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# CITY OF LEESVILLE

Leesville, Louisiana

June 30, 1997

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FEB 1 1998

Release Date \_\_\_\_\_



**PAYNE, MOORE & HERRINGTON, LLP**  
Certified Public Accountants  
Alexandria, Louisiana

## CITY OF LEBANVILLE, LOUISIANA

JUNE 30, 1967

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JUNE 30, 1965

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JUNE 30, 1993

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PRINCIPAL, MEMBER & FIDUCIARY, LLP

CIVIL PUBLIC ACCOUNTING

INDEPENDENT AUDITOR'S REPORT

The Honorable Jim Shephard, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

We have audited the accompanying primary government financial statements and the combining, individual fund, and account group financial statements of the City of Leesville, Louisiana, as of and for the year ended June 30, 1997, as listed in the table of contents. These financial statements are the responsibility of the management of City of Leesville, Louisiana. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit 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 the provisions of Office of Management and Budget (OMB) Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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 assessing, 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.

As more fully explained in Note 1, the financial statements of the General Fixed Assets Account Group include only assets acquired subsequent to 1972. Records of general fixed assets acquired prior to 1972 were not maintained. Generally accepted accounting principles require the recording of fixed assets at cost, or estimated historical cost, if cost records are not available.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, except for the effects of not recording general fixed assets acquired prior to 1972 as discussed above, the primary government financial





PAYNE, MOORE & HERRINGTON, LLP

The Honorable Jim Shepoff, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

statements referred to in the first paragraph presented fairly, in all material respects, the financial position of the primary government of City of Leesville, Louisiana, as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, except for the effects of not recording general fund assets acquired prior to 1973, the combining, individual fund, and account group financial statements referred to in the first paragraph presented fairly, in all material respects, the financial position of each of the individual funds and account groups of the city of Leesville, Louisiana, as of June 30, 1997, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of the component units of the City of Leesville, Louisiana, do not purport to, and do not, present fairly the financial position of the city of Leesville, Louisiana, as of June 30, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

As discussed in Note 1 to the financial statements, effective July 3, 1996, the City adopted Statement Number 28 of the Governmental Accounting Standards Board, Accounting and Reporting for Certain Grants and Other Financial Assistance.

In accordance with Government Auditing Standards, we have also issued our report, dated November 17, 1997, on our consideration of the internal control over financial reporting of the City of Leesville, Louisiana, and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as additional information in the table of contents, including the schedule of expenditures of federal awards as required by the U. S. Office of



FOYSE, MOORE & HERRINGTON, LLP

The Honorable Jim Shephard, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

Management and Budget Circular A-133, Audits of States, Local Governments, and Not-For-Profit Organizations, is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Leesville, Louisiana. Such information, except for the listing of insurance is herein marked "unaudited," has been subjected to the auditing procedures applied in the audit of the primary government, combining, individual fund, and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups of the primary government taken as a whole.

*Foyse, Moore & Herrington, LLP*  
Certified Public Accountants

November 13, 1989

#### PRIMARY GOVERNMENT FINANCIAL STATEMENTS

The Primary Government Financial Statements, which include all funds and account groups of the City that are not legally separate, are designed to provide an overview of the financial position and results of operations for the primary government as a whole. Additional information in the form of combined, individual fund, and account group statements and schedules is included elsewhere in this report.





**CITY OF CHICAGO, ILLINOIS**  
**COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND BALANCES -**  
**FOR THE YEAR ENDED DECEMBER 31, 1977**

PAGE 2

	REVENUES		EXPENSES		CHANGES IN FUND BALANCES	
	AMOUNT	PERCENT	AMOUNT	PERCENT	AMOUNT	PERCENT
<b>REVENUES</b>						
Taxes	\$ 20,100	100.00	\$ 20,100	100.00	\$ 20,100	100.00
Interest and Dividends	100	0.50	100	0.50	100	0.50
Grants and Donations	100	0.50	100	0.50	100	0.50
License and Permits	100	0.50	100	0.50	100	0.50
Other	100	0.50	100	0.50	100	0.50
<b>Total Revenues</b>	<b>20,400</b>	<b>100.00</b>	<b>20,400</b>	<b>100.00</b>	<b>20,400</b>	<b>100.00</b>
<b>EXPENSES</b>						
Salaries and Benefits	\$ 10,000	49.06	\$ 10,000	49.06	\$ 10,000	49.06
Materials and Supplies	100	0.50	100	0.50	100	0.50
Utilities	100	0.50	100	0.50	100	0.50
Travel	100	0.50	100	0.50	100	0.50
Printing and Reproduction	100	0.50	100	0.50	100	0.50
Telephone	100	0.50	100	0.50	100	0.50
Depreciation	100	0.50	100	0.50	100	0.50
Other	100	0.50	100	0.50	100	0.50
<b>Total Expenses</b>	<b>10,400</b>	<b>50.98</b>	<b>10,400</b>	<b>50.98</b>	<b>10,400</b>	<b>50.98</b>
<b>CHANGES IN FUND BALANCES</b>						
Initial Balance	\$ 10,000	100.00	\$ 10,000	100.00	\$ 10,000	100.00
Revenue	100	0.50	100	0.50	100	0.50
Expense	(100)	(0.50)	(100)	(0.50)	(100)	(0.50)
<b>Total Changes</b>	<b>100</b>	<b>0.50</b>	<b>100</b>	<b>0.50</b>	<b>100</b>	<b>0.50</b>
<b>Final Balance</b>	<b>10,100</b>	<b>100.00</b>	<b>10,100</b>	<b>100.00</b>	<b>10,100</b>	<b>100.00</b>

