

**TOWN OF MARION
MARION, LOUISIANA**

**REPORT ON AUDIT OF
BASIC FINANCIAL STATEMENTS**

**YEAR ENDED
DECEMBER 31, 2005**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 7-28-07

**TOWN OF HARRIS
HARRIS, LOUISIANA
ANNUAL FINANCIAL REPORT WITH SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEAR ENDING DECEMBER 31, 2007 AND 2006**

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TOWN OF MERRIN
MASSACHUSETTS
ANNUAL FINANCIAL REPORT WITH SUPPLEMENTAL INFORMATION SCHEDULES
FOR THE YEARS DECEMBER 31, 2003 AND 2004

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June 21, 2004

INDEPENDENT AUDITORS' REPORT

The Honorable Mayor Kenneth W. Franklin
and Members of the Board of Aldermen
Town of Marion, Louisiana

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities and each major fund of the Town of Marion, Louisiana, as of and for the years ended December 31, 2003 and 2002, which collectively comprise the Town's basic financial statements, as listed in the Table of Contents. These basic financial statements are the responsibility of the Town of Marion, Louisiana's management. Our responsibility is to express an opinion on the financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 generally accepted in the United States of America.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities and major fund of the Town of Marion, Louisiana, as of December 31, 2003 and 2002, and the respective changes in financial position and cash flows, where applicable, for the year ended in conformity with generally accepted accounting principles in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated June 21, 2004 on our consideration of the Town of Marion, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

The Management's Discussion and Analysis on pages 4 - 8 and the required supplemental information, other than Management's Discussion and Analysis, on page 23 is not a required part of the basic financial statements, but are supplementary information required by the accounting principles generally accepted in the United States of America.

We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

The Honorable Kenneth W. Franklin, Mayor
and Members of the Board of Aldermen
June 23, 2004
Page 3

Our audit was performed for the purpose of forming an opinion on the basic financial statements that collectively comprise the Town of Baton Rouge, Louisiana basic financial statements. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them. The accompanying supplemental information as listed in the Table of Contents and identified as Schedule 1 through Schedule 4 are presented for purpose of additional analysis and are not a required part of the basic financial statements. 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 basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

GARRETT AND GARRETT
CERTIFIED PUBLIC ACCOUNTANTS



MANAGEMENT'S DISCUSSION AND ANALYSIS

Town of Marion, Louisiana
Management's Discussion and Analysis
December 31, 2003

The management of the Town of Marion, Louisiana offers readers of the Town of Marion, Louisiana's (Town) financial statements this narrative overview an analysis of the financial activities of the Town for the fiscal year ended December 31, 2003. Management discussion and analysis is designed to provide an objective analysis of the Town's financial activities based on currently known facts, decisions, or conditions.

Overview of the Financial Statements

The Town's basic financial statements consist of the government-wide financial statements, fund financial statements, and notes to the financial statements. This report also contains other supplementary information, which is in addition to the basic financial statements.

Government-Wide Financial Statements

The statement of net assets presents information on all of the Town's assets and liabilities, with the difference between the two reported as net assets. The statement of activities shows how the government's net assets changed during this fiscal year. All changes in net assets are reported as soon as the underlying event occurs regardless of the timing of the related cash flows.

Each of these reports is broken down between governmental activities and business-type activities. Governmental activities normally are those activities that are supported by taxes, licenses, permits, fees and intergovernmental revenues, for example, the police and fire departments. Business-type activities are functions that are intended to support their costs through charges for services or fees such as the water and sewer departments.

Fund Financial Statements

The Town of Marion, Louisiana maintains one individual governmental fund at this time, the General Fund. Information is presented in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund which is considered to be a major fund.

The Town adopts an annual budget for its general fund. A statement of revenues, expenditures and changes in fund balance is prepared on **Exhibit A** which compares actual revenues and expenditures to the original budget and amended budget figures. The original budget was adopted on December 10, 2002 and it was amended on November 11, 2003.

The Town operates one proprietary fund. The Town uses an enterprise fund to account for its water and sewer disposal operations. This enterprise fund reports the same functions presented as business-type activities in the government-wide financial statements.

The notes to the financial statements have additional information presented that is essential to a full understanding of the data provided in the government-wide financial statements. The notes are found on pages 12 - 24.

Government-wide Financial Analysis

Overall, the Town's financial position and results of its operations did not improve in fiscal 2003. The largest percentage of the total assets (75%) is the Town's investment in net capital assets. The Town has outstanding debt of \$21,574,48 which was used to finance some of the 1994,648.38 capital assets. (For more detailed information on the Town's debt and capital assets, see pages 29 - 30.) The Town will have to generate enough income in fiscal year 2004 to pay off \$16,383.58 in lease payments, including interest. The total liabilities of \$79,666.00 are 7% of the total assets.

The following table reflects the condensed statement of net assets at December 31, 2001.

	Governmental Activities	Business-Type Activities	Total
Assets			
Current Assets	\$11,500.00	\$ 18,000.00	\$29,500.00
Non-current Assets	\$28,500.00	\$68,500.00	\$97,000.00
Total Assets	\$40,000.00	\$86,500.00	\$126,500.00
Liabilities			
Current Liabilities	\$24,500.00	\$12,500.00	\$37,000.00
Non-current Liabilities	\$11,500.00	\$0.00	\$11,500.00
Total Liabilities	\$36,000.00	\$12,500.00	\$48,500.00
Net Assets			
Investment in Capital Assets, Net of Related Debt	\$15,500.00	\$68,500.00	\$84,000.00
Reserves			
Unassigned	\$10,000.00	\$10,000.00	\$20,000.00
Total Net Assets	\$25,500.00	\$78,500.00	\$104,000.00

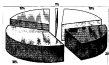
The Town's governmental activities decreased the net assets by \$10,131.75, while business-type activities decreased net assets by \$66,633.07. Part of this decrease was due to a drop in total sales taxes received. Below is a summary of the statement of activities.

	Governmental Activities	Business-Type Activities	Total
Revenues			
Program Revenues	\$61,576.57	\$65,400.00	\$126,976.57
General Revenues	\$284,684.16	\$11,700.51	\$296,384.67
Total Revenues	\$346,260.73	\$77,100.51	\$423,361.24
Expenses			
Capital and Administrative	\$86,700.00		\$86,700.00
Public Safety	\$141,000.00		\$141,000.00
Public Services	\$62,100.00		\$62,100.00
Utilities and Maintenance	\$1,400.00		\$1,400.00
Debt Service		\$11,000.00	\$11,000.00
Interest on Long-Term Debt	\$1,000.00		\$1,000.00
Total Expenses	\$192,200.00	\$11,000.00	\$203,200.00
Investment (Increase) in Net Assets	\$153,060.73	\$66,100.51	\$219,161.24
Net Assets - Jan. 2001 - Originally Reported	\$177,146.51	\$68,116.97	\$245,263.48
First Period Adjustment	\$1,000.00	\$0.00	\$1,000.00
Net Assets - Jan. 1, 2001 (Revised)	\$178,146.51	\$68,116.97	\$246,263.48
Net Assets - Dec. 31, 2001	\$193,207.24	\$74,717.24	\$267,924.48

Program Revenues Are Broken Down As:

General Government	\$	1,047.37
Public Safety		28,248.71
Public Services		24,082.99
Water		24,384.88
Sewer		28,824.88
Total Program Revenues		<u>147,598.83</u>

Program Revenues



A General Government B Public Safety C Public Services D Water E Sewer

General Revenue: Composed of the Following:

Property Taxes	\$	10,090.36
Sales Taxes		171,341.18
Franchise Taxes		28,849.19
Alcoholic Beverage Tax		1,711.02
Occupational Licenses		31,148.07
Investment Earnings		6,826.52
Other		1,083.43
Total General Revenue	\$	279,009.75

General Revenue



<input type="checkbox"/> Property Taxes	<input type="checkbox"/> Sales Taxes
<input type="checkbox"/> Franchise Taxes	<input type="checkbox"/> Alcoholic Beverage Tax
<input type="checkbox"/> Occupational Licenses	<input type="checkbox"/> Investment Earnings
<input type="checkbox"/> Other	

Financial Analysis of the Government's Funds

The Town of Marietta's governmental funds reported an ending fund balance of \$156,963, which is an increase of \$4,122.43. This increase is caused by a prior period adjustment of \$13,128 representing prepaid insurance. This fund actually had a \$3,483.05 loss.

The Town's proprietary fund shows a decrease in its ending fund balance of \$27,309.07. The 2003 net operating loss of the water and sewer funds represents a decrease of \$4,079.86 from 2002's ending balance. The sales tax revenue in the water and sewer fund dropped 20% from 2002.

General Fund Budgetary Highlights

The major differences between the original budget and the final budget of the General Fund are:

1. The decrease in revenue of \$46,520.00 is due mainly to a 20% drop in sales tax.
2. Expenditures decreased from \$275,131.00 to \$267,125.00 for a difference of \$7,996.00.
3. The decrease in expenditures is due to police department personnel. There is only one full-time officer and the police chief who creates benefits. The remaining police employees are part-time sheriff's deputies.

The final budget and the actual results difference show a negative position. The difference in budgeted revenue and actual is 2%. The difference in budgeted expenditures and actual is 2%.

Capital Asset and Debt Administration

The total investment in net capital assets as of December 31, 2003 is \$864,646.58.

