk Improvements	-	-	-	-	-
	\$ 59,958	\$ 69,378	116	\$ 24,027	\$ 60,926
Public Works:					
Public Works	17,587	17,000	97	587	27,718
Other:					
Depos.	8,385	8,373	100	2,520	4,000
	\$ 8,385	\$ 8,373	100	2,520	4,000
Other Services:					
Head Start Building	\$ 21,250	\$ 21,250	100	-	\$ 21,250
Police Car	-	5,481	-	5,481	5,481
	\$ 21,250	\$ 26,731	126	5,481	26,731
Capital Outlay:					
Public Safety-Police	-	8,317	-	8,317	-
General Investment	5,400	1,277	23	4,321	3,423
Public Safety-Fire	28,800	28,501	99	1,480	26,454
Streets and Parks	52,800	31,281	59	28,500	6,584
	\$ 87,850	\$ 69,376	79	\$ 42,821	\$ 36,461
Total Expenditures	\$286,153	\$431,615	151	\$255,428	\$428,355

See auditor's report.

SPECIAL REVENUE FUNDS

1982 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's original 1% sales and use tax effective August 1, 1982. The proceeds of the tax are to be dedicated and used for the purpose of reconstructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewerage disposal works, recreational facilities, public parks, public buildings and fire department stations and equipment, including fire engines and payment of salaries for fire department personnel, and maintaining and operating the municipal police department and garbage collection and disposal facilities including the purchase of equipment therefor; acquiring industrial plant sites and purchasing or constructing within the municipality or adjoining areas or areas outside of the corporate limits of the municipality, but within the Parish of Tangipahoa, industrial plant buildings and other necessary property, appurtenances or equipment, therefor, or for any one or more of said purposes.

1982 Sales Tax Fund - To account for the receipt and use of proceeds of the Town's additional 1% sales and use tax adopted on January 18, 1982. The proceeds of the tax are to be dedicated and used for the purpose of reconstructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal works for the Town; constructing, paving, widening and improving streets in and for the Town; and constructing, acquiring, extending, improving, operating and/or maintaining waterworks facilities.

The proceeds from this sales tax have been pledged and dedicated to the retirement of the \$244,000 Sales Tax Refunding Bonds, Series 1974, issued on October 28, 1974. Final payment on this bond issue is due June 1, 2008.

1986 Economic Development - 8% Fund - To account for the receipt of Grant proceeds and subsequent expenditures of an economic development loan to Marco Polo Imports, Inc. The source of the funding is a FY 1986 JCEMS Economic Development Contract in the amount of \$845,000 between the Town of Independence and the Division of Administration of the State of Louisiana. The proceeds from the repayment of the loan are dedicated 65% repayment to the grantor and 35% to be used for economic development within the Town.

Improving Housing Fund - To account for the receipt and subsequent expenditures in the form of loans to property owners for the historical district renovation. The proceeds are dedicated to the renovation of property. When adequate funds are available to disburse to property owners.

Health and Safety Rehabilitation Fund - To account for the receipt and use of grant proceeds in the amount of \$128,100 awarded to the Town by the Louisiana Housing Finance Agency. These Health and Safety Rehabilitation grants are awarded to qualifying elderly, disabled and low income individuals to rehabilitate substandard housing in the Town.

TOPP OF INDEPENDENT
SPECIAL REVENUE FUND

ACCOUNTS

CONSOLIDATED BALANCE SHEET

JUNE 30, 1988
With Comparative Totals For the Year June 30, 1987

ASSETS

CASH	IN STOCKS	IN BONDS	LOANS		PROPERTY		EQUIPMENT		OTHER	
			DEVELOPMENT	REVENUE	FIXTURES	VEHICLES	LAND	IMPROVEMENTS	INSTRUMENTS	RENTALS
15,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
200,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000	100,000
25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
-	-	-	-	400,000	-	-	-	600,000	-	400,000
400	400	400	400	-	-	-	-	1,000	-	1,000
8,000	8,000	8,000	-	-	-	-	-	20,000	-	20,000
-	-	-	-	20,000	-	-	-	20,000	-	20,000
-	-	-	-	-	1,000	-	-	1,000	-	1,000
<u>225,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>600,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>620,000</u>	<u>1,000</u>	<u>620,000</u>

LIABILITIES AND FUND BALANCE

-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-	-	-	-
80	80	80	80	-	-	-	-	1,000	-	1,000
80	80	80	80	-	-	-	-	1,000	-	1,000
-	-	-	-	600,000	-	-	-	600,000	-	600,000
200,000	200,000	200,000	200,000	-	-	-	-	200,000	-	200,000
420,000	420,000	420,000	420,000	400,000	-	-	-	620,000	400,000	620,000
<u>225,000</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>600,000</u>	<u>1,000</u>	<u>1,000</u>	<u>1,000</u>	<u>620,000</u>	<u>1,000</u>	<u>620,000</u>

(See auditor's report.)

STATE OF CONNECTICUT
SPECIAL SERVICES FUND

PROJECT 9-1

COMBINED STATEMENT OF REVENUES, DISBURSEMENTS AND
BALANCE IN FUND BALANCE

For the Year Ended June 30, 1989
with comparative totals for the year ended June 30, 1987