The accompanying notes are an integral part of this financial statement.

CITY OF LEBLANCHE, LOUISIANA  
 CONSOLIDATED STATEMENT OF REVENUES, EXPENSES,  
 AND CHANGES IN RETIRED SAVINGS -  
 ALL PROGRAMS AND FUNDS TYPES  
 YEAR ENDED JUNE 30, 1997

EXHIBIT D

	PRIMARY GOVERNMENT'S		
	ENTERPRISE	GENERAL SERVICE	TOTAL REVENUES
<b>OPERATING REVENUES</b>			
Charges for services	\$1,851,793	\$324,084	\$2,175,877
Grant		11,350	11,350
Total Operating Revenues	1,851,793	335,434	2,187,227
<b>OPERATING EXPENSES</b>			
Salaries and fringe benefits	369,633		369,633
Repairs and maintenance	237,700		237,700
Depreciation	326,100		326,100
Other operating expenses	289,268	17,268	306,536
Claims paid		263,800	263,800
Insurance premiums		85,138	85,138
Total Operating Expenses	1,222,701	366,206	1,588,907
<b>OPERATING INCOME (LOSS)</b>	629,092	(1,001)	628,091
<b>NON-OPERATING REVENUES (EXPENSES):</b>			
AG motor vehicle taxes	315,364		315,364
Interest revenue	31,729		31,729
Interest expense and fiscal charges	(168,360)		(168,360)
Total Nonoperating Revenues (Expenses)	178,733	-	178,733
<b>INCOME (LOSS) BEFORE OPERATING TRANSFERS</b>	807,825	(1,001)	806,824
<b>OPERATING TRANSFERS (OUT)</b>	(181,588)		(181,588)
<b>NET INCOME (LOSS)</b>	626,237	(1,001)	625,236
<b>RETAINED SAVINGS, BEGINNING OF YEAR</b>	1,323,362	158,881	1,482,243
<b>RETAINED SAVINGS, END OF YEAR</b>	\$1,952,474	\$157,880	\$2,110,354

The accompanying notes are an integral part of the financial statements.

CITY OF LEWISTON, MONTANA  
 COMBINED STATEMENT OF CASH FLOWS -  
 ALL PROPRIETARY FUNDS OTHER  
 YEARS ENDED JUNE 30, 1997

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	FISCAL GOVERNMENT'S		
	INTERFUND	INTERNAL SERVICE	TOTAL PROPRIETARY ONLY
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating Income (Loss)	\$ 473,133	\$ (1,804)	\$ 471,329
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation	334,138		334,138
Provision for doubtful accounts	15,241		15,241
Changes in assets and liabilities			
Receivables	(3,745)	817	(2,928)
Due from other funds	(118,787)		(118,787)
Accounts payable	(3,994)	12,833	8,839
Other current liabilities	3,380		3,380
Accrued expenses	3,184		3,184
Due to other funds	(142,853)		(142,853)
Customers' deposits	1,881		1,881
Net Cash Provided by Operating Activities	488,587	12,744	501,331
<b>CASH FLOWS FROM MUNICIPAL FINANCING ACTIVITIES</b>			
Operating transfers out	(475,800)	-0-	(475,800)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Issuance of bonds and certificates of indebtedness	3,434,884		3,434,884
Ad Valorem Issues	385,394		385,394
Contributions in aid of construction	3,083,873		3,083,873
Acquisition of property, plant, and equipment	(4,210,748)		(4,210,748)
Payments of various bonds and other indebtedness	(471,840)		(471,840)
Cost of issuing bonds and certificates of indebtedness	(8,873)		(8,873)
Interest, including capitalized interest, paid on long-term debt	(187,781)		(187,781)
Net Cash Used in Capital Financing Activities	(126,864)	-0-	(126,864)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition (purchase) of investments	(12,100)		(12,100)
Interest received	22,818		22,818
Net Cash Provided by Investing Activities	10,718	-0-	10,718
<b>INCREASE (DECREASE) IN CASH</b>	(386,559)	12,744	(373,815)
<b>CASH, BEGINNING OF YEAR</b>	1,222,713	328,780	1,551,493
<b>CASH, END OF YEAR</b>	\$ 836,154	\$ 341,524	\$ 1,177,678
<b>CLASSIFIED AS</b>			
Current Assets	\$ 48,008	\$ (72,500)	\$ (24,492)
Restricted Assets	788,146		788,146
<b>TOTALS</b>	\$ 836,154	\$ 341,524	\$ 1,177,678

The accompanying notes are an integral part of the financial statements.