Five major capital assets purchased in fiscal 2003 are:

1. The sewer fund purchased two (2) pumps at a cost of \$4,525.00.
2. The fire department bought \$6,000.00 in equipment and improvements in fiscal 2003, including communication equipment (\$2,150.00) and cylinders.
3. The town purchased land in the amount of \$11,000.00 for the new fire department building.

At the end of the current fiscal year, the Town had an outstanding capital lease. This debt is financed through general fund revenues. The proceeds were used to buy a garbage truck in the fiscal year 2002. At year end, the balance due is \$11,573.44.

Current Financial Factors

In 2003, the Town received approval for a loan with \$1000 (1.000%) in the amount of \$100,000 with an additional matching \$80,000 grant. We also are approved through the Governor's office of rural development for \$45,000. The Union Parish Police Jury has committed \$10,000 from rural development for the fire department project. In conjunction with these funds mentioned above, the Town is also approved for \$450,000 Priority Day Capital Grant funds and \$150,000 Priority funds. These funds will be used for the rebuilding of the fire station and loss of equipment in the fire of 2002.

In 2000, the Town received approval for a \$200,000 LCDFNG grant. Because of a number of problems (including right of ways, property owners, and administrative complications) this project has been delayed. The town will not be approved for any future LCDFNG grants as long as this grant is open. In 2000, the town applied for LCDFNG money for street improvements, but is unable to receive the funds because of the incomplete street grant.

Sales tax collection for 2004 is down 7% compared to the same period in 2003. Utility collections for 2004 are down 10% compared to 2003 of which, 5% is due to write-offs and the remaining amount is due to a decrease in water usage.

BASIC FINANCIAL STATEMENTS

TOWN OF MARRON
MARRON, ILLINOIS
STATEMENTS OF NET ASSETS
DECEMBER 31, 2003 AND 2002

EXHIBIT A

	GOVERNMENTAL ACTIVITIES	BUSINESS - TYPE ACTIVITIES	TOTALS	
			2003	2002
ASSETS				
Cash and Cash Equivalents	\$ 16,591.09	\$ 15,531.94	\$ 32,123.03	\$ 284,628.00
Investments	28,817.42	115,514.77	144,332.19	96,514.92
Receivables, Net	18,761.58	16,999.70	35,761.28	34,576.82
Due from Other Funds	11,441.81	(11,441.81)	.00	.00
Due from Other Governments	793.35	.00	793.35	825.04
Prepaid Items	60,183.00	1,664.00	61,847.00	.00
Accrued Interest	.00	143.90	143.90	592.79
Restricted Cash and Cash Equivalents	.00	6,264.42	6,264.42	4,882.37
Restricted Investments	.00	11,888.92	11,888.92	14,123.91
Capital Assets, Net	294,381.50	698,344.84	892,726.34	973,437.84
Total Assets	\$ 613,834.89	\$ 796,329.89	\$ 1,204,164.77	\$ 1,298,125.88
LIABILITIES				
Accounts Payable	\$ 3,258.79	\$ 1,440.26	\$ 4,709.05	\$ 14,402.55
Accrued Liabilities	3,211.39	1,281.72	4,503.11	9,965.20
Customer Deposits	.00	13,490.89	13,490.89	12,900.00
Current Portion of Long-Term Obligations	13,828.49	.00	13,828.49	13,141.00
Non-Current Portion of Long-Term Obligations	37,720.95	.00	37,720.95	31,774.44
Total Liabilities	\$ 68,029.62	\$ 17,721.98	\$ 85,751.66	\$ 101,982.29
NET ASSETS				
Reported in Capital Assets, Net of Related Debt	\$ 244,727.35	\$ 688,344.84	\$ 933,072.19	\$ 938,732.60
Unrestricted (Deficit)	136,963.07	184,682.99	271,646.06	238,254.29
Total Net Assets	\$ 381,690.42	\$ 873,027.83	\$ 1,204,718.25	\$ 1,176,986.89

The accompanying notes are an integral part of these statements.

STATE OF TEXAS
COMPTROLLER GENERAL
OFFICE OF THE COMPTROLLER
GENERAL INVESTIGATION DIVISION

2012-2013 FISCAL YEAR REPORT

ACCOUNT NAME	GENERAL FUND		SPECIAL FUND		COMBINED TOTAL	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00

ACCOUNT NAME	GENERAL FUND		SPECIAL FUND		COMBINED TOTAL	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00
STATE OF TEXAS	100.00	100.00	100.00	100.00	200.00	100.00
COMPTROLLER GENERAL	100.00	100.00	100.00	100.00	200.00	100.00
OFFICE OF THE COMPTROLLER	100.00	100.00	100.00	100.00	200.00	100.00
GENERAL INVESTIGATION DIVISION	100.00	100.00	100.00	100.00	200.00	100.00

**TOWN OF MARKEE
MARKEE, LOUISIANA
BALANCED SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2001 AND 2000**

EXHIBIT C

	GENERAL FUNDS	
	2001	2000
Assets		
Cash and Cash Equivalents	\$ 16,502.00	\$ 42,441.82
Investments	58,817.42	56,314.82
Receivables Net:		
Ad Valorem Taxes	11,318.49	3,238.97
Sales and Use Taxes	7,482.00	6,841.58
Due from Other Funds:		
Enterprise Fund	12,441.51	8,896.00
Due from Other Governments:		
Louisiana Beer Tax Distribution	795.13	821.00
Prepaid Items	13,135.88	.00
Total Assets	\$ 117,333.23	\$ 118,732.22
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 5,336.76	\$ 7,462.17
Accrued Liabilities	5,211.29	8,058.84
Total Liabilities	\$ 10,548.05	\$ 15,521.01
Fund Balance:		
Unreserved and Undesignated	\$ 106,785.18	\$ 103,211.21
Total Liabilities and Fund Balance	\$ 117,333.23	\$ 118,732.22

The accompanying notes are an integral part of these statements.

TOWN OF MARION
MARION, LOUISIANA

EXHIBIT C-1

**RECONCILIATION OF THE BALANCE SHEETS TO THE STATEMENTS OF NET ASSETS
GOVERNMENTAL FUNDS**

FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2002

	<u>2001</u>	<u>2002</u>
Fund Balance - Total Governmental Funds	\$ 108,961.30	\$ 102,140.02
<p>Amounts reported for governmental activities in the statement of net assets are different because:</p> <p>Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.</p>		
Governmental Capital Assets	463,663.41	449,997.81
Less: Accumulated Depreciation	(369,380.77)	(110,323.87)
<p>Long-term Liabilities, including Bonds Payable, are not due and payable in the current period and therefore are not reported in the governmental funds.</p>		
Capital Lease Obligations	<u>(51,529.44)</u>	<u>64,216.00</u>
<u>Net Assets of Governmental Activities</u>	<u>\$ 100,693.33</u>	<u>\$ 171,198.00</u>

The accompanying notes are an integral part of this statement.

TOWN OF HARRIS

EXHIBIT D

HARRIS, LOUISIANA

STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

GOVERNMENTAL FUNDS

FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001

	GENERAL FUND	TOTALS (BARRIS ONLY)	
		2001	2002
Revenues			
Property Taxes	\$ 31,096.36	\$ 31,096.36	\$ 30,096.88
Franchise Taxes	28,648.19	28,648.19	28,148.14
Sales Taxes	183,477.06	183,477.06	178,968.16
Licenses and Permits	32,149.07	32,149.07	32,649.11
Inter-government	2,739.39	2,739.39	3,325.97
Sanitation Fees	27,568.00	27,568.00	27,120.00
Fees	6,502.40	6,502.40	6,788.84
Interest Income	2,748.72	2,748.72	2,657.88
Miscellaneous	625.82	625.81	349.31
Fire Department - Insurance Rebate	7,949.81	7,949.81	7,946.48
Police Supplement Pay	6,000.00	6,000.00	6,000.00
Landfill Rebate	1,422.23	1,422.23	3,009.82
Grant - Sen's	.00	.00	1,200.00
Louisiana Law Enforcement Grant	.00	.00	2,349.00
COFS Universal Hiring Grant	.00	.00	4,874.76
DOCS - State Reimbursement	5,120.76	5,120.76	5,120.76
Rural Development Grant	18,196.00	18,196.00	24,386.22
Insurance Proceed on Fire Loss	.00	.00	15,880.00
Total Revenues	\$ 327,836.81	\$ 327,836.81	\$ 377,224.13
Expenditures			
General and Administrative	\$ 77,177.32	\$ 77,177.32	\$ 81,899.48
Police Protection	104,219.68	104,219.68	107,347.42
Fire Protection	10,790.23	10,790.23	14,119.14
Public Works	27,079.31	27,079.31	27,291.86
Sanitation Department	19,815.06	19,815.06	11,831.28
Culture and Recreation	1,462.33	1,462.33	1,831.29
Other Services			
Principal	11,142.00	11,142.00	47,024.00
Interest	2,963.36	2,963.36	3,024.75
Capital Outlay	17,000.00	17,000.00	176,378.19
Total Expenditures	\$ 273,248.66	\$ 273,248.66	\$ 493,812.11
Excess of Revenues Over Expenditures	\$ 54,588.15	\$ 54,588.15	\$ 83,412.02
Other Financing Sources (Uses)			
Operating Transfers From (To)			
Enterprise Fund	\$.00	\$.00	\$.00
Proceeds from Capital Loans	.00	.00	70,000.00
Proceeds from Sale of Assets	6.00	6.00	.00
Total Other Financing Sources (Uses)	\$ 6.00	\$ 6.00	\$ 70,000.00
Net Change in Fund Balance	\$ 60,594.15	\$ 60,594.15	\$ 153,412.02

TOWN OF MARION
MARION, LOUISIANA
STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

FOOTNOTES
CONTINUED

	GENERAL FUNDS	TOTALS (\$000) (\$000)	
	<u>2021</u>	<u>2020</u>	<u>2020</u>
Fund Balance, Beginning of Year -			
Originally Stated	\$ 800,240.83	\$ 800,240.83	\$ 118,867.81
Prior Period Adjustment	10,128.00	10,128.00	6,961.29
Fund Balance, Beginning of Year - Revised	<u>\$ 810,368.83</u>	<u>\$ 810,368.83</u>	<u>\$ 125,829.10</u>
<u>Fund Balance, End of Year</u>	<u>\$ 806,963.87</u>	<u>\$ 806,963.87</u>	<u>\$ 122,298.95</u>

The accompanying notes are an integral part of these statements.