	1988		1987		REVENUE AND EXPENSE REMARKS -		TOTALS	
	AMOUNT	% OF TOTAL	AMOUNT	% OF TOTAL	REVENUE	EXPENSE	1988	1987
REVENUES:								
Taxes	\$ 212,900	\$ 121,000	\$ -	\$ -	\$ -	\$ -	\$ 212,900	\$ 212,000
Transfers	8,475	6,000	3,100	14,800	-	-	978,750	978,750
Other	214,700	314,700	4,100	14,800	-	-	27,800	12,000
Total Revenues	\$ 435,075	\$ 741,700	\$ 7,200	\$ 29,600	\$ -	\$ -	\$ 448,450	\$ 402,750
EXPENDITURES:								
General Government	\$ 3,700	\$ 1,700	\$ 100	\$ 6,000	\$ -	\$ -	\$ 25,300	\$ 25,000
Other	3,700	3,700	3,100	4,300	-	-	800	10,000
Total Expenditures	\$ 7,400	\$ 5,400	\$ 4,200	\$ 10,300	\$ -	\$ -	\$ 26,100	\$ 35,000
Excess (Deficiency) of Revenues Over Expenditures	\$ 427,675	\$ 686,300	\$ 3,000	\$ 19,300	\$ -	\$ -	\$ 422,350	\$ 367,750
Other Sources (Total):								
Operating Transfers	200,000	2,000,000	-	-	-	-	200,000	2,000,000
Total (Deficiency) of Revenues Over Expenditures and Other Sources	\$ 627,675	\$ 688,300	\$ 3,000	\$ 19,300	\$ -	\$ -	\$ 622,350	\$ 367,750
Fund Balance at Beginning of Year	220,000	181,000	115,100	500,000	-	-	200,000	200,000
Fund Balance at End of Year	\$ 847,675	\$ 869,300	\$ 148,100	\$ 519,300	\$ -	\$ -	\$ 822,350	\$ 567,750

See auditor's report.

TOWN OF INDEPENDENCE
 SPECIAL REVENUE FUNDS
 15 BAKER TAX FUND (11445)

EXHIBIT 2-2

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGE IN FUND BALANCE - BUDGET YEAR ENDED AND ACTUAL

For the Year Ended June 30, 1999
 With comparative actual accounts for the year ended June 30, 1997

	1998		VARIANCE - FAVORABLE	1997 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Taxes:				
Sales Taxes	\$ 187,500	\$ 181,888	\$ 4,380	\$ 186,812
Miscellaneous:				
Interest Revenue	2,800	2,878	78	8,426
TOTAL Revenues	\$ 190,300	\$ 184,766	\$ 4,468	\$ 195,238
Expenditures:				
General Government	\$ 1,820	\$ 1,722	\$ 98	\$ 1,882
TOTAL Expenditures	\$ 1,820	\$ 1,722	\$ 98	\$ 1,882
Excess of Revenues Over Expenditures	\$ 188,480	\$ 183,044	\$ 2,741	\$ 193,356
Other Financing Source (Use):				
Operating Transfers Out:				
General Fund	\$185,000	\$185,000	\$	\$185,000
TOTAL Other Uses	\$185,000	\$185,000	\$	\$185,000
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 4,000	\$ 8,044	\$ 2,741	\$ 8,000
Fund Balance at Beginning of Year	128,822	121,622	12,681	128,816
Fund Balance at End of Year	\$ 132,822	\$ 129,666	\$ 28,382	\$ 136,816

See auditor's report.

TOWN OF BRIDGEFORD
 SPECIAL REVENUE FUNDS
 15 BRIDGE TRC FUND 150421

EXHIBIT D-2

STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCE - BUDGET (PLAN BASIS) AND ACTUAL

For the Year Ended June 30, 1997
 with comparative actual amounts for the Year Ended June 30, 1997

	1997		VARIANCE - FAVORABLE	1997 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Taxes:				
Sales Taxes	\$ 297,500	\$ 311,899	\$ 4,399	\$ 395,912
Miscellaneous:				
Interest Revenue	3,000	8,318	5,318	3,308
Total Revenues	\$ 300,500	\$ 320,217	\$ 9,717	\$ 399,220
Expenditures:				
General Government	3,300	3,778	478	2,182
Total Expenditures	\$ 3,300	\$ 3,778	\$ 478	\$ 2,182
Excess of Revenues Over Expenditures	\$ 297,200	\$ 316,439	\$ 9,239	\$ 397,038
Other Financing Sources (Deductions):				
Specialty Transfer Out:				
General Fund	\$ 48,000	\$ 100,000	\$ 52,000	\$ 14,478
Debt Service Fund	48,740	(28,000)	20,740	128,740
Miscellaneous Fund	28,500	-	28,500	128,500
Total Other Uses	\$ 125,240	\$ 72,000	\$ 53,240	\$ 271,718
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 171,960	\$ 244,439	\$ 72,479	\$ 365,320
Fund Balance at Beginning of Year	68,000	142,048	74,048	169,128
Fund Balance at End of Year	\$ 139,960	\$ 244,439	\$ 104,479	\$ 244,439

See auditor's report.

TOWN OF DEPENDENCE
SPECIAL REVENUE FUNDS
ACTING - ECONOMIC DEVELOPMENT - 87 FUND

EXHIBIT C-4

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (1986) DRAINS AND ACTUAL

For the Year Ended June 30, 1987
With Comparative Actual Amounts for the Year Ended June 30, 1986

	1986		VARIANCE -	
	BUDGET	ACTUAL	FAVORABLE	1987 ACTUAL
Revenues:				
Grant Funds Recognized	\$ -	\$ -	\$ -	\$ 271,700
Interest Revenue	3,798	3,383	(4,415)	5,873
Total Revenues	\$ 3,798	\$ 3,383	\$(4,117)	\$ 277,573
Expenditures:				
Administrative Fees	\$ 1,548	\$ -	\$ 1,548	\$ 11,444
Audit and Accounting	1,000	880	1,120	1,100
Other	900	861	41	800
Obligation to Division of Administration	-	-	-	252,800
Capital Outlay	28,000	-	28,000	-
Total Expenditures	\$ 31,548	\$ 1,321	\$ 30,227	\$ 266,144
Excess of Revenues over Expenditures	\$ (27,750)	\$ 2,062	\$ 28,347	\$ 111,429
Other Financing Sources (Uses):				
Operating Transfers In (Outs):				
Grant Fund	-	-	-	100,000
Excess (Deficiency) of Revenues over expenditures and other uses	(27,750)	1,995	28,347	1 83,429
Fund Balance at beginning of Year	122,000	122,000	122,000	128,822
Fund Balance at End of Year	\$ 122,000	\$ 123,995	\$ 1 22,000	\$ 123,392

See auditor's report.