CITY OF LEONVILLE

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JUNE 30, 1993

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CITY OF LEEVILLE  
JUNE 30, 1987

NOTE TO FINANCIAL STATEMENTS

1. ORIENTATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Leesville, Louisiana (the "City") was incorporated by proclamation of the governor on February 15, 1904. The City operates under a council-administrator form of government.

The financial statements of the City of Leesville, Louisiana, (the primary government) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

The more significant of the City's accounting policies are described below.

A. Change in Accounting Principle

Effective July 1, 1986, the City implemented the provisions of Statement Number 18 (GASB 18) of the Government Accounting Standards Board, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. Under GASB 18, the City recognizes as revenues and expenditures supplemental wages received by fire and police employees from the State of Louisiana.

B. The Financial Reporting Entity

The City of Leesville is a municipal corporation governed by an elected seven-member board. The accompanying financial statements present only the data of the primary government.

A primary government is a legal entity or body politic, and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. These financial statements do not include the data of two component units necessary for reporting in conformity with generally accepted accounting principles.

C. Individual Component Units Not Included in this Report

The City has two component units which are legally separate from the City. The City Marshal and the City Judge are elected by the voters of the City of Leesville. This report does not include these component units.

1. The Leesville City Marshal is responsible for enforcing judgments of city court, maintaining order within the city court, and collection of city court fines.

CITY OF LEEVILLE

JUNE 30, 1977

NOTE TO FINANCIAL STATEMENTS

- The Leesville City Court is responsible for hearing court cases involving violations of city laws and ordinances and for rendering judgments thereon.

Complete financial statements for each of the two component units may be obtained from their respective administrative offices.

Administrative Offices:

Leesville City Marshal  
P.O. Box 1856  
Leesville, Louisiana

Leesville City Court  
P.O. Box 1856  
Leesville, Louisiana

- Related Organizations

The Leesville Housing Authority. The Authority is accountable to the City since the City Council appoints the Authority's board members. However, since the City does not have the ability to impose its will on the Authority and no financial benefit/losses relationship exists, the City is not considered financially accountable for the Authority. Accordingly, the Authority is not considered part of the City for financial reporting purposes.

- Fund Accounting

The City uses funds and account groups to report its financial position and results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities that are not accounted for in the funds because they do not directly affect net expendable available financial resources.

Funds of the City are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

Governmental funds are used to account for all or most of a government's general activities, including the collection and disbursement of earmarked monies (special revenue funds); the acquisition or construction of general fixed assets (capital projects funds); and the servicing of general long-term debt (debt service funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

CITY OF LEWISVILLE

JUNE 30, 1987

NOTES TO FINANCIAL STATEMENTS

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful for sound financial administration. Goods or services from such activities can be provided either to outside parties (enterprise funds) or to other departments or agencies primarily within the government (internal service funds).

The General Fixed Asset Account Group is used to account for fixed assets other than those used in the proprietary funds.

The General Long-Term Debt Account Group is used to account for long-term debt not accounted for in other funds.

F. Basis of Accounting

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

Proprietary funds follow GASB prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1986. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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

CITY OF LEWISVILLE  
JUNE 30, 1987

NOTES TO FINANCIAL STATEMENTS

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

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

The City may report deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the City before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized.

4. Budgets and Budgetary Accounting

Budgets are adopted on a basis consistent with GASB which is also consistent with state law. Annual appropriated budgets are adopted for General, Special Revenue, and Debt Service Funds. All annual appropriations lapse at the end of the fiscal year. Budgets for capital projects are adopted on a project-length basis. Because these non-operating budgets primarily serve as a management control function, no comparison between budgeted and actual amounts for funds budgeted on this basis is provided in this document. Budgets established for proprietary funds are management budgets and as such are not required to be reported in this document.

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

1. The City Administrator prepares a proposed budget and submits it to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. 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, the date of a public hearing is published.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

CITY OF LEESVILLE  
JUNE 30, 1999

NOTES TO FINANCIAL STATEMENTS

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. All budgets are controlled at the fund level. Budgetary amendments involving the transfers of funds from one fund or project to another or involving increases in expenditures resulting from revenues exceeding amounts estimated, require the approval of the City Council. Budgeted amounts shown in the financial statements are as originally adopted or amended from time to time by the Council.

**8. Encumbrances**

Encumbrance accounting, under which purchase orders and other commitments for the expenditure of monies are recorded in order to reserve their portion of the applicable appropriation, is not employed by the City.

**1. Cash and Investments**

Management considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. Investments, which consist of certificates of deposit, are stated at cost, which approximates market value.