TOWN OF MARION
MARION, LOUISIANA
RECONCILIATION OF THE STATEMENTS OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999

EXHIBIT D-1

	2000	1999
<u>Net change in fund balances - total governmental funds</u>	\$ (5,405.83)	\$ (2,588.01)
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets are depreciated over their estimated useful lives.</p>		
Expenditures for Capital Assets	17,898.00	176,878.18
Less Current Year Depreciation	(33,871.80)	(151,898.41)
<p>Repayment of capital lease principal is an expenditure in governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.</p>		
Principal Payments	12,142.00	14,228.36
<p>The repayment of principal on long-term debt consumes current financial resources of governmental funds which has no effect on net assets.</p>		
	.00	32,795.49
<p>The proceeds from the issuance of a capital lease provide current financial resources and are reported in this fund financial statement, but they are presented as liabilities in the statement of net assets.</p>		
	.00	(79,000.00)
<u>Change in net assets of governmental activities</u>	<u>\$ (24,115.73)</u>	<u>\$ (86,437.61)</u>

The accompanying notes are an integral part of these statements.

TOWN OF MARION
MARION, LOUISIANA
STATEMENTS OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2000 AND 2001

EXHIBIT E

	<u>WATER AND SEWER</u>	
	<u>2001</u>	<u>2000</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 10,311.54	\$ 162,197.88
Accounts Receivable, Net	16,969.78	24,214.87
Investments	123,034.77	.00
Prepaid Items	1,064.00	.00
Accrued Interest Receivable	141.50	782.28
Total Current Assets	<u>\$ 172,521.59</u>	<u>\$ 391,214.13</u>
Non-Current Assets		
Restricted Assets		
Cash and Cash Equivalents		
Water Fund - Motor Deposits	\$ 4,264.42	\$ 4,882.57
Investments:		
Water Fund - Motor Deposits	12,888.92	14,123.00
Total Restricted Assets	<u>\$ 17,153.34</u>	<u>\$ 19,005.57</u>
Capital Assets		
Property, Plant, and Equipment, at Cost	\$ 1,306,872.02	\$ 1,302,689.36
Less: Accumulated Depreciation	(778,562.88)	(718,708.08)
Land	11,908.00	11,908.00
Construction in Progress - LCDWG	10,000.00	7,875.00
Total Capital Assets	<u>\$ 600,246.94</u>	<u>\$ 603,764.28</u>
Total Non-Current Assets	<u>627,406.28</u>	<u>622,770.85</u>
Total Assets	<u>\$ 802,711.79</u>	<u>\$ 813,984.98</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 2,440.26	\$ 5,839.78
Accrued Liabilities	1,291.72	934.36
Due to General Fund	12,611.81	8,898.83
Total Current Liabilities (Payable from Current Assets)	<u>\$ 16,343.79</u>	<u>\$ 15,672.97</u>
Current Liabilities (Payable from Restricted Assets):		
Customers' Deposits	\$ 11,498.00	\$ 11,498.00
Total Current Liabilities (Payable from Restricted Assets)	<u>\$ 11,498.00</u>	<u>\$ 11,498.00</u>
Total Current Liabilities	<u>\$ 27,841.79</u>	<u>\$ 27,170.97</u>
Long-Term Liabilities:		
Total Long-Term Liabilities	<u>.00</u>	<u>.00</u>
Total Liabilities	<u>\$ 27,841.79</u>	<u>\$ 27,170.97</u>

TOWN OF MADISON
 MADISON, LOUISIANA
 STATEMENT OF NET ASSETS
 ENGINEERING FUNDS
 DECEMBER 31, 2001 AND 2000

FOOTNOTE
 CONTINUED

	<u>WATER AND SEWER</u>	
	<u>2001</u>	<u>2000</u>
Net Assets:		
Invested in Capital Assets Net of Related Debt	\$ 688,544.54	\$ 671,763.50
Unrestricted	<u>164,482.56</u>	<u>176,353.47</u>
Total Net Assets	<u>\$ 853,027.10</u>	<u>\$ 848,116.97</u>
Total Liabilities and Net Assets	<u>\$ 853,027.10</u>	<u>\$ 848,116.97</u>

The accompanying notes are an integral part of these statements.

TOWN OF WARREN
BARBOUR, LOUISIANA
STATEMENTS OF REVENUES, EXPENSES AND
CHANGES IN FUND NET ASSETS
PROPRIETARY FUND
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2002

CONTINUED

	BUSINESS - TYPE ACTIVITIES			
	ENTERPRISE FUND		TOTAL	
	WATER	SEWER	2001	2002
Operating Revenues:				
Charges for Services	\$ 54,144.00	\$ 19,034.00	\$ 73,178.00	\$ 87,341.00
Sales Tax	68,866.00	.00	68,866.00	87,833.67
Miscellaneous	1,323.11	.00	1,323.11	628.80
Total Operating Revenues	\$ 124,333.11	\$ 19,034.00	\$ 143,367.22	\$ 175,799.14
Operating Expenses:				
Salaries and Employee Benefits	\$ 48,690.53	\$ 11,580.17	\$ 60,270.70	\$ 63,658.42
Office Supplies	5,496.71	2,847.79	8,344.50	18,006.91
Professional Fees	4,080.00	.00	4,080.00	3,100.00
Repairs and Maintenance	21,326.09	10,624.72	31,950.81	38,795.67
Sales Taxes	1,433.73	.00	1,433.73	1,851.41
Vehicle Expense	2,368.50	1,897.86	4,266.36	4,140.39
Utilities and Telephone	6,414.83	2,258.77	8,673.60	8,979.00
Depreciation and Amortization	11,774.62	4,554.30	16,328.92	19,000.00
EPA Testing	.00	1,106.00	1,106.00	1,257.00
Insurance	11,621.84	3,235.77	14,857.61	13,850.34
Bad Debts	3,028.29	.00	3,028.29	2,468.81
Miscellaneous	1,028.11	31.11	1,059.22	16,126.76
Total Operating Expenses	\$ 162,831.21	\$ 40,802.13	\$ 203,633.34	\$ 210,857.81
Net Operating Income (Loss)	\$ (38,498.10)	\$ (21,768.13)	\$ (60,266.22)	\$ (35,058.67)
Non-Operating Revenues (Expenses):				
Investment Interest	\$ 3,877.80	\$.00	\$ 3,877.80	\$ 3,128.21
Interest Expense	.00	.00	.00	.00
Sales of Assets	528.50	.00	528.50	.00
Total Non-Operating Revenues (Expenses)	\$ 4,406.30	\$.00	\$ 4,406.30	\$ 3,128.21
Net Income (Loss) Before Contributions and Transfers	\$ (34,091.80)	\$ (21,768.13)	\$ (55,859.93)	\$ (31,930.46)
Capital Contributions	-	-	\$.00	\$.00
Change in Net Assets	-	-	\$ (55,859.93)	\$ (31,930.46)
Net Assets - Beginning of the Year Originally Stated	-	-	\$ 810,106.97	\$ 847,108.32
Prior Period Adjustments	-	-	29,124.00	4,648.55
Net Assets - Beginning of the Year - Revised	-	-	\$ 839,230.97	\$ 851,756.87
Net Assets - End of the Year	-	-	\$ 773,371.04	\$ 819,826.41

The accompanying notes are an integral part of this statement.