TOWN OF INDEPENDENCE
SPECIAL REVENUE FUNDS
INNOVATIVE READING FUND

EXHIBIT 200

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (BASE DOLLAR) AND ACTUAL

For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE - FAVORABLE	1997 ACTUAL
	BUDGET	ACTUAL		
Revenues:				
Interest Income and Debt Recovery	\$ 12,780	\$ 24,800	\$ 12,020	\$ 12,089
TOTAL Revenues	\$ 12,780	\$ 24,800	\$ 12,020	\$ 12,089
Expenditures:				
Administration	\$ 1,880	\$ 388	\$ 1,492	\$ 1,480
Audit and Accounting	1,880	800	1,080	1,580
Maintenance	5,000	5,800	7,800	-
Total Expenditures	\$ 8,760	\$ 6,988	\$ 1,772	\$ 3,060
Income Inadequacy of Revenues over Expenditures	\$ 4,020	\$ 17,812	\$ 4,248	\$ 8,827
Other Financing Sources:				
(Debt):				
Operating Transfers In (Out):				
General Fund Loan-Rollover	120,000	-	20,000	-
Debt Repayment, General Fund	2,480	-	2,480	-
Income Inadequacy of Revenues over Expenditures and Other Uses	\$ 12,900	\$ 17,812	\$ 32,712	\$ 8,827
Fund Balance at Beginning of Year	288,800	284,730	4,070	284,800
Fund Balance at End of Year	\$ 301,700	\$ 302,542	\$ 10,842	\$ 293,627

See Auditor's Report.

DEBT SERVICE FUND

Sales Tax Refunding Bonds, Series 1984 - To accumulate monies for payment of the Sales Tax Refunding Bonds, Series 1984 due in annual installments, plus interest, through maturity in 2008. Debt service is financed from proceeds of a special 1% sales tax which was authorized at a special election held on November 28, 1984.

FORM OF INTERESTS
 EAST DISTRICT FUNDS

EXHIBIT-B

COMBINED BALANCE SHEET

June 30, 1998

With Comparative Totals for June 30, 1997

ASSETS

	SALES TAX REFUNDING BONDS SERIES 1994	TOTALS	
		1998	1997
Cash	\$ 37,327	\$ 37,327	\$ 14,376
Investments	45,000	45,000	45,000
Due from Dist. Funds	-	-	-
Accrued Interest	-	-	-
Receivable	-	-	-
Total Assets	<u>\$ 82,327</u>	<u>\$ 82,327</u>	<u>\$ 59,376</u>

FUND BALANCES

Fund Balances:			
Reserved for Debt Service	\$ 82,327	\$ 82,327	\$ 59,376
Total Fund Balances	<u>\$ 82,327</u>	<u>\$ 82,327</u>	<u>\$ 59,376</u>

See Auditor's Report.

TOWN OF INDEPENDENCE
DEBT SERVICE FUND

EXHIBIT B-1

FINANCIAL STATEMENT OF REVENUES, EXPENDITURES, AND
CASH AND FUND BALANCES

For the Year Ended June 30, 2008
With Comparative Totals for the Year Ended June 30, 2007

	CASH AND RESERVINGS BOND		TOTAL	
	2008	2007	2008	2007
REVENUES:				
Interest	\$ 2,154	\$ 2,154	\$ 2,154	
Total Revenues	\$ 2,154	\$ 2,154	\$ 2,154	
EXPENDITURES:				
Principal Retirement	\$ 15,000	\$ 15,000	\$ 14,000	
Interest	13,500	13,500	13,500	
Other	2,000	2,000	-	
Total Expenditures	30,500	30,500	27,500	
Deficiency of Revenues Over Expenditures	\$ 28,346	\$ 28,346	\$ 25,346	
Other Financing Sources				
Other:				
Operating Transfers In/Out	28,800	28,800	28,748	
Proceeds from Refunding Bonds	-	-	-	
Payments to Refund Bonds	-	-	-	
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 2,454	\$ 2,454	\$ 4,402	
Fund Balance at Beginning of Year	38,750	38,750	38,750	
Fund Balance at End of Year	\$ 41,204	\$ 41,204	\$ 43,152	

See auditor's report.

ENTERPRISE FUND

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

Town of Independence
 PROPRIETARY FUNDS
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT 2

COMPARING BALANCE SHEET
 YEAR EN, 1976 and 1977

	ASSETS		LIABILITIES	
	1976	1977	TOTAL	
	1976	1977	1976	1977
Current Assets:				
Cash	\$ 28,744	\$ 100,525	\$ 129,279	\$ 129,279
Investments	28,000	-	28,000	28,000
Receivables:				
Accounts Receivable	28,530	-	28,530	28,530
Less: Allowance for Uncollected Accounts	(6,880)	-	(6,880)	(6,880)
Accrued Interest Receivable	759	-	759	759
Sales Tax Receivable	-	6,417	6,417	6,885
Due from other Funds	-	28,880	28,880	-
Due from other governments	-	127,222	127,222	128,422
TOTAL CURRENT ASSETS	\$ 128,347	\$ 266,750	\$ 297,079	\$ 300,528
Restricted Assets:				
Cash - \$288,880 Revenue Bond Debt Service Account	\$ -	\$ 42,894	\$ 42,894	\$ 42,894
Cash - \$182,880 Revenue Bond Debt Service and Conduitway Account	-	24,124	24,124	29,784
Investments - \$182,880 Revenue Bond Debt Service and Conduitway	-	28,000	28,000	28,000
Cash - Utility Customer - Deposit Account	13,885	-	13,885	13,885
Total Restricted Assets	\$ 13,885	\$ 95,018	\$ 108,923	\$ 114,563
Plant and Equipment, at Cost	2,224,288	2,208,880	4,433,168	2,470,258
Less Accumulated Depreciation	1,028,223	1,048,280	2,076,503	2,108,023
	1,196,065	1,160,600	2,356,665	1,362,235
TOTAL ASSETS	\$ 2,547,305	\$2,532,188	\$ 5,196,772	\$ 4,285,624