**2. Short-term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

**3. Inventories**

Inventories are valued at cost, which approximates market value, using the first-in/first-out (FIFO) method. All inventories are accounted for in the General Fund as assets when purchased and recorded as expenditures or expenses when consumed. Inventory items consumed by other funds are recorded through the interfund receivable/payable accounts.

**4. Restricted Assets**

Certain proprietary fund assets are classified as restricted assets because their use is limited by applicable bond covenants or by Council action. Various "debt service accounts" aggregate resources accumulated for debt service payments

CITY OF LEHICHTALE  
JUNE 30, 1987

NOTES TO FINANCIAL STATEMENTS

of bonds and certificates of indebtedness. "Capital additions and contingencies accounts" are used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements for the water system. These resources may also be used for debt service if funds are not otherwise available. "Construction accounts" are used to report funds received from bond proceeds that are to be used for construction.

K. Fixed Assets

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. The City has elected to capitalize public domain ("infrastructures") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. Fixed assets acquired after 1971 are valued at historical cost if purchased or at market value on the date of acquisition if donated to the City. The cost of fixed assets acquired prior to 1972 is not recorded and is not included in general fixed assets.

Assets in the general fixed assets account group are not depreciated. Depreciation of buildings, equipment, and vehicles in the proprietary funds is computed using the straight-line method over the estimated useful life.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

L. Bond Issuance Costs

In governmental fund types, bond issuance costs are recognized in the current period. Bond issuance costs for proprietary fund types are deferred and amortized over the term of the bonds using the bonds-amortizing method, which approximates the effective interest method. Bond issuance costs are recorded as deferred charges.

D. Accumulated Leaves

Accumulated leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts of accumulated leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. Accumulated leave of proprietary funds is recorded as an expense and liability of those funds at the

CITY OF LEWISVILLE

JUNE 30, 1987

NOTES TO FINANCIAL STATEMENTS

benefits accrue to employees. No liability is recorded for compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the employer and employee.

F. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

G. Long-Term Obligations

Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

H. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds. Reserves represent those portions of fund equity not appropriate for expenditures or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

I. Retained Earnings - Reserved

Retained earnings - reserved, as reported on the combined balance sheet, represents certain restricted assets accumulated in accordance with the outstanding bond indentures which are in excess of related current liabilities payable from restricted assets or which is restricted for construction.

## CITY OF MONROE

JUNE 30, 1987

## NOTES TO FINANCIAL STATEMENTS

## T. Supplemental Wages

Certain employees of the police and fire departments receive supplemental wages from the State of Louisiana. These supplemental wages are recognized as intergovernmental revenues and public safety expenditures in the General and Sales Tax Special Revenue Funds.

## U. Resolutions Only - Total Columns

Total columns on the primary government financial statements are captioned "Resolutions Only" to indicate that they are presented only to facilitate financial analysis. Items in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidated. Interfund eliminations have not been made in the aggregation of this data.

## V. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## 2. CASH AND INVESTMENTS

Under state law, the City may deposit funds with a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in United States bonds, treasury notes, or certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At June 30, 1987, the City had cash and investments as follows:

	RESTRICTED	RESTRICTED	TOTAL
Cash (demand deposits)	\$1,829,131	\$872,213	\$2,701,344
INVESTMENTS			
Certificates of Deposit	428,122	248,804	676,926
	\$2,257,253	\$1,121,017	\$3,378,270

## CITY OF LEANSVILLE

JUNE 30, 1967

## NOTES TO FINANCIAL STATEMENTS

At year end, the carrying amount of the City's deposits (demand deposits and certificates of deposit) were \$3,148,485, and bank balances were \$3,117,678. A summary of collateralization of bank balances is presented below.

Insured (Federal deposit insurance)	\$ 488,000
Uncollateralized (in accordance with FDIC - See below)	2,322,478
	\$3,117,678

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 insured agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial agent.

The uncollateralized amount shown above is secured by pledged securities with a market value of \$1,303,230 held in the name of the pledging financial agent banks in holding or custodial banks. Even though the pledged securities are considered uncollateralized under FDIC, Securities Investor Protection Act impose a publicity requirement on the custodial bank to advertise and call the pledged securities within 18 days of being notified by the City that the financial agent has failed to pay deposited funds upon demand.

## 3. RECEIVABLES

Receivables at June 30, 1967, consist of the following:

	GOVERNMENTAL FUND TYPE	PROPRIETARY FUND TYPE	TOTAL
Accounts			
Accumulated cyclic billings	\$	\$148,124	\$148,124
Estimated billings between cycles		72,686	72,686
Other	18,431		18,431
Taxes			
Franchise taxes	72,825		72,825
Intergovernmental			
Federal	249,582		249,582
State	424,253		424,253
Local	4,804		4,804
Interest	4,283	3,414	7,697
Other	889		889
Grass receivable	774,828	224,408	999,236
Allowance for uncollectible		(19,158)	(19,158)
NET receivable	\$774,828	\$224,408	\$999,236

## CITY OF LEBEVILLE

JUNE 30, 1997

## NOTES TO FINANCIAL STATEMENTS

Reserve/allowance arising from utility services provided to customers consist of uncollected billings rendered customers on monthly cycle billings and estimated services provided customers between billing cycles. The allowance for uncollectible accounts of \$9,188 represents the projected uncollectible accounts at June 30, 1997.