**TOWN OF MARION
MARION, LOUISIANA
STATEMENTS OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002 AND 2001**

EXHIBIT G

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUND	
	2002	2001
		\$
Cash Flows from Operating Activities		
Receipts from Customers	\$ 88,481.29	\$ 113,088.08
Payments to Suppliers	(81,508.05)	(113,884.68)
Payments to Employees	(81,872.74)	(83,470.11)
Other Receipts (Payments)	71,628.81	88,322.33
Net Cash Provided by Operating Activities	\$ (6,370.69)	\$ 2,055.62
Cash Flows from Noncapital Financing Activities	\$.00	\$.00
Cash Flows from Capital and Related Financing Activities:		
Sale of Capital Assets	\$ (128.88)	\$.00
Purchase of Capital Assets	(8,562.30)	(8,562.00)
Net Cash (Used) by Capital and Related Financing Activities	\$ (8,691.18)	\$ (8,562.00)
Cash Flows from Investing Activities:		
Investments in Certificates of Deposits	\$ (123,134.77)	\$.00
Interest Earned on Investments	4,084.58	3,828.82
Net Cash Provided (Used) by Investing Activities	\$ (119,050.19)	\$ 3,828.82
Net Increase (Decrease) in Cash and Cash Equivalents	\$ (127,561.58)	\$ (8,733.58)
Cash and Cash Equivalents at December 31, 2002	\$ 167,880.52	\$ 166,212.10
Cash and Cash Equivalents at December 31, 2001	\$ 19,781.86	\$ 167,880.52
Reconciliation of Cash and Cash Equivalents to the Statement of Net Assets		
Cash	\$ 13,031.54	\$ 162,187.98
Restricted Assets		
Money Deposits	6,284.62	4,882.57
Net Cash and Cash Equivalents	\$ 19,781.86	\$ 167,070.55
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
Operating Income (Loss)	\$ (70,877.57)	\$ (68,780.11)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	29,328.82	28,008.06
Changes in Assets and Liabilities:		
(Increase) Decrease in Investments (Restricted)	1,235.01	(83,649)
(Increase) Decrease in Accounts Receivable (Net)	7,317.17	(1,909.08)
(Increase) Decrease in Inventory	.00	2,000.00
Increase (Decrease) in Accounts Payable	(4,499.52)	4,158.48
Increase (Decrease) in Accrued Liabilities	(557.36)	(1,948.73)
Increase (Decrease) to Due to General Fund	3,585.88	8,898.81
Increase (Decrease) in Customers Deposits	180.00	1,709.88
Net Cash Provided (Used) by Operating Activities	\$ (2,682.65)	\$ 2,176.88

The accompanying notes are an integral part of this statement.

TOWN OF MARION
MARION, LOUISIANA
INDEX TO NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003

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**TOWN OF MARION
PARISH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2008**

INTRODUCTION

The Town of Marion, Louisiana (hereafter referred to as the Town) was created under the provisions of the Louisiana Act, Louisiana Revised Statute 33:531, in 1909. Therefore, it operates under a Mayor-Board of Aldermen form of government.

The Mayor is elected for a four year term. The five Alderpersons are elected every four years from a separate district in the Town. They are compensated for their services.

The Town provides the following services: public safety (police and fire), water, drainage, sanitation, utilities (water and sewer), recreation, public improvements, planning and zoning and general and administrative services.

The Town is situated in the north part of Union Parish. It has a population of 898 persons. It is currently servicing water and sewer customers and employs 12 full and part-time persons. The Town also employs a Chief of Police. The position is elected every four years.

NOTE # 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Marion, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, *Audit of State and Local Government Units* (Revised). The following is a summary of certain significant accounting policies.

Financial Reporting Entity - Section 2108 of the GASB Codification of Governmental Accounting and Financial Reporting Standards (GASB Codification) established criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. For financial reporting purposes, in conformance with GASB Codification Section 2100, the Town includes all funds which are controlled by or dependent on the Town which was determined on the basis of oversight responsibility, including accountability for fiscal and budget matters, designation of management or governing authority and authority to issue debt. Certain units of local government over which the Town exercises an oversight responsibility, such as the parish police jury, parish school board, other independently elected officials, and other municipalities within the parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from those of the Town.

Government-Wide Accounting - In accordance with Government Accounting Standards Board Statement No. 34, the Town has presented a Statement of Net Assets and Statement of Activities for the Town as a whole. These statements include the primary government and its component units, if applicable, with the exception of fiduciary funds. These funds are reported separately. Government-Wide accounting is designed to provide a more comprehensive view of the government's operations and financial position as a single economic entity.

Government-Wide statements distinguish between governmental-type and business-type activities. Governmental activities are those financed through taxes, intergovernmental revenues and other non-exchange revenues and are usually reported in governmental and internal service funds. Business activities are financed in whole or in part through fees charged for goods or services to the general public and are usually reported in proprietary funds.

Policies specific to the government-wide statements are as follows:

Eliminating Internal Activity - Internal receivables and payables are eliminated in the Statement of Net Assets except for the net residual amounts due between governmental and business-type activities. These are presented as internal balances. The allocation of overhead expenses from one function to another or within the same function

**TOWNS OF MARION
MARION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING PRINCIPLES CONTINUED

are eliminated in the Statement of Activities. Allocated expenses are reported by the function to which they are allocated.

Application of FASB Statements and Interpretations - Reporting on governmental-type and business-type activities are based on FASB Statements and the Interpretations issued after November 30, 1989, except where they conflict or contradict GASB pronouncements.

Capitalized Assets - Tangible and intangible assets used in operations with an initial useful life that extends beyond one year are capitalized. Infrastructure assets such as roads and bridges are also capitalized. Capital assets are recorded at their historical cost and are depreciated using the straight-line method of depreciation over their estimated useful lives. They are reported net of accumulated depreciation on the Statement of Net Assets. Depreciation of contributed assets of proprietary funds is charged against contributed capital as opposed to restricted net assets.

Under the requirements of GASB Statement No. 34, the Town is considered a Phase 2 government as its total annual revenues are less than \$10 million. Such governments are not required to report major general infrastructure assets retroactively. The Town has opted not to retroactively report these type of capital costs.

Program Revenues - The Statement of Activities presents three categories of program revenues - (1) charges for services; (2) operating grants and contributions; and (3) capital grants and contributions. Charges for services are those revenues arising from charges to customers who purchase, use or directly benefit from goods and services provided by the Town. Grants and contributions, whether operating or capital in nature, are revenues arising from receipts that are restricted for specific use.

Indirect Expenses - Expenses are reported according to function except for those that meet the definition of special or extraordinary items. Direct expenses are specifically associated with a service or program. Indirect expenses include general government or administration that cannot be specifically traced to a service or program. Governments are not required to allocate indirect expenses to other functions, and the Town has chosen not to do so.

Capital Expenses - Proprietary funds separately report operating and non-operating revenues. Revenues from transactions of the Town's operations of providing water and sewer service are considered operating revenues. All other revenues, which are reported as such flows from capital or non-capital financing and investing, are reported as non-operating revenues.

Restricted Net Assets - Restricted net assets are those for which a restriction has been imposed either externally or by law. The Town recognizes the use of restricted reserves for expenditures that comply with the specific restrictions. Restricted resources are indicated below as restricted net assets set aside.

Fund Accounting - The Town uses funds to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate entity with a self-balancing set of accounts. Funds of the Town are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follows:

Governmental Funds - Governmental funds account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed

TOWN OF MARRIS
MARRIS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2000

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

assets, and the servicing of general long-term obligations. Governmental funds include:

1. **General Fund** - is the general operating fund of the Town and accounts for all financial resources, except those required to be accounted for in other funds.
2. **Special Revenue Funds** - account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

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

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

Basis of Accounting Measurement Focus - The accounting and financial reporting treatment applied to a fund is determined by the type of financial statement presentation.

The government-wide statements are reported using an economic resources measurement focus and the accrual basis of accounting. With this measurement focus, all assets and liabilities associated with the operation of government-wide and business-type activities are included in the Statement of Net Assets. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred in the Statement of Activities. In these statements, capital assets are reported and depreciated in each fund.

This same measurement focus and basis of accounting is used by proprietary funds in the fund statements. However, all governmental funds are reported using a current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements present increases and decreases in net current assets. Repurchases for capital assets are reported as current expenses, and such assets are not depreciated.

Budgets and Debt/Debt Accounting - The Town adopts an annual budget for the General Fund and Enterprise Fund. It is prepared in accordance with the basis of accounting utilized by that fund. Any revisions that alter the total expenditures must be approved by the Board of Alderpersons. Budgeted amounts shown are as originally adopted or as amended by the Board. Budget amendments are passed on as an amended fund.

Cash and Cash Equivalents - Cash includes amounts in demand deposits, interest-bearing demand deposits and certificates of deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. 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.

Investments - Investments are limited by Louisiana Revised Statute 33:1905. If the original maturity of investments exceed 90 days, they are classified as investments. Otherwise, the investments are classified as cash and cash equivalents. In accordance with GASB Statement No. 31, investments are recorded at fair value with the corresponding increase or decrease reported in investment earnings. All investments of the Town are certificates of deposits held at Mellon State Bank and the fair value is determined by the fair value of the certificate.

TOWNSHIP OF HARRON
HARRON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005

NOTE # 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Restricted Assets - Certain proceeds of enterprise funds are classified as restricted assets on the balance sheet because their use is limited. Components of these assets are as follows:

	CUSTOMER
	DEPOSITS
Cash Checking	\$ 6,264.62
Certificates of Deposit	17,888.92
Total	<u>\$ 24,153.54</u>

Inventory - Minimum amounts of inventory are not maintained or counted. Most supplies are ordered when needed.

Prepaid Items - The Town purchases commercial insurance to cover their risk. Insurance companies usually require the premiums to be paid in advance of the coverage periods. In prior years the prepaid amounts have not been recorded. In 2005, this error was corrected and prepaid insurance has been recorded for both the governmental and business-type activities. Prepaid insurance for 2005 was recorded as a prior period adjustment.

Capital Assets - The Town's assets are recorded at historical cost. Depreciation is recorded using the straight-line method over the useful lives of the assets as follows:

Equipment and Furniture	3 - 10 Years	Buildings	39 - 40 Years
Utility Power/Sewer Collection System	5 - 40 Years	Infrastructure	40 - 60 Years
Vehicles	5 - 10 Years		

In June 1999, the Governmental Accounting Standards Board issued Statement No. 34 which requires the inclusion of infrastructure assets used in governmental activities in the general purpose financial statements retroactively reported back to 1983. An exception exists for local governments with annual revenues of less than \$10 million. As a result of this exception, the Town has elected to not report its governmental infrastructure retroactively. The infrastructure currently being depreciated over a period of 40 years is the water and sewer system that is reported in the business-type activities of the Town. From this point forward, the Town will use the basic approach to infrastructure reporting for its governmental activities.