10/27/1980

Town of Independence
PROBATIONARY FUNDS
WATER AND SEWER REVENUE FUNDS

EXHIBIT 1
CONTINUED

COMBINED BALANCE SHEET CONTINUED
JUNE 30, 1988 and 1987

LIABILITIES AND FUND EQUITY

	WATER		SEWER		TOTAL	
	1988	1987	1988	1987	1988	1987
Liabilities:						
Current Liabilities (Payable from Current Account):						
Accounts Payable	\$ 2,878	\$ 22,554	\$ 25,500	\$ 28,507	\$ 28,378	\$ 56,885
Due to Other Funds	44,795	22,387	64,803	29,558	109,598	59,116
Contingencies/Retainage Payable	-	27,780	15,700	212,095	127,485	329,580
Construction Retainage Payable	-	188,285	189,143	48,188	377,428	236,373
Capital Lease Obligations	-	-	-	-	-	-
Sales Tax Collection Due Payable	-	28	28	12	28	12
Total Current Liabilities	\$ 47,673	\$ 348,986	\$ 310,371	\$ 318,355	\$ 620,742	\$ 637,240
Current Liabilities (Payable from Restricted Account):						
Revenue Bonds Payable	\$ -	\$ 24,155	\$ 24,155	\$ 28,088	\$ 24,155	\$ 52,243
Accrued Bond Interest Payable	-	1,468	1,468	1,468	-	-
Utility Customer Deposits	13,885	-	13,885	13,885	13,885	13,885
Total Current Liabilities	\$ 13,885	\$ 25,623	\$ 39,508	\$ 43,461	\$ 58,043	\$ 66,128
Long-Term Liabilities:						
Revenue Bonds Payable	\$ -	\$1,888,388	\$1,888,388	\$ 142,000	\$ 1,888,388	\$ 2,030,388
State Payable	-	-	-	-	-	128,567
Capital Lease Obligation	-	-	-	-	-	-
Total Long-Term Liabilities	\$ -	\$1,888,388	\$1,888,388	\$ 142,000	\$ 1,888,388	\$ 2,158,955
Total Liabilities	\$ 61,558	\$2,263,797	\$2,338,267	\$ 503,816	\$ 2,509,473	\$ 2,761,623
Fund Equity:						
Contributed Capital:						
Municipality	\$ 245,876	\$ 208,088	\$ 425,876	\$ 425,876	\$ 425,876	\$ 425,876
Federal Grants	-	1,898,857	1,898,857	448,857	1,898,857	2,347,714
State Grants	422,800	422,328	1,123,328	422,800	1,546,128	1,969,628
Total Contributed Capital	\$ 668,676	\$2,529,273	\$3,448,061	\$ 897,533	\$ 3,870,861	\$ 4,743,218
Retained Earnings:						
Accrued for Revenue Bond Retirement	\$ -	\$ 58,645	\$ 58,645	\$ 58,645	\$ 58,645	\$ 58,645
Unreserved - Designated (Deficit)	(284,814)	(18,356)	(303,170)	(18,356)	(295,524)	(321,530)
Total Retained Earnings (Deficit)	(284,814)	(18,356)	(244,525)	(60,011)	(236,879)	(262,885)
Total Fund Equity	\$ 383,862	\$2,510,917	\$3,143,536	\$ 837,522	\$ 3,633,984	\$ 4,480,333
Total Liabilities and Fund Equity	\$ 61,558	\$2,510,917	\$3,143,536	\$ 837,522	\$ 3,633,984	\$ 4,480,333

See auditor's report.

FORM OF INFORMATION
 PROPRIETARY FUND
 WATER AND SEWER ENTERPRISE FUND

EXHIBIT 2-1

CONSOLIDATING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET ASSETS - Enterprise

For the Year Ended June 30, 1988
 With Comparative Actual Amounts for the Year Ended June 30, 1987

	WATER FUND	SEWER FUND	TOTALS	
	1988	1988	1988	1987
Operating Revenues:				
Water and Sewer Services	\$ 134,838	\$ 87,780	\$ 222,618	\$ 198,080
Collection Charges	4,765	-	4,765	4,987
Collection Fees	3,788	3,838	7,626	8,023
Total Operating Revenues	\$ 143,391	\$ 91,618	\$ 235,009	\$ 211,086
Operating Expenses:				
Salaries	\$ 22,812	\$ 28,282	\$ 51,094	\$ 51,000
Retirement and Medicare	2,897	3,085	5,982	5,897
Office Expenses	2,829	354	3,183	3,338
Repairs and Maintenance	8,578	12,833	21,411	17,887
Fuel	3,800	310	4,110	4,088
OPERATING Supplies	4,558	728	5,286	4,788
Utilities	15,938	28,824	44,762	22,258
Insurance	18,259	834	19,093	28,650
Professional Fees	3,831	12,576	16,407	21,525
Miscellaneous	2,574	787	3,361	340
Grant Match Expense	-	4,129	4,129	8,812
Depreciation	29,743	28,998	58,741	29,798
Sales Tax Collection Fee Expense	-	348	348	413
Bad Debt	4,588	-	4,588	-
Total Operating Expenses	\$ 128,500	\$ 182,381	\$ 310,881	\$ 268,185
Operating Income (Loss)	\$ 14,891	\$ 9,237	\$ 24,128	\$ 42,901
Non-Operating Income				
(Expense):				
Interest Earned	3,243	7,818	11,061	8,600
Indicated Sales Tax	-	55,947	55,947	52,506
Interest Expense	-	1 28,338	(28,338)	1 9,134
State Grant	-	-	-	-
Income (Loss) Before	-	-	-	-
OPERATING Transfers	\$ 84,843	\$ 25,845	\$ 110,688	\$ 68,533
Operating Transfers to	-	-	-	29,288
Operating Transfers Net	\$ 84,843	-	\$ 84,843	\$ 97,821
Net Income (Loss)	\$ 99,736	\$ 15,845	\$ 115,581	\$ 147,722
Retained Surplus (Deficit):				
Beginning of Year	428,535	488,008	916,543	178,800
End of Year	\$ 528,271	\$ 503,853	\$ 1,032,124	\$ 326,522

See auditor's report.