## 8. DUE FROM/TO OTHER FUNDS

Amounts due from and to other funds at June 30, 1997, consist of the following:

	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
<b>(1997)</b>		
<b>General Funds</b>		
Sales Tax Fund	\$ 45,475	\$
EPIC Communications District Fund	338	
Water System Enterprise Fund	38,957	
Civic Center Bonds Debt Service Fund		643
Water System Bonds Debt Service Fund		1,108
Industrial Park Buildings Construction Fund		1,572
Sewer System Enterprise Fund		
Current		590,871
General obligation bond debt service payments		18,770
<b>Special Revenue Funds</b>		
Sales Tax Fund		
Water System Enterprise Fund	\$5,000	
General Fund		46,477
Sewer System Enterprise Fund		112,880
EPIC Communications District Fund		
General Fund		725
<b>Debt Service Funds</b>		
Civic Center Bonds Fund		
General Fund	143	
Water System Bonds Fund		
General Fund	3,108	
<b>Capital Project Funds</b>		
Industrial Park Buildings Construction Fund		
General Fund	1,572	
<b>Enterprise Funds</b>		
Sewer System Enterprise Fund		
General Fund	188,933	
Sales Tax Fund	112,008	
Water System Enterprise Fund	148,993	

CITY OF LEWISVILLE  
 JUNE 30, 1997

NOTES TO FINANCIAL STATEMENTS

TYPE	DUE FROM OTHER FUNDS	DUE TO OTHER FUNDS
Water System Enterprise Fund		
General Fund	\$	\$ 32,462
Sales Tax Fund		85,000
Sewer System Enterprise Fund		148,093
	<u>550,484</u>	<u>578,174</u>
Included in restricted assets:		
Sewer System Enterprise Fund		
General Fund	<u>18,330</u>	
	<u>\$578,174</u>	<u>\$578,174</u>

5. RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets, at June 30, 1997, consisted of the following:

	SEWER	WATER	TOTAL
Cash	\$298,789	\$276,424	\$575,213
Investments	248,804		248,804
Due from General Fund	<u>18,370</u>		<u>18,370</u>
	<u>\$565,963</u>	<u>\$276,424</u>	<u>\$842,387</u>

Restricted assets, by account, at June 30, 1997, consisted of the following:

	SEWER	WATER	TOTAL
Wastewater bond debt service account			
Cash	\$	\$132,118	\$132,118
Capital additions and contingencies account			
Cash		82,372	82,372
Construction account	175,339		175,339
General obligation bonds debt service account			
Cash	188,798		188,798
Investments	248,404		248,404
Due from General Fund	<u>18,778</u>		<u>18,778</u>
Contingency of indebtedness debt service account			
Cash	<u>14,821</u>	<u>71,821</u>	<u>86,642</u>
	<u>\$564,962</u>	<u>\$276,424</u>	<u>\$841,387</u>

CITY OF LEWISVILLE  
 JUNE 30, 2007

NOTES TO FINANCIAL STATEMENTS

6. **FIXED ASSETS**

The following is a summary of changes in fixed assets during the fiscal year:

	BALANCE 12/31/06	ADDITIONS	COMPLETED CONSTRUCTION/ DEPRECIATION	BALANCE 6/30/07
<b>GENERAL FIXED ASSET</b>				
<b>ACCOUNT GROUP</b>				
Land	\$ 300,000	\$	\$	\$ 300,000
Buildings	1,317,000		40,000	1,357,000
Other improvements	15,883,749		471,574	16,355,273
Equipment	2,267,375	199,000	(5,851)	2,460,524
Construction in progress	2,482,046	1,301,000	(1,400,000)	2,383,046
<b>TOTAL GENERAL FIXED ASSETS</b>	<b>\$20,850,170</b>	<b>\$1,500,000</b>	<b>\$ (1,405,525)</b>	<b>\$20,944,645</b>
<b>PROPRIETARY FUNDS</b>				
<b>Water System</b>				
Land	\$ 300,000	\$	\$	\$ 300,000
Treatment plant			5,900,000	5,900,000
sewer disposal system	2,240,446	224,400		2,464,846
Equipment and vehicles	124,920	1,400		126,320
CONSTRUCTION IN progress	2,528,102	3,329,800	(5,500,000)	-0-
Total Water System	5,193,468	3,555,600	-0-	8,749,068
<b>Water System</b>				
Land	37,375			37,375
Pump and system	6,323,070	270,000		6,593,070
Equipment and vehicles	224,004			224,004
CONSTRUCTION IN progress		448,320		448,320
Total Water System	6,584,449	718,320	-0-	7,302,769
<b>Total Proprietary Funds</b>	<b>\$11,470,640</b>	<b>\$4,273,920</b>	<b>\$ -0-</b>	<b>\$15,744,560</b>
Accumulated Depreciation:				
				<b>(2,800,000)</b>
<b>NET FIXED ASSETS - PROPRIETARY FUNDS</b>				<b>\$12,944,560</b>

## CITY OF LEWISVILLE

JUNE 30, 1997

## SCHEDULE TO FINANCIAL STATEMENTS

In the enterprise funds, the following useful lives are used to compute depreciation using the straight-line method.