Compensated Absence - Town employees are entitled to ten days vacation time per year. Every tenth day is vested after six months of employment. Sick time is accrued at the same rate. Any vacation time is paid at the termination of employment, while sick time is not guaranteed. Unpaid vacation time has been recorded as an accrued payable, while sick time has not.

Long-Term Obligations - In the government-wide financial statements, debt principal payments of both government and business-type activities are reported as decreases in the balance of the liability on the Statement of Net Assets. In the fund financial statements, however, debt principal payments of governmental funds are recognized as expenditures when paid.

At December 31, 2005, the Town had a capital lease with Regions Capital Leasing.

Net Assets Fund Balance - In the Statement of Net Assets, the difference between a government's assets and liabilities is recorded as net assets. The three components on net assets is as follows:

TOWN OF MARION
MARION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Invested in Capital Assets, Net of Related Debt - This category records capital assets net of accumulated depreciation and reduced by any outstanding balances of bonds, mortgages, notes or other borrowings attributable to the acquisition, construction or improvement of capital assets.

Restricted Net Assets - Net assets that are restricted by external sources such as bonds or by law are reported separately as restricted net assets. When assets are required to be retained in perpetuity, these non-expendable net assets are reported separately from expendable net assets. These are components of restricted net assets.

Unrestricted Net Assets - This category represents net assets not appropriate for expenditures or legally segregated for a specific future use.

In the Balance Sheet of governmental funds, fund balances are segregated as follows:

Reserved - These resources are segregated because their use is earmarked for a specific use.

Unreserved - This category represents that portion of equity not appropriate for expenditures or legally segregated for a specific future use.

Interfund Transactions - All interfund transactions, except quasi-external transactions, are reported as operating transfers. These are eliminated in the government-wide statements.

Sales Taxes - Sales Taxes are levied by the Union Parish School Board and allocated to the Town according to their percentage of the collections. The Town allocates 60% of the collections to the General Fund and 40% to the Enterprise Fund. The Town receives 1% of taxes collected in the Town.

NOTE #2 - 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.

At December 31, 2003, the Town has cash and investments totaling \$214,933.08, as follows:

Cash in Checking or On Hand	2	50,087.53
Certificates of Deposits		182,512.09
Restricted Assets (Cash)		6,294.47
Restricted Assets (Investments)		12,038.92
Total		<u>\$ 214,933.08</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with

the bank. These securities are held in the name of the pledging bank in a holding or collateral bank that is mutually acceptable to both parties. The State of Louisiana banking regulations require the FDIC to insure \$100,000 of checking and \$200,000 of savings for each municipality. The Marine State Bank has pledged security of \$200,000. Cash, cash equivalents and investments (fund balances), at December 31, 2003, are secured as follows:

TOWN OF MARRON
MARRON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE # 2 - CASH AND INVESTMENTS CONTINUED

Bank Balances	\$ 25,455.00
Federal Deposit Insurance	\$ 119,095.96
Pledge Securities	111,797.00
Total	\$ 356,348.02

Investments - The government's investments are categorized as either (1) insured or registered or for which the securities are held by the government or its agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

	CATEGORIES			CARRYING
	1	2	3	AMOUNT
Government Security	\$ 00	\$ 00	\$ 00	\$ 00
Certificate of Deposit	100,000.00	00	21,514.77	121,514.77
Total Investments	\$ 100,000.00	\$ 00	\$ 21,514.77	\$ 121,514.77

The State requires collateral pledged for deposits to be held in the government's name by the trust department. The trust department reviews collateral pledged on a quarterly basis. All bank accounts pay interest on a monthly basis except for certificates of deposit in the European Fund. Unpaid earned interest was accrued at year end in the amount of \$143.50.

NOTE # 3 - PROPERTY TAXES

Property taxes attach as an enforceable lien on property as of January 1. Tax notices are usually mailed during November each year and become delinquent after December 31, of the year.

For the Year ended December 31, 2003, taxes of 6.22 mills were levied on property with assessed valuations totaling \$5,109,640 and were dedicated as follows:

General Fund 6.22 Mills

Total taxes levied in 2003 were \$33,196.50.

NOTE # 4 - RECEIVABLES

A summary of receivables as of December 31, 2003, follows:

General Fund	
Property Taxes	\$ 11,315.49
Sales Taxes	7,423.89
Total General Fund	\$ 18,739.38
Exp. from Other Governments	
New Taxes	\$ 793.00
Emergency Fund, Water/Sewer	
Trade Accounts	\$ 19,996.50
Allowance for Doubtful Accounts	1,924.00
Total Trade Accounts	\$ 18,072.50

**TOWN OF WARREN
 MARSH, MASSACHUSETTS
 NOTES TO FINANCIAL STATEMENTS
 DECEMBER 31, 2003**

NOTE #4 - RECEIVABLES CONTINUED

Sales Taxes	\$ 6,956.88
Total Proprietary Fund Water/Sewerage	<u>\$ 18,956.55</u>
 Total All Funds	 <u>\$ 35,361.63</u>

Age of Accounts Receivable Water Customers:

TOTAL	CURRENT	30 - 60 DAYS	60 - 90 DAYS	90 - 180 DAYS
\$ 18,956.55	\$ 11,477.99	\$ 1,290.00	\$ 1,188.66	\$ 4,999.90

NOTE #5 - WATER & SEWER STATISTICS

MONTHLY RATES FOR SERVICES

Water Rates are:

0 - 2,000 Gal.	\$ 5.00
Over 2,000 Gal.	\$ 1.50/1,000 Gal.

Sewer Rates are based on waste usage:

Residential and Industry

Customers	0 - 2,000 Gal.	\$ 4.00
Residential Customers	Over 2,000 Gal.	\$ 0/1,000 Gal. Max. \$12
Industry Customers	Over 2,000 Gal.	\$ 0/1,000 Gal. No limit.

Garbage Rates are:

Residential Customers	\$ 3.00 a month
Industry Customers	\$ 40.00, \$0-40.00, \$100.00 a month

Sales Tax is charged at 3.8% for non-government owned commercial water customers (only) on water charges. Late charges are charged at 1% of the total monthly bill. Reconnection charges are \$10 per incident and tapping fees are \$60 per connection. Utility deposits are \$50 per meter, except for our apartment complex in which customers are charged \$100 per meter.

ESTIMATED USAGE

The estimated gallons of water billed during 2003 was 23,400,331 gallons for 622 customers. The population of Warren is 306.

NOTE #6 - ALLOWANCE FOR DOUBTFUL ACCOUNTS

Allowance for Doubtful Accounts for the Proprietary Fund - Water/Sewer Receivable Accounts is based on the collectibility of outstanding receivables.

NOTE #7 - RESTRICTED ASSETS - WATER/SEWER

These assets consist of cash restricted for the Water Meter Deposits.

Customers' Deposits on Meters	\$19,331.34
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TOWN OF MARION
BISSONVILLE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2002

NOTE # 7 - RESTRICTED ASSETS - WATER/SURFAGE CONTINUED

The liability for customer's deposits on meters is \$11,490.00. The Town has never bonded this restricted assets by \$1,660.14.

NOTE # 8 - CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2002 is as follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>ACQUISITIONS</u>	<u>DEPRECIATIONS</u>	<u>ENDING</u> <u>BALANCE</u>
GOVERNMENTAL ACTIVITIES				
Land	\$ 5,725.00	\$ 11,000.00	\$.00	\$ 16,725.00
Buildings	28,000.00	.00	.00	28,000.00
Improvements Other				
Than Buildings	182,564.00	.00	.00	182,564.00
Machinery and Equipment	288,428.41	7,607.00	(3,000.00) =	293,035.41
Infrastructure	28,228.00	.00	.00	28,228.00
Total at Historical Cost	<u>\$ 485,985.41</u>	<u>\$ 18,607.00</u>	<u>\$ (3,000.00)</u>	<u>\$ 601,592.41</u>
Less: Accumulated Depreciation for:				
Buildings	\$ (1,500.00)	\$ (700.00)	\$.00	\$ (2,200.00)
Improvements	(21,208.00)	(5,877.00)	.00	(27,085.00)
Machinery and Equipment	(79,826.00)	(52,465.00)	1,004.00 =	(131,287.00)
Infrastructure	(231.13)	(756.13)	.00	(987.26)
Total Accumulated Depreciation for:	<u>\$ (112,365.13)</u>	<u>\$ (66,098.13)</u>	<u>\$ 1,004.00</u>	<u>\$ (178,459.26)</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS NET	<u>\$ 373,620.28</u>	<u>\$ 12,508.87</u>	<u>\$ (1,996.00)</u>	<u>\$ 384,133.15</u>
BUSINESS-TYPE ACTIVITIES				
Land	\$ 11,000.00	\$.00	\$.00	\$ 11,000.00
Construction in Progress	35,933.81 =	.00	.00	35,933.81
Buildings	15,000.00	.00	.00	15,000.00
Water System	1,025,432.68	.00	.00	1,025,432.68
Sewer System	305,385.33	4,575.00	.00	309,960.33
Machinery and Equipment	87,291.31	1,343.25	(3,967.00)	84,667.56
Total at Historical Cost	<u>\$ 1,865,042.92</u>	<u>\$ 5,818.25</u>	<u>\$ (3,967.00)</u>	<u>\$ 1,866,894.17</u>
Less: Accumulated Depreciation for:				
Buildings	(1,750.00)	(384.00)	.00	(2,134.00)
Water System	(563,139.00)	(44,389.49)	.00	(607,528.49)
Sewer System	(116,896.13)	(5,524.28)	.00	(122,420.41)
Machinery and Equipment	(26,786.80)	(1,628.51)	1,667.00	(26,748.31)
Total Accumulated Depreciation for:	<u>\$ (718,571.93)</u>	<u>\$ (51,926.28)</u>	<u>\$ 1,667.00</u>	<u>\$ (768,831.21)</u>
BUSINESS-TYPE ACTIVITIES CAPITAL ASSETS NET	<u>\$ 1,146,470.99</u>	<u>\$ 3,891.97</u>	<u>\$ 0.00</u>	<u>\$ 1,150,362.96</u>

(1) See Note # 21 on prior period adjustments.