STATE OF MISSISSIPPI
 GOVERNMENTAL FUNDS
 STATE AND LOCAL DEPARTMENTAL FUNDS

REQUIRE 1-1

COMPARISON FUNDING OF CARE PLANS

For the Years Ended June 30, 1999 and 1998

	1999	1998	1999	1998
Cash Flow from Operating Activities:				
Operating Income (Loss)	\$ 41,599	\$ (7,782)	\$ 22,813	\$ 13,482
Adjustments to Reconcile Operating Income to Net Cash Used in Operating Activities:				
Depreciation	20,742	38,008	38,773	38,782
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	(11,048)	2,237	(9,212)	(4,047)
(Increase) Decrease in State Tax Receivable	-	488	488	(345)
(Increase) Decrease in Internal Demand Receivable	-	-	-	-
Increase (Decrease) in Accounts Payable	499	8,287	8,842	(3,142)
Increase (Decrease) in Current Deposits Payable	2,813	-	2,843	(5,282)
Increase (Decrease) in Prepaid Expenses	(192)	280	(3)	(1,220)
Increase (Decrease) in Construction Payable	-	(288,222)	(288,222)	(288,222)
Total Adjustments	\$ (2,072)	\$ (285,527)	\$ (285,527)	\$ (285,527)
Net Cash Used in Operating Activities	\$ 39,527	\$ (287,527)	\$ (262,714)	\$ (272,045)
Cash Flow from Noncapital Financing Activities:				
Increase (Decrease) in Due to Other Funds	\$ 18,000	\$ 18,000	\$ 18,218	\$ 4,464
(Increase) Decrease in Due from Other Funds	-	(24,282)	(24,288)	-
(Increase) Decrease in Due from Other Governmental	-	(18,171)	(18,171)	(23,482)
Operating transfers to	-	-	-	18,589
Operating transfers out	(31,244)	-	(31,244)	(1,852,822)
Net Cash Provided by Noncapital Financing Activities	\$ (13,244)	\$ (6,282)	\$ (45,481)	\$ (218,281)

CONTINUED

TOPIC OF INVESTMENT
PROPERTY POOL
STATE AND LOCAL GOVERNMENT POOL

PROJECT 2-3
(Housing)

CONCILING ACCOUNTS OF CASH FLOW ACTIVITIES
 For the Years Ended June 30, 1988 and 1987

Cash flow from deposit and related financing activities:

	1988	1987	1986	1985
Construction of Capital Assets	\$ -	\$ (2,026,000)	\$ (2,026,000)	\$ (248,000)
Proceeds from sale of Wood Anticipation Bond	-	881,721	881,721	(8,251)
Rebate of Equipmen	-	879,000	879,000	-
Proceeds from sale of Revoc Revenue Bonds	-	-	-	(2,724)
Capital lease obligation principal paid	-	(55,947)	(55,947)	(55,396)
Debtated Sale Tax Revenue (1/28 1988 Tax)	-	(889,280)	(889,280)	-
Principal Payment on Wood Anticipation Bond	-	(24,480)	(24,480)	(19,000)
Revenue Bond Refinanced Paid	-	(26,120)	(26,120)	(9,261)
Interest Paid	-	-	-	-
Purchase of Cash	-	-	-	-
Capital Assets Received	-	2,220,128	2,220,128	262,850
Net Cash Provided by Capital and Related Financing Activities	\$ -	\$ 264,927	\$ 264,927	\$ (248,000)

Cash flow from Investing Activities:
 Interest earned on investments
 Rebate of Payments
 Proceeds from maturation of investments
 Net Cash Provided by
 Investing Activities

	\$ 2,267	\$ 7,928	\$ 22,840	\$ 9,880
	(48,000)	(261,000)	(48,000)	(49,100)
	88,220	88,220	88,220	88,220
Net Cash Provided by Investing Activities	\$ 3,267	\$ (145,052)	\$ 31,060	\$ 3,000

Decrease in Cash
Cash at Beginning of Year
Cash at End of Year

	\$ 22,840	\$ 261,000	\$ 48,000	\$ 55,948
	(38,000)	(278,280)	(22,280)	(22,000)
	(35,000)	(318,280)	(24,280)	(229,300)
Reconciliation of Cash Accounts:				
Reconciled Cash	\$ 18,740	\$ 264,927	\$ 229,720	\$ 248,000
Reconciled Cash	(22,880)	(71,220)	(33,000)	(31,200)
Reconciled Cash	\$ (4,140)	\$ 193,707	\$ 196,720	\$ 216,800

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT SHEET

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

TOWN OF DEERBOROUGH

SCHEDULE 2

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCE

June 30, 1958 and 1957

	1958	1957
General Fixed Assets, all items:		
Land	\$ 22,500	\$ 22,500
Buildings	349,881	323,580
Machinery and equipment	136,387	138,822
Total General Fixed Assets	\$ 528,768	\$ 584,902
Investment in General Fixed Assets:		
Bonds	\$ 15,456	\$ 15,456
Municipal funds	429,901	429,394
Federal Grants	29,372	29,372
State Grants	138,780	138,220
Total Investment in General Fixed Assets	\$ 613,509	\$ 612,442

See auditor's report.

FORM OF MEMORANDUM

SERIAL 2-1

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Year Ended June 30, 1958

	TOTAL	LAND	DEVELOPMENT	ACCUMULATED DEPRECIATION
General Fixed Assets, Beginning of Year	\$552,100	\$ 41,500	\$111,500	\$379,100
Additions:				
Municipal Bonds	14,778	-	13,400	1,378
State Grant	14,000	-	13,100	900
Deductions:				
Municipal Bonds	-----	-----	-----	-----
General Fixed Assets, End of Year	\$580,878	\$ 41,500	\$248,000	\$290,378

See Auditor's Report.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unsecured principal amounts on general long-term debt expected to be financed from governmental type funds. Payments of maturing obligations, including interest, are accounted for in the debt service funds.