Production and distribution system	75-80 years
Buildings and improvements	30-25 years
Equipment	5-8 years
Vehicles	8-8 years

Depreciation expense recorded in the financial statements for the fiscal year ended June 30, 1997, amounted to \$113,820 for the Sewer Enterprise Fund and \$220,210 for the Water Enterprise Fund.

Significant construction projects are summarized below:

	PROJECT AUTHORIZATION	EXPENSES TO DATE	COMMITMENT	REQUIRED FUNDING CERTIFICATION
North Industrial Park				
Infrastructure	1,876,000	1,235,837	645,143	(1)
Water system	854,000	448,798	189,245	(1)
Buildings	1,855,000	1,154,757	1,498,243	(2)

- (1) Financing provided by Federal grants and the proceeds of the Certification of Indebtedness, Series 1996.  
 (2) Financing provided by a state grant.

### 3. LONG-TERM DEBT AND CAPITALIZED LEASES

**General Obligation Debt:** Several obligation liabilities are direct obligations and pledge the Full Faith and credit of the City. The City has incurred these liabilities to provide bonds for the acquisition and construction of major facilities and to provide funds for major capital projects. The City has also issued general obligation bonds for sewer improvements. In accordance with GRAP, these bonds are reported in the Sewer Enterprise Fund. The City has dedicated ad valorem tax collections for payment of these liabilities.

The City's obligation relative to the governmental funds' liability for compensated absences is reported on a general obligation debt.

The City has also issued general obligation certificates of indebtedness. These certificates, which were issued for sewer and water system improvements, and are being repaid from Sewer and Water System revenues, are reported in the respective enterprise funds. The other certificates, which are being repaid from General Fund revenues, are reported in the General Long-Term Debt Account Group.

## CITY OF DEERFIELD

JUNE 30, 1997

## NOTES TO FINANCIAL STATEMENTS

**Revenue Bonds:** The City has issued two types of revenue bonds. The first type is water revenue bonds whereby the City pledges income derived from its acquired or constructed assets to pay for the debt service. The second type is sales tax revenue bonds whereby the City has pledged revenue from specifically dedicated sales tax collections to pay debt service.

Long-term debt at June 30, 1997, consisted of the following:

	INTEREST RATE	EXPIRES	GENERAL LONG-TERM DEBT
<b>General Obligation Debt</b>			
General obligation bonds			
Water system refunding			
Bonds (1991)	8.25-8.75%	\$	\$ 605,000
Water System Improvements (1995)	7.95%	2,263,510	
Sewerage District No. 2 (1996)	7.95%	3,253,510	
Certification of Indebtedness			
Water System Improvements (1994)	8.50%	1,815,000	
Economic Development (1996)	8.00%		500,000
Water System Improvements (1997)	8.25%	565,000	
Capitalized Leases			
Police cars (1996)	7.25%		20,000
Police cars (1997)	8.00%		48,200
Public works trucks (1997)	8.00%		50,000
Compensated absences			149,813
<b>Revenue Bonds</b>			
Sales tax revenue bonds			
Streets, drainage, and			
sewer improvements (1994)			
	8.40-9.40%		3,480,000
Water revenue bonds			
Improvements (1996)	11.00%	242,448	
		\$7,034,468	\$4,886,013

The annual requirements to amortize all debts outstanding as of June 30, 1997, other than compensated absences, including interest of \$3,486,000 are as follows:

YEAR ENDING JUNE 30,	ENTERPRISE	GENERAL LONG-TERM DEBT	TOTAL
1998	\$ 189,000	\$ 441,843	\$ 1,421,379
1999	185,250	441,371	1,426,467
2000	188,388	438,873	1,429,277
2001	177,433	436,574	1,388,555
2002	186,128	434,884	1,407,893
2003-2015	5,288,133	3,821,254	2,331,887
	\$9,437,488	\$4,886,718	\$48,837,378

CITY OF LEANSVILLE  
JUNE 30, 1997

NOTES TO FINANCIAL STATEMENTS

Total interest and fiscal charges incurred by governmental funds on general long-term debt amounted to \$228,687, for the current period. Total interest and fiscal charges incurred by proprietary funds amounted to \$279,177 including capitalized interest of \$188,489.