TOWN OF MARION
BARBOUR, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE # 8. PENSION PLANS

In 2003, the Town setup a SIMPLE IRA plan for all employees, including the Mayor. This plan can be set up by an employer who has 100 or fewer employees who received at least \$5,000 in compensation from the employer for the preceding calendar year and who must remain other requirements. Under a SIMPLE plan, employees can choose to make salary reduction contributions rather than receiving these amounts as part of their regular pay. Salary reduction contributions have to be paid 15-days after the end of the month for which contributions are to be made. Salary reductions can be up to \$8,000 for each employee for the year 2003. The maximum contribution increase due to the age of the individual and the year of the contribution. The employer matches either a dollar for dollar contribution up to 3% of employees compensation or a fixed non-elective contribution of 3% of compensation. The Town matches dollar for dollar up to 3% of the employee's compensation. The total payments to the plan is \$18,768.03 for 2003.

NOTE # 9. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at December 31, 2003:

<u>CLASS OF PAYABLE</u>	<u>GENERAL FUNDS</u>	<u>PROPRIETARY FUNDS</u>	<u>TOTAL</u>
Accounts	\$ 5,298.76	\$ 1,448.26	\$ 6,747.02
Withholding and Payroll Accounts	4,028.70	.00	4,028.70
Accrued Vacations and Sickness	1,751.68	1,585.72	3,337.40
Accrued Sales Taxes	.00	86.00	86.00
Due to General Fund	.00	17,461.91	17,461.91
Total	\$ 11,078.14	\$ 19,473.89	\$ 30,552.03

NOTE # 11. NOTES AND CAPITAL LEASES

Notes payable and capital leases at December 31, 2003 are comprised of the following:

1. Equipment Leasing

The Town entered into a financing lease with Regions Leasing on November 12, 2004 for a maximum amount of \$150,000. The interest rate at the present time is 3.84%. The lease was used to buy a new garbage truck costing \$96,294.16.

Lease on Garbage Truck
 Original Price: \$96,294.16
 Term: July 2, 2005
 Interest: 3.84%
 Monthly Payment: \$1,342.13

Total interest and principal paid in 2002 was \$2,868.26 and \$63,142.00 respectively.

YEAR ENDING 12/31	Principal	INTEREST	TOTAL PAYMENTS
2004	\$ 13,620.49	\$ 1,285.07	\$ 14,905.56
2003	14,591.00	1,571.56	16,162.56
2002	18,284.56	821.33	19,105.89
2001	7,838.85	117.19	8,056.04
	\$ 54,334.90	\$ 4,795.15	\$ 59,130.05

TOWN OF MARRON
MISSISSIPPI, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003

NOTE # 12 - GRANTS AND GOVERNMENT PROGRAMS

The Town received \$40,965.00 from a Community Development Grant. The grant paid for fire department supplies and equipment.

In 2003, the Town received approval from L-C D R-D, for a sewer improvement grant for \$450,000. The Town paid \$1,675 in administrative fees on this project which is recorded as Construction in Progress in the Enterprise fund assets. The project has been delayed in part because right-of-ways from property owners were not received until recently. Because this project has not been completed, the Town does not qualify for additional project funding which recently included a street improvement project that was rejected. This delay has required the Town to purchase several new pumps to keep the sewer system running as well as additional parts and maintenance. The Town does not know when construction will start on this project.

The Town received approval from the U. S. Department of Agriculture for a loan of \$400,000 and a matching grant of \$60,000 to construct a new fire station to replace the one that burned down in 2001. In addition to this funding the Town received \$25,000 through Louisiana's Rural Development Grant. Union Parish gave the Town \$8,000 of Rural Development funds along with the \$25,000 applied for by the Town makes up the total of \$513,000. The Town also received approval through Capital Outlay of \$180,000. The funding for the fire station project break down is:

R.U.S. Loan	\$ 400,000
R.U.S. Grant	60,000
Union Parish - Rural Development	18,000
Town - Rural Development	15,000
Capital Outlay - Cash	180,000
Town Funds	70,000
Town Funds - Land	11,000
Total	\$ 884,000

The Town has applied for additional funding through Capital Outlay for \$250,000 for a fire truck which is still pending final approval. A fire table has not been set for the fire station project.

NOTE # 13 - DEFICIT FUND EQUITY

As of December 31, 2003 no Town funds had deficit fund equities.

NOTE # 14 - INTERFUND BALANCES AND TRANSFERS

In 2003, the General Fund processes and pays all liabilities, associated with the payroll for all Town employees. The Enterprise Fund (Water and Sewer) reimburses the General Fund for their payroll associated liabilities. At year end, the Enterprise Fund was owed \$1,358.00 for an overpayment of payroll liabilities.

The Water and Sewer Department collects and bills garbage fees. Garbage revenue is a revenue of the General Fund. At December 31, 2003, the Water and Sewer Department owed the General Fund \$13,780.00 in garbage fees.

There were no transfers between Town funds except these two transactions above.

Receivables and Payables

Unmatured receivables and payables consisted of the following at December 31, 2003.

**TOWN OF MARION
MARION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2005**

NOTE # 14 - INTERFUND BALANCES AND TRANSFERS CONTINUED

Due to General Fund from the Enterprise Fund representing garbage revenue	\$ 11,790.00
Due from the General Fund to the Enterprise Fund representing payroll	<u>(1,338.00)</u>
Total	\$ 10,452.00

Summary of balances due from other funds reported in last financial statements:

Due from other funds, Balance Sheet - Governmental Funds	\$ 12,641.00
Due to other funds, Statement of Net Assets - Proprietary Funds	<u>(2,189.00)</u>
Total	\$ 10,452.00

NOTE # 15 - PROPRIETARY FUND SEGMENT INFORMATION

The Town maintains one Enterprise Fund which provides water and sewer services. Segment information for the year ended December 31, 2005, is as follows:

Current Assets	\$ 775,273.50
Restricted Assets	25,133.34
Capital Assets, Net	<u>608,344.94</u>
Total Assets	\$ 1,408,751.79
Current Liabilities	26,673.89
Liabilities Payable from Restricted Assets	11,698.00
Long-Term Liabilities	<u>.00</u>
Total Net Assets	\$ 1,370,379.90
Invested in Capital Assets, Net Unrestricted	\$ 608,344.94
	<u>184,452.95</u>
	\$ 792,807.90
Operating Revenues	
Water Sales and Service	\$ 24,386.88
Sewer Sales and Service	28,024.88
Sales Taxes	68,806.10
Miscellaneous	<u>1,325.11</u>
Total Operating Revenues	\$ 152,543.07
Operating Expenses	146,109.32
Depreciation	<u>38,318.82</u>
Operating Losses	\$ (79,877.77)
Non-Operating Revenues	<u>4,400.30</u>
Change in Net Assets	\$ (75,477.47)

NOTE # 16 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS

For purposes of this Statement of Cash Flows, for proprietary fund types, all highly liquid investments, including restricted assets, with a maturity of three months or less when purchased are considered to be cash equivalents. The cash and cash-equivalents as stated on the Statement of Cash Flows is as follows:

TOWN OF MARION
MARION, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2001

NOTE # 16 - STATEMENT OF CASH FLOWS FOR PROPRIETARY FUNDS (CONTINUED)

	WATER AND SEWER
Unrestricted	\$ 31,531.54
Restricted	6,264.42
Total	\$ 37,795.96

NOTE # 17 - CONTINGENCIES

Oil Spills

In prior years the former Town Clerk, Gail Shelton, stole property from the Town of Marion. She was ordered by the court to pay the Town back. She paid the Town 11 payments in 2000 totaling \$500. The balance owed to the Town at the end of the year is \$57,800. This debt will take 96 years to collect.

The Town had insurance to cover part of the above theft. Their insurance company has refused to pay this claim. The Town filed a lawsuit against the insurance company in 2001. The Town's attorney indicated the trial date is to be set in either late 2004 or 2005.

Fire Department

The Marion Volunteer Fire Department covers the Marion Fire District of Union Parish, with the majority of the fire district being in the rural area. The expenditures of the fire department are funded by an annual fire insurance retainer, which is included in the transactions of the General Fund. The Volunteer Fire Department has a separate tax identification number for a non-profit corporation. According to the Mayor, the purpose of this non-profit corporation is to provide equipment and other support to the Town's Volunteer Fire Department. Revenue is received from interest, dues, donations and gross proceeds from the Marion Maypole Festival. We have not audited or reviewed any transactions of the Marion Volunteer Fire Department's separate cash accounts other than those transactions covered by the General Fund financial statements.