YEAR OF INCORPORATION

SCHEDULE B

COMPARATIVE STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1988 and 1987

	<u>TOTALS</u>	
	<u>1988</u>	<u>1987</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Funds for Debt Retirement	\$ 83,327	\$ 80,278
Amount to be provided from payment of Note Receivable	-	-
Amount to be provided in future years from general fund revenues	4,438	24,472
Amount to be provided in future years from 1% Sales Tax	122,828	116,068
Total Available and to be Provided	<u>\$210,693</u>	<u>\$220,818</u>

GENERAL LONG-TERM DEBT PAYABLE

Obligation Under Grant Agreement	\$ -	\$ -
Certificate of Obligation, Final Maturity 5/15/1998	4,438	24,472
Note Payable, Final Maturity 12/27/1987	-	5,685
Sales Tax Refunding Bonds, Series 1984, Final Maturity 6/1/2000	198,088	205,088
	<u>\$202,526</u>	<u>\$235,245</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION REQUESTED

**SCHEDULE OF CHANGES IN ASSETS
RESTRICTED FOR REVERSE BOND DEBT SERVICE**

TOWN OF INDEPENDENCE

ACCOUNT 1

RECORDS OF CHANGE IN MAJOR ACCOUNTS FOR SCHOOL BUS FUND - 1988

FOR THE YEAR ENDED JUNE 30, 1988
With Comparative Details for the Year Ended June 30, 1987

DESCRIPTION	1987-1988		1988-1989		1987-1988		1988-1989	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
Balance as Beginning of Year:								
Cash	\$ 1,700	1.000	\$ 25,793	15.789	\$ 15,000	9.375	\$ 15,000	9.375
Accounts Payable	—	—	—	—	—	—	—	—
Total	\$ 1,700	1.000	\$ 25,793	15.789	\$ 15,000	9.375	\$ 15,000	9.375
Receipts:								
Transfer from Operating Revenue	\$ 55,828	31.479	\$ 60,700	37.111	\$ 5,872	3.637	\$ 55,828	34.443
Transfer from	—	—	—	—	—	—	—	—
Total Receipts	\$ 55,828	31.479	\$ 60,700	37.111	\$ 5,872	3.637	\$ 55,828	34.443
Total Available	\$ 57,528	32.479	\$ 86,493	52.899	\$ 20,872	13.012	\$ 70,828	43.818
Disbursements:								
Principal Expense	\$ 1,000	1.738	\$ 1,000	1.738	\$ —	—	\$ 1,000	1.738
Current Expense	—	—	—	—	—	—	—	—
Total Disbursements	\$ 1,000	1.738	\$ 1,000	1.738	\$ —	—	\$ 1,000	1.738
Balance at End of Year:								
Cash	\$ 7,287	4.199	\$ 24,793	15.211	\$ 24,000	15.000	\$ 24,000	15.000
Accounts Payable	—	—	—	—	—	—	—	—
Total	\$ 7,287	4.199	\$ 24,793	15.211	\$ 24,000	15.000	\$ 24,000	15.000

See Auditor's Report.

SCHEDULE OF INSURANCE COVERAGE IN FORCE CONSULTED

Town of Independence

SCHEDULE 2

SCHEDULE OF INSURANCE COVERAGE IN FORCE - INDEMNITIES

June 30, 1999

INSURANCE COMPANY	COVERAGE	AMOUNT	EXPIRATION DATE
Monterey Insurance Co.	Standard Fire Insurance Town Hall, Fire Station #1, Highway 21, Wells	\$250,000 \$ 20,000	03-31-00 03-31-00
Monterey Insurance Co.	Standard Fire Insurance Fire Station #2 California Street Building Town Hall	\$ 25,000 \$ 25,000	03-31-00 03-31-00
Progressive Insurance Co.	Commercial Auto Policy Comprehensive and Collision 1992 Chevrolet Blazer 1999 Ford Police Van		05-31-00
Meridian Indemnity Insurance Co.	Standard Fire Insurance Police Station & Sheriff William Center Highway 21, Wells	\$200,000	03-31-00
Monterey Insurance Co.	Building Building and Contents MUNICIPALITY BUILDING	\$200,000	03-31-00
Monterey Insurance Co.	Water Tower & Equipment TOWER	\$ 50,000	03-31-00
Monterey Insurance Co.	Pumping Equipment	\$ 5,000	03-31-00
Monterey Insurance Co.	Fire Station #2 Building	\$ 50,000	03-31-00
LA Municipal Risk Management Agency	Commercial Auto Policy	\$200,000	03-31-00
LA Municipal Risk Management Agency	Commercial General Liability BODILY INJURY PROPERTY DAMAGE PERSONAL INJURY	\$200,000 \$200,000 \$200,000	03-31-00 03-31-00 03-31-00
LA Municipal Risk Management Agency	LOW DEDUCTIBLE LIABILITY Comprehensive Liability, Personal Injury	\$200,000	03-31-00
LA Municipal Risk Management Agency	Public Officials Liability Excess and Retention	\$200,000	03-31-00
LA Municipal Risk Management Agency	Workers' Compensation	\$ -	03-31-00
Monterey Insury	Publicity Bond Town Clerk, Town Clerk	\$ 50,000	03-31-00
Monterey Insury	Publicity Bond Shirley Alexander, Asst. Town Clerk	\$ 50,000	03-31-00

(Continued)

Year of Independence
SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNPAID)

(CONTINUED)

June 30, 1999

INSURANCE COMPANY	COVERAGE	AMOUNT	EXPIRATION DATE
MetLife Surety	Public Official Bonds Municipal and job contracts	\$500,000	06-30-00
MetLife Surety Co.	Commercial Auto Policy and parts building	\$500,000	07-31-00
MetLife Surety Co.	Commercial Coverage sureties	\$ 25,000	10-31-00
MetLife Surety Co.	Commercial Auto Policy Comprehensive & Collision 1999 Ford Econo Vehicle	\$ 25,000	09-30-00

See auditor's report.