During the year ended June 30, 1997, the following changes occurred in long-term liabilities:

	BALANCE			BALANCE
	6/30/96	ADDITIONS	DEDUCTIONS	6/30/97
<b>General Long-Term Debt Account</b>				
Group:				
General obligation bonds	\$ 900,000	\$	\$(128,000)	\$ 815,000
Certificates of indebtedness	650,000		(55,000)	595,000
Capitalized leases	29,264	111,175	(22,754)	138,685
Composted manure	119,674	29,719		149,413
Sales tax revenue bonds	2,385,000		(128,000)	2,459,000
Totals	4,333,938	140,894	(333,754)	4,281,108
<b>Enterprise Fund Debt</b>				
General obligation bonds	1,827,000	2,869,004	(188,000)	4,608,004
Certificates of indebtedness	1,785,000	565,000	(188,000)	1,562,000
Capitalized leases	2,670		(2,670)	-
Sewer revenue bonds	50,000		(50,000)	-
Water revenue bonds	896,550		(58,188)	947,890
Totals	\$4,877,220	\$3,434,004	\$(477,868)	\$4,834,356

General Obligation Bonds, Series 1995 of the City of Leansville and General Obligation Bonds, Series 1995, of Sewer District No. 3 of the City of Leansville:  
The material provisions of these bond covenants are as follows:

1. In compliance with the special election held on November 8, 1995, the City shall levy and collect annually ad valorem taxes in an amount sufficient to pay, when due, principal and interest on the bonds. The tax shall be expended only for the purpose of paying promptly when due the principal and interest on the bonds.
2. The City will, in accordance with prudent wastewater utility treatment practices, (i) at all time operate the properties of the System in an efficient manner, (ii) maintain the System in good repair working order and operating condition, and (iii) from time to time make all necessary and proper repairs, renewals, replacements, additions, betterments, and improvements with respect to its System so that at all times the business carried on in connection therewith shall be properly and advantageously conducted.

CITY OF LEASVILLE

JUNE 30, 1993

NOTES TO FINANCIAL STATEMENTS

3. The City will keep accurate records and accounts for the System separate and distinct from its other records and accounts in accordance with generally accepted government accounting standards.
4. The City will establish a user charge system to assure that each recipient of wastewater treatment services will pay a proportionate share of the costs of operation and maintenance, including any necessary replacement of portions of the System.
5. There shall be established a separately identifiable fund or account to be designated the General Obligation Bond Sinking Fund. All monies from the collection of the ad valorem taxes shall be used solely to pay principal of and interest on the bonds.
6. There shall be established a separately identifiable fund or account to be designated the Sewer System Renewal and Replacement Fund. There shall be transferred to this fund, on or before the twentieth (20th) day of each month of each year, beginning no later than the first full month after the loan closing, an amount equal to five percent (5%) of net revenues collected in the prior calendar month until the balance in the renewal and replacement fund equals to \$75,000. All monies in the renewal and replacement fund may be drawn on and used by the System for the purpose of paying the costs of any unusual and extraordinary maintenance and any improvements to the System which will either enhance its revenue producing capacity or provide a higher degree of service.

Violation of the Indentures for the General Obligation Bonds, Series 1993 of the City of Leesville and General Obligation Bonds, Series 1995, of County 1443, City No. 1 of the City of Leesville. Funds were not transferred to the Sewer System Renewal and Replacement Fund in accordance with the agreement.

Certificates of Indebtedness, Series 1993: The agreement requires that the City transfer monthly to a debt service sinking fund one-sixth (1/6) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.

Violation of the Certificates of Indebtedness, Series 1994 Agreement: Transfers were not made to the sinking fund as required by the agreement. A deficit of \$78,332 existed in the sinking fund at year end.

Certificates of Indebtedness, Series 1995: The agreement requires that the City transfer monthly to a debt service sinking fund one-sixth (1/6) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.

CITY OF LEWISVILLE

JUNE 30, 1997

NOTES TO FINANCIAL STATEMENTS

Violation of the Certification of Independence, Series 1995 Agreement: Transfers were not made each month to the sinking fund as required by the covenant. Deficits existed in the sinking fund at various times during the year. These were funded by periodic lump-sum transfers. There was no deficit in the sinking fund at year end.

Water System Revenue Bonds: The material provisions of water system revenue bond covenants are as follows:

1. The City will establish a rate structure sufficient to pay the necessary operating expenses, principal, and interest on the bonds. Revenues after paying operating expenses must be at least 125% of the largest amount of principal and interest maturing in any future five-year.
2. The City will transfer monthly to a debt service sinking fund one-eighth (1/8) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.
3. The City will transfer monthly to a reserve fund an amount equal to five percent of the amount transferred to the sinking fund until such time as there has been accumulated an amount equal to the highest combined principal and interest due in any future bond year. Monies in this fund may be used for principal and interest payments, if necessary.
4. The City will transfer monthly to a contingency fund an amount equal to five percent of the amount transferred to the sinking fund. Monies in this fund may be used for extensions, additions, improvements and replacements, and to pay principal and interest if funds are not otherwise available.
5. The City may not create debt having priority over these bonds.