NOTE # 18 - 2001 BUDGET

WATER & SEWER	
Revenue	\$ 188,500.00
Expense	187,800.00
Net Income	\$ 700.00
GENERAL FUND	
Revenue	\$ 265,700.00
Expenses	
General Administration	\$ 74,850.00
Police	128,780.00
Fire	11,000.00
Street	57,000.00
Garbage	33,000.00
Parks	1,825.00
Total Expenses	\$ 307,315.00
Net Income	\$ 58,385.00

**TOWN OF MARRON
MARRON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2003**

NOTE # 19 - RELATED PARTY TRANSACTIONS

There were no related party transactions that occur in our situation.

NOTE # 20 - RISK MANAGEMENT

The Town is exposed to risks of loss in the areas of health care, general and auto liability, property losses and workers' compensation. All of these risks are handled by purchasing commercial insurance coverage. There have been no significant reductions in the insurance coverage during the year.

NOTE # 21 - PRIOR PERIOD ADJUSTMENTS

Prepaid insurance was not set up on the 2002 Town's books. This adjustment did not materially affect the expenses of the Town. If the assets had been set up in 2002, the enterprise fund's prepaid insurance is \$1,064.00 and the general fund's is \$10,128.00.

The Town also set up a leased copy machine on their depreciation schedule in the governmental funds. The net value of the copy machine is \$1,500.00. This adjustment does not affect the balance sheet of the governmental funds, since equipment purchases are recorded as an expenditure in the year purchased for that statement.

In 2001, the L.C.D.B.O. paid \$20,000 on the street project for engineering fees. Prior to G.A.S.B. 04 accounting changes, projects of that nature were accounted for in a separate capital project fund. As the completion of the project the total cost was transferred to the Enterprise Fund as an asset. Since this project has had no activity since 2001, the cost financed by L.C.D.B.O. was left off the Statement of Net Assets, revenues and expenses are not affected.

REQUIRED SUPPLEMENTAL INFORMATION

STATE OF MICHIGAN
 DEPARTMENT OF TREASURY
 BUREAU OF FINANCE

EXHIBIT 1

STATEMENT OF REVENUE EXPENDITURE AND CHANGES IN FUND BALANCE - GENERAL FUND - BUDGETED
 FOR THE FISCAL YEAR ENDING JUNE 30, 2002

	REVENUE		EXPENDITURE	
	2001-02 ACTUAL	2002-03 BUDGET	2001-02 ACTUAL	2002-03 BUDGET
REVENUE				
Tax Revenue	\$ 264,448.00	\$ 270,000.00	\$ 264,448.00	\$ 270,000.00
EXPENDITURE				
General				
General Administration	\$ 15,275.00	\$ 15,275.00	\$ 15,275.00	\$ 15,275.00
Police Services	662,249.00	662,249.00	662,249.00	662,249.00
Fire Services	113,980.00	113,980.00	113,980.00	113,980.00
Public Works	18,880.00	18,880.00	17,970.00	18,880.00
Sanitation Department	10,740.00	10,740.00	10,740.00	10,740.00
Capital Assets	1,800.00	1,700.00	1,800.00	1,700.00
Total Expenditure	\$ 1,039,124.00	\$ 1,645,064.00	\$ 1,039,124.00	\$ 1,645,064.00
CHANGE IN FUND BALANCE (DEFICIT/SURPLUS)	\$ (774,676.00)	\$ (375,064.00)	\$ (774,676.00)	\$ (375,064.00)
OTHER FINANCING STATEMENTS				
Tax of Sale	\$.00	\$.00	\$.00	\$.00
NET REVENUE/EXPENDITURE/CHANGE IN FUND BALANCE	\$ (774,676.00)	\$ (375,064.00)	\$ (774,676.00)	\$ (375,064.00)
REVENUE BY SOURCE CATEGORY	\$ 264,448.00	\$ 270,000.00	\$ 264,448.00	\$ 270,000.00
EXPENSE BY SOURCE CATEGORY	\$ 1,039,124.00	\$ 1,645,064.00	\$ 1,039,124.00	\$ 1,645,064.00
UNAPPORTIONED BUDGET	\$ 774,676.00	\$ 375,064.00	\$ 774,676.00	\$ 375,064.00

See accompanying notes and exhibit report.

OTHER SUPPLEMENTAL INFORMATION

**TOWN OF MARION
MARION, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO THE ELECTED OFFICIALS
FOR THE YEAR ENDED DECEMBER 31, 2005**

SCHEDULE 1

Mayor Kenneth W. Franklin P. O. Box 407 Marion, LA 71360 338 292-4487	\$ 4,000.00
Alderman Ralph Holley 231 Cross Street Marion, LA 71360 338 292-0332	1,200.00
Alderman Johnny B. Gilliam P. O. Box 408 Marion, LA 71360 338 292-0528	1,200.00
Alderman Wade Miller P. O. Box 401 Marion, LA 71360 338 292-0528	1,200.00
Alderman Ann D. Miller 1841 Main Street Marion, LA 71360 338 292-5805	1,200.00
Alderman Eugene "Duke" Wiggan P. O. Box 376 Marion, LA 71360 338 292-0418	1,200.00
Lee Washington Police Chief 1433 Lee Street Marion, LA 71360 338 292-4440	12,400.00

The annual members' term of office expires December 2006.

See accompanying notes and auditors' report.

**STATE OF MARYLAND
MONEY MARKET FUND
STATEMENT OF ASSETS AND LIABILITIES
AS OF 03/31/2010**

(Continued)

ISSUING COMPANY	FOUNTAIN	DATE	GENERAL TYPE	AMOUNT	REMARKS
	TYPE	(MM/YY - MM/YY)		\$	\$
Mutual @ London			Money M&B-Asia-Asia Current	15,000.00	1,000.00
EMC Insurance Company	Fixed	03/01/10 - 03/01/10	Bond - Public Employee Coverage	15,000.00	100.00
London Municipal (Re) Management Agency	MM-03	03/01/10 - 03/01/10	Asset Cash	500,000.00	1,000.00
			Money Market Fund	500,000.00	1,000.00
			Money - Int. Term	1,000.00	
			Money - Int. Current	10,000.00	
			Sec. Legal Indefinite	10,000.00	
			Int. Government	10,000.00	
			Low Subordinated Offense	1,000.00	4,000.00
			Int. Govt	1,000.00	
			Asset	500,000.00	
			Public Offense Bond and Mortgages		
			Int. Govt		1,000.00
			Subordinate	1,000.00	
			Asset	500,000.00	
Mutual @ London Co.	MM-03/03	12/01/09 - 12/01/09	International Equity	10,000.00	1,000.00
			Int. Bond (Govt./Municipal)	10,000.00	
			Int. Government	1,000.00	
			Int. International-Corporate Bond	10,000.00	
			Special Purpose Fund	10,000.00	
			Int. Government	10,000.00	
London Risk Management	-	-	Money's Components	10,000.00	
			Asset Current	10,000.00	
			Money Cash	10,000.00	
			Asset Employee	10,000.00	10,000.00
Risk Management, Inc.	-	-	Employee Health and Accident, Dental	1,000.00	10,000.00
			U.S. Savings Coverage	1,000.00	
			Asset	1,000.00	

See accompanying notes and related pages.

TOWN OF MARION
MARION, LOUISIANA
CASH ACCOUNTS AND GOVERNMENTS
DECEMBER 31, 2005

SCHEDULE 1

	<u>INTEREST</u> <u>RATE</u>	<u>GOVERNMENTAL</u> <u>ACTIVITIES</u>	<u>BUSINESS-TYPE</u> <u>ACTIVITIES</u>	<u>TOTAL</u> <u>FUNDS</u>
CASH ACCOUNTS				
Regular Checking	.75%	\$ 18,555.99	\$ 31,471.54	\$ 49,987.53
Fifty Club	-	.00	188.00	188.00
Total		<u>\$ 18,555.99</u>	<u>\$ 31,659.54</u>	<u>\$ 50,187.53</u>
INVESTMENT FUNDS				
Certificate of Deposit	1.65%	.00	183,422.58	\$ 183,422.58
Certificate of Deposit	3.50%	.00	18,112.59	18,112.59
Certificate of Deposit	4.00%	58,817.42	.00	58,817.42
Total		<u>\$ 58,817.42</u>	<u>\$ 183,535.17</u>	<u>\$ 242,352.59</u>
RESTRICTED FUNDS				
Water Dept. Utility Deposits				
Checking	.75%	.00	9,264.42	\$ 9,264.42
Certificate of Deposit	3.75%	.00	12,888.92	12,888.92
Total		<u>\$.00</u>	<u>\$ 22,153.34</u>	<u>\$ 22,153.34</u>
GRAND TOTALS		<u>\$ 77,373.41</u>	<u>\$ 178,319.65</u>	<u>\$ 241,693.06</u>

See accompanying notes and auditors' report.