SCHEMATIC OF CONSERVATION PAID ELECTED OFFICIALS

Town of Independence

SCHEDULE 3

SCHEDULE OF COMPENSATION PAID Elected OFFICIALS

June 30, 1988

Term of Office - July 1, 1987- June 30, 1988

<u>NAME</u>	<u>TITLE</u>	<u>COMPENSATION PAID</u>
Phillip F. Doniano, Mayor P. O. Box 812 Independence, Louisiana 70443 05441 878-0818	Mayor Street Commissioner	\$ 3,800 \$ 25,800
John A. Paulto, Sr. P. O. Box 793 Independence, Louisiana 70443 05441 878-2792	Fire Chief Alderman	\$ 13,748 \$ 2,000
Louis L. Joseph P. O. Box 510 Independence, Louisiana 70443 05443 878-4711	Alderman	\$ 1,810
Joseph Muzardo P. O. Box 545 Independence, Louisiana 70443 15443 878-4804	Alderman	\$ 1,900
Harrell B. Baban P. O. Box 2282 Independence, Louisiana 70443 15441 878-6066	Alderman	\$ 2,000
Anthony P. Cayaleo P. O. Box 2220 Independence, Louisiana 70443 15441878-4888	Alderman	\$ 1,000
Frank C. Pirogo P. O. Box 284 Independence, Louisiana 70443 15441878-4866	Police Chief	\$ 18,748

See Auditor's Report.

SCHEDULE OF EXPENDITURES OF FEDERAL MONIES

SCHEDULE BY DEPARTMENT OR FEDERAL AGENCY

For the Year Ended June 30, 1958

<u>FEDERAL AGENCY/ FEDERAL TITLE</u>	<u>FEDERAL FUNDS NUMBER</u>	<u>PROGRAM OR AMOUNT</u>	<u>EXPENDITURES</u>
U.S. Department of Housing and Urban Development			
Passed through the Louisiana Division of Administration:			
Community Development Block Grant - Small Cities Program			
PT 1791 64180			
Contract H201-5013	14-015	\$ 750,000	\$ 540,473
Passed through Louisiana Housing Finance Authority:			
Home Program			
	14-118	120,100	
Passed through the Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Law Enforcement			
Equipment Fund	14-393	3,300	3,300
Repealed: 696-35-2, 37-8418			
U.S. Department of Agriculture			
Waterway System Improvement Grant			
	64-148		\$ 304,300
TOTAL FEDERAL ASSISTANCE			\$1,118,773

See auditor's report.

NOTE AND BOND RATE VARIABLE

Trust of Indianapolis

SCHEDULE C

ASSETS

INTEREST-BEARING DEPOSIT ACCOUNTS

June 30, 1990

DESCRIPTION	TOTAL	1989		1990		1990	TOL
		AMOUNT	PERCENT	AMOUNT	PERCENT		
LOCAL Sav. & Loan Assn.	2,835.50	700.00	2.48	0.00	0.00	200.00	0.00
INDIAN SAVINGS BANK	2,135.50	200.00	9.37	200.00	14.50	200.00	0.00
Tru. Corp.	50.00	0.00	0.00	0.00	0.00	20.00	0.00
INDIAN SAVINGS BANK	200.00	44.00	22.00	0.00	0.00	204.00	1.00
LA Sav. & Loan Assn.	200.00	0.00	0.00	0.00	0.00	0.00	0.00
INDIAN SAVINGS BANK	240.00	0.00	0.00	15.00	6.25	75.00	0.00

¹In August, see 25.10

See auditor's report.

SCHOOLS OF WATER AND OTHER INFORMATION

SCHEDULE OF WATER AND SEWER INFORMATION

June 30, 1988

AGED ACCOUNTS RECEIVABLE

As of June 30, 1988, accounts receivable from water and sewer billings were aged as follows:

	OVER 30 DAYS	OVER 60 DAYS	OVER 90 DAYS	TOTAL
CURRENT BALANCE	5,8,122	5,1,501	5,1,143	520,528

WATER AND SEWER USERS

As of June 30, 1988, water and sewer users were comprised of the following:

	WATER	SEWER
Residential	701	679
Non-Residential	-11	-14
Total Users	288	228

COMBINE INDEPENDENT PEER-REVIEW REPORTS
AND FINANCIAL AND RECOMMENDATION

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

Durnin & James

• CERTIFIED ACCOUNTANTS •

John W. Durnin, CPA
Frank H. James, CPA
74 Professional Corporation

Office
Auditors License #
Certified Public Accountants

Philip H. Mahers, CPA
Ryan C. Searcy, CPA

Member
Society of Accountants
Certified Public Accountants

AUGUST 14, 1998

**Independent Auditor's Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit of General Purpose
Financial Statements Performed in Accordance with Government Auditing Standards**

The honorable Phillip F. Boniana, Mayor
and the MEMBERS of the Board of Aldermen
Town of Independence, Louisiana

We have audited the general purpose financial statements of the Town of Independence, Louisiana, as of and for the year ended June 30, 1998, and have issued our report, otherwise dated August 14, 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 Independence's 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 and recommendations as item number 98-1.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Independence'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. Our considerations 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

TOWN OF INDEPENDENCE

This report is intended for the information of management, the Louisiana Legislative Auditor, and federal auditing agencies and goes through revisions. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and board of Aldermen of the town of Independence, Louisiana, is a matter of public record.

Respectfully submitted,

Dwain S. James
DWAIN S. JAMES, JR.

INDEPENDENT DIRECTOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH VALUE PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH GAO CIRCULAR 8-13

Durnin & James

MEMBER FIDELITY & BOND CORPORATION

John W. Lumbis, CPA
Richard E. Jones, CPA
W. Frederick Carpenter

Member
Association of
Certified Public Accountants

Charles B. Wilson, CPA
Raymond C. Green, CPA

Member
Society of Certified
Public Accountants

August 14, 1998

Independent Auditor's Report on Compliance with Requirements
Applicable to each Major Program and Internal Control Over
Compliance in Accordance with OMB Circular A-133

The Honorable Phillip P. Tomasco, Mayor
and the Members of the Board of Aldermen
Town of Independence, Louisiana

Compliance

We have audited the compliance of the Town of Independence, Louisiana with the types of compliance requirements described in the D.M. office of management and budget (OMB) Circular A-133 compliance supplement that are applicable to each of its major federal programs for the year ended June 30, 1998. The Town of Independence, Louisiana's major federal programs are identified in the summary of auditor's results division of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Independence, Louisiana's management. Our responsibility is to express an opinion on the Town of Independence, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes reviewing, on a test basis, evidence about the Town of Independence, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Independence, Louisiana's compliance with those requirements.

As described in Item 94-1 in the accompanying schedule of findings and questioned costs, the Town of Independence, Louisiana did not comply with requirements regarding some bond contracts that are applicable to its Watermain System Improvement Fund. Compliance with such requirements is necessary, in our opinion, for the Town of Independence, Louisiana to comply with requirements applicable to that program.

TOWN OF INDEPENDENCE, LOUISIANA

In our opinion, except for the noncompliance described in the preceding paragraph, the Town of Independence, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of the major federal programs for the year ended June 30, 1988.

Internal Control Over Compliance

The management of the Town of Independence, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of Independence, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with GAO Circular 8-113.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, the Louisiana Legislative Auditor, and Federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and Board of Aldermen of the Town of Independence, Louisiana, is a matter of public record.

Respectfully submitted,


DURAIN E. JAMES, CPA

FISHING AND RECREATION

Town of Independence
CURRENT YEAR AUDIT FINDINGS
For the Year Ended June 30, 1998

FINDINGS AND RECOMMENDATIONS

FR-1

FINDING

The sewer bond covenants require that the audit of the financial statements be completed and submitted within three months after the close of the fiscal year.

RECOMMENDATION

We recommend the Town take the necessary steps to adhere to the various covenants agreed to in the bond resolution.

MANAGEMENT'S RESPONSE

In a letter dated October 27, 1998, the Town stated that in the future the necessary steps will be taken to ensure that the Town complies with all Sewer Revenue Bond Covenants.

COGNITIVE ACTION PLAN FOR CURRENT YEAR AND IF FUTURE

Year of Independence

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS
 For the Year Ended June 30, 1998

Ref.#	Description of Finding	Corrective Action Plan	Name of Contact Person	Anticipated Completion Date
98-1	Lower Revenue Fund payments	The Town will take whatever steps are necessary in order to comply with all new Bond Covenants.	Rozsa King	11/15/98

EXHIBIT A SCHEDULE OF PRICE ADJUST PROVISIONS

Type of Independence

BIOLOGICAL FINDINGS OF SOVIET AMERIC BIOLOGISTS
FOR THE YEAR ENDING JUNE 30, 1958

No. of	FIELD YEAR		Description of Biologists	CORRECTIVE		Plas. Characteristic Animals - Bacterial, parasitic, Arthropod, etc.	Additional specimens
	Findings Initially Observed	Observed		Animals	Substr.		
9713	June 11, 1958		Seven Soviet Germany	Yes		The water found and the Soviet find have been deposited for Plural year ending June 30, 1958.	

TOWN OF BERGENFIELD

ANNUAL BUDGET OF REVENUE AND EXPENDITURES

For the Year Ended June 30, 1998

Fund	FISCAL YEAR Findings Initially Approved	Description of Findings	Committee Action Amount	Plan Corrective Action - Budget Committee Action Taken	Additional Explanation
07-1	June 30, 1998	Grant Book Contract	700	The grant book and the grant fund have been reapproved for fiscal year ended June 30, 1998.	

INCREASE IN FISHING AND CONSERVED COSTS

Town of Independence

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1988

FEDERAL QUARTER/ PROGRAM TITLE	FEDERAL CFDA NUMBER	FINDING/ NONCOMPLIANCE	QUESTIONED COSTS
Estate and Water Funds		<p>Condition: During our audit and review of the cover and water funds, we noted the audit of the financial statements was not completed and submitted within three months after the close of the fiscal year. The effect of this condition is the Town is not in compliance with the requirements imposed by Farmer's Home Administration.</p> <p>Recommendation: The Town should take the necessary steps to adhere to the various comments agreed to in the board resolution.</p> <p>Management's Response: In a letter dated October 27, 1988, the Town stated that it would take the necessary steps to be in compliance with the various steps in the board resolution.</p>	None.

See auditor's report.

Durnin & James

REGISTERED PUBLIC ACCOUNTANTS

Alan H. Davis, CPA
Franklin Jones, CPA
T. Paulsen Pappas

Member
American Institute of
Certified Public Accountants

Charles H. Malvern, CPA
Raymond E. Smith, CPA

Member
Society of Certified
Chartered Public Accountants

November 2, 1998

The Honorable Phillip F. Romano, Mayor
and Members of the Board of Aldermen
Town of Independence, MISSISSIPPI

We have audited the general purpose financial statements of the Town of Independence for the year ended June 30, 1998, and have issued our report thereon dated August 14, 1998. Professional standards require that we provide you with the following information related to our audit.

Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated June 18, 1998, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may occur and not be detected by us.

As part of our audit, we considered the internal control structure of the Town of Independence. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Town of Independence's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their applications. The significant accounting policies used by the Town of Independence are described on Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 1997. We noted no transactions entered into by the Town of Independence during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.

Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical sales and newer revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the proprietary fund-type financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. Those adjustments may include those proposed by us but not recorded by the Team of Independent Accountants that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the individual fund-type financial statements of the Team of Independent Accountants as a whole. The Team has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the Team of Independent Accountants for the year ended June 30, 1999.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 80, "Reports on the Application of Accounting Principles."

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

Term of Independence
November 3, 1888
Page Three

This report is for the information of management, the Louisiana legislative auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and Board of Aldermen of the Term of Independence, Louisiana, is a matter of public record.

Respectfully submitted,

Dustin E. James
DUSTIN E. JAMES, CPA

DJJ/tdm

10/28/2023 10:10:10 AM