TOWN OF MILLIS
FINANCIAL STATEMENTS
GENERAL FUND - CAPITAL ASSETS DEPARTMENT
BALANCE SHEET (CAPITAL ASSETS)
DECEMBER 31, 2001

SCHEDULE 1

	ACCOUNT	AMT.	COST	ACQUISITION	NET	CURRENT DEPRECIATION
BUILDING AND IMPROVEMENTS	01	\$ 1,000,000	\$ 1,011,000	\$ 1,000,000	\$ 1,000,000	\$ 39,000
INFRASTRUCTURE						
Water System	01-00	\$ 160,511.48	\$ 160,511.48	\$ 160,511.48	\$ 160,511.48	\$ 66,000.00
Storm Sewer	01-00	130,700.00	130,700.00	130,700.00	130,700.00	44,711.70
Street System	01-00	95,100.27	95,100.27	95,100.27	95,100.27	4,000.00
Pump	110000	0	6,700.00	6,700.00	6,700.00	600.00
Jewell	010000	0	1,000.00	1,000.00	1,000.00	700.00
Grid Pipes	040000	0	4,000.00	4,000.00	4,000.00	300.00
Total		\$ 1,286,311.75	\$ 1,286,311.75	\$ 1,286,311.75	\$ 1,286,311.75	\$ 116,311.70
MACHINERY AND EQUIPMENT						
Equipment	01-00	\$ 50,000.00	\$ 48,000.00	\$ 48,000.00	\$ 48,000.00	\$ 2,000.00
IT Computer Printer	000000	0	500.00	500.00	500.00	500.00
Busines	000000	0	700.00	700.00	700.00	700.00
Ranger Vehicle	010000	0	1,000.00	1,000.00	1,000.00	600.00
Off-Car Towler	010000	00	25,000.00	24,000.00	24,000.00	2,000.00
Small Boat	000000	00	800.00	1,000.00	1,000.00	600.00
Computer Desk	010000	00	600.00	1,000.00	1,000.00	600.00
Mobile Telephone	000000	0	1,000.00	1,000.00	1,000.00	600.00
Total		\$ 101,000.00	\$ 97,000.00	\$ 97,000.00	\$ 97,000.00	\$ 7,000.00
LEAS		\$ 1,000.00	\$ 0.00	\$ 1,000.00	\$ 1,000.00	\$ 0.00
CONSTRUCTION IN PROGRESS		\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00	\$ 0.00
GRAND TOTAL		\$ 1,387,311.75	\$ 1,383,311.75	\$ 1,383,311.75	\$ 1,383,311.75	\$ 123,311.70

See accompanying notes and exhibit 10 pages.

**INDEPENDENT AUDITORS' 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**

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS
119 PROFESSIONAL DRIVE
WEST MONROE, LOUISIANA 71291

CARDLYN V. GARRETT
JUDY D. GARRETT

PHONE: 338 322-0645
FAX: 338 322-5977

E-MAIL: FROH19@IAM.RR.COM

June 21, 2004

**INDEPENDENT AUDITORS' 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 Kenneth W. Franklin, Mayor
and Members of the Board of Aldermen
Town of Monro, Louisiana

We have audited the basic financial statements of the Town of Monro, Louisiana (the Town) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 21, 2004. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the basic financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of errors and prior year audit recommendations and action taken on pages 52 - 56.

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 to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control

The Honorable Mayor Kenneth W. Franklin
and Members of the Board of Aldermen
Town of Metairie, Louisiana
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over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described on page 56 above is a material weakness.

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

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS

Garrett & Garrett CPAs

ACTIONS TAKEN ON PRIOR AUDIT RECOMMENDATIONS

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June 21, 2004

The Honorable Kenneth Franklin, Mayor
and Members of the Board of Aldermen

The following recommendations were made in 2003:

Internal Control

Due to the small number of employees, the Town of Markie did not have adequate segregation of functions within the accounting system. This problem is ongoing because it is not feasible to hire people to separate these functions. There are, however, several areas that the Town can correct, which are listed below in recommendations 1-7.

1. Telephone Expenses

Some of the long distance charges paid are for personal calls made by employees. In a recent lookup test of the numbers called, we found several calls to friends of employees. From our conversation with employees, they think that the calls are ok with management as long as they don't get out hand and if the calls are made in emergency situations.

Recommendation

Personal calls paid by the Town are an unnecessary expense. The Town is paying for the call plus the employee's salary to make the call. We recommend that the Town log in their calls for both cell and land phones and turn that information into the clerk on a timely basis each month to compare against the bills.

Action Taken

The Town did not take any action.

2. Credit Cards

On reviewing the credit card bills we found very few tickets attached. Some of the bills have travel reimbursement checks attached, but no credit card tickets. From our review of the bills, most of the charges appeared to be travel or business related.

Recommendation

We suggest that the Town develop a policy concerning use of credit cards. We suggest that the policy limit the amount that can be charged without prior approval by management and limit the kinds of expenses that can be charged with a credit card. The credit cards should also be kept at the Towns until they are needed, for example, when someone goes out of town on business.

The Honorable Kenneth Franklin, Mayor
and Members of the Board of Aldermen
Recommendations and Replies
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Action Taken

Although the tickets were not attached to the vouchers, we did find most of the tickets. There are no explanations of why the charges are made. The mayor and council members did approve all expenditures.

A. Utility System

Water Usage

In the prior year, a number of customers' meter readings were changed to decrease their charges. The prior year problem has been solved, but for customers with excessively high water usage, the Town will adjust their meter readings to reduce the charges. This procedure changes the total water usage which means the Town does not have a correct record of the total gallons of water used for any period time.

Recommendation

We recommend that the Town either keep up with water usage manually or start using credit transactions to reduce the customers' bill. B.U.S.S. (Department of the U. S. Agriculture) uses the water usage to figure out what your rates should be. Since the Town may need financing in the future, it is prudent to make sure the water usage is as accurate as possible.

Action Taken

The Town did not take any action.

A. Utility System

Transactions

The utility billing system transactions are not recorded to the general ledger on a monthly basis. In the past, final billing and receivable reports were either not run or kept, account adjustments were not documented, and ending account balances in one month did not match the beginning account balances of the next month. These problems improved in 2007. One end of the billing system revealed a need to reconcile payments posted to the system to the bank deposits on a monthly basis. The Town's procedures are to reconcile the deposits on a daily basis, which should be done as well. On the day the bills were run, the customer payments were not posted to their bills, they were, however, deposited to the bank. This error was not detected by the Town's personnel or detected by the customer.

Recommendation

The transactions of the billing and receivable system should be recorded and reconciled to the general ledger on a monthly basis. Any write offs and account adjustments should be documented, approved by management, and filed.

Action Taken

The Town did not take any action.

B. Utility System

Because of the lack of personnel, the Town is susceptible to internal control problems. The same person collects payments, posts their payments, calculates the revenue and makes any adjustments to the utility bills.

The Honorable Kenneth Franklin, Mayor
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Page 3

Recommendation

At present the Town's clerk reviews these transactions on at least a monthly basis. We suggest that the council receive and review monthly statistical information on the revenues of the water department such as average bill per customer or average charge per gallon of water.

Action Taken

The Town did not take any action.

A. Police Tickets

The police ticket numbers are not kept up with. In our test we found several tickets that were not logged in. The exact procedures dealing with police tickets presented problems with the missed tickets.

Recommendation

All police ticket numbers should be kept up with and logged in. A ticket book is kept in each police car. The clerk responsible for logging the tickets should keep up with the beginning ticket book number, what tickets are outstanding and where each ticket book is located. This will insure that all tickets are accounted for.

Action Taken

The Town did not take any action.

T. Computer System

Last year we suggested you change your payroll computer system. This was done last summer. Shortly after the system was set up, the computer company sold out to another company and they are not going to maintain the system. The Town will have to either change computer systems or go back to the old system they had before last summer's change. During the year, our office found several systems that are designed for a municipality. Most of these systems cost in between \$1,500 and \$28,000.

Recommendation

We suggest that you have the clerk look at the different programs and find out that will fit your needs. The problem we had last year, was with the police supplemental pay and retirement. You may still have the same problem with any new program you purchase. Another option would be to not payroll up on the police system and set up new procedures to prevent the problems encountered in the past.

Action Taken

The Town bought a new payroll system for 2004.

Compliance

B. Supplemental Pay

The town is not paying retirement on the Chief of Police's supplemental pay.

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Recommendation

LA. R. S. 50:1218.4 D. states that: "The additional compensation paid by the state to municipal police officers as benefits provided shall be included in the calculation and composition of the total wages paid to the municipal police officer in the determination of employee contributions to any retirement system or pension fund of which the police officer may be a member as well as in the determination of retirement eligibility and benefits which may accrue to the police officer under any retirement system or pension fund, as well as in the determination of any other employee benefits, sick leave, or disability pay to which the police officer might be entitled with the exception of workers' compensation benefits pursuant to R. S. 23:1621 et seq. ". We suggest the Town contact legal counsel to determine if any additional funding should be made to the Chief's retirement account. The additional funding would be \$9 a month (1% of \$1000). We set up a payable of \$171 in the General Fund's December 31, 2003 balance sheet to cover the Chief's additional retirement requirement.

Action Taken

The Town did not take any action.

Sincerely,



David A. Green, CPA's

**SUMMARY OF SCHEDULE OF CURRENT YEAR AITDF FINDINGS
AND CORRECTIVE ACTION PLAN**

including those who make the best of a bad situation, because they are not included in the list. The question asks for the most accurate report of what is stated. The problem makes no mention of

The Town does not discuss such matters in its report, except to report opposition that would require the committee to work on projects that it has not yet fully approved. The town does not discuss the town's report itself, or any information on such a committee's list.

The Town does not have a recommended list being used by the committee to help implement their support of needed infrastructure projects. The report lists approved but unapproved projects, but does not list the town's list of projects. The report does not list the town's list of projects. The report does not list the town's list of projects. The report does not list the town's list of projects. The report does not list the town's list of projects.

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COMPREHENSIVE

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