Sales Tax Revenue Bonds: The material provisions of sales tax revenue bond covenants are as follows:

1. The bonds and interest thereon are payable from the pledge and dedication of the City's sales tax.
2. The City will transfer monthly to a debt service sinking fund one-eighth (1/8) of the next interest payment due and one-twelfth (1/12) of the next principal payment due.

CITY OF LOUISVILLE  
 JUNE 30, 1997

NOTES TO FINANCIAL STATEMENTS

3. The City will establish a Reserve Fund in the amount of \$900,000. Money in this fund may be used for principal and interest payments, if necessary.

4. Parity bonds may be issued if certain conditions are met.

Violation of Sales Tax Revenue Fund Covenant: Transfers were not made from month to the sinking fund as required by the covenants. Deficits existed in the sinking fund at various times during the year. These were funded by periodic lump-sum transfers. There was no deficit in the sinking fund at year end.

8. CONTRIBUTED CAPITAL

The following changes occurred in contributed capital during the year ended June 30, 1997:

	DEBT	RESERVE	TOTAL
Balance, beginning of year	\$2,499,482	\$1,479,498	\$4,998,100
Additions:			
Transfers From			
Federal grant through the State of Louisiana	51,915		51,915
Improvements			
Federal grant	175,000	237,380	412,380
Other City funds	58,863	129,125	187,988
Balance, end of year	\$2,792,238	\$2,390,813	\$5,172,953

9. RESERVED RETAINED EARNINGS

At June 30, 1997, reserved retained earnings consisted of the following:

	DEBT RESERVE	RESERVE SYSTEM	INTERNAL SERVICE	TOTAL
Reserved for				
Construction	\$229,188	\$	\$	\$229,188
General obligation bond debt service	145,838			145,838
Revenue bond debt service		44,738		44,738
Capital additions and contingencies		82,972		82,972
Employee benefits			183,082	183,082
	\$475,026	\$127,710	\$183,082	\$785,818

CITY OF LEEVILLE  
June 30, 1991

NOTES TO FINANCIAL STATEMENTS

10. RESERVED FUND BALANCES

At June 30, 1991, reserved fund balances consisted of the following:

	ECONOMIC DEVELOPMENT	WATER SERVICE	TOTAL
Reserved for			
Economic Development	445,855	\$	\$ 445,855
Debt Service		457,792	457,792
	<u>445,855</u>	<u>457,792</u>	<u>\$1,463,647</u>

11. DESIGNATED FUND BALANCE

At June 30, 1991, unreserved fund balance in the amount of \$103,432 was designated for construction in the Industrial Park Infrastructure Construction Fund.

12. ACCUMULATED DEFICITS

Accumulated deficits existed in the following individual funds at year end:

Sales Tax Special Revenue Fund	\$31,871
Water System Enterprise Fund	45,855

The deficit in the Sales Tax Special Revenue Fund is expected to be funded by future sales tax collections.

The deficit in the Water System Enterprise Fund is primarily attributable to depreciation of fixed assets acquired with contributed capital. Operating contributed capital with the deficit in retained earnings results in a fund equity balance of \$2,141,945.

13. AD VALOREM TAXES

Ad valorem taxes attach as an inseparable lien on property as of January 1 of each year. Taxes are levied by the City normally on November 15 and are due on December 1. Billed taxes become delinquent on January 1 of the following year. Revenue from ad valorem taxes are budgeted in the year billed. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Vernon Parish.

**CITY OF LEWISTON**  
**JUNE 30, 1997**

**NOTES TO FINANCIAL STATEMENTS**

For the year ended June 30, 1997, taxes of 24.24 mills were levied on property with assessed value totaling \$28,179,386, and were dedicated as follows:

General maintenance purposes	5.24 mills
Debt service	20.00 mills

Total taxes levied were \$618,267. All taxes were paid prior to the end of the current fiscal year; therefore, no allowance for doubtful accounts is provided.

**14. ENTERPRISE FUNDS - OPERATIONS**

The City operates two enterprise funds which provide sewer and water services to the residents of the City and certain adjacent areas. The following is a condensed summary of operations and other information for these funds.

	SEWER	WATER	TOTAL
Operating revenues	\$ 492,448	\$1,088,107	\$ 1,580,555
Operating expenses			
Depreciation	(112,820)	129,389	(83,431)
Other	(232,383)	(262,158)	(494,541)
Operating income	147,245	696,660	843,905
Nonoperating revenues (expenses)			
Ad valorem taxes	215,264		215,264
Interest revenues	12,126	18,255	30,381
Interest and fiscal charges	(7,874)	(242,880)	(250,754)
Operating transfers out - General Fund	(122,588)	(262,822)	(385,410)
Net income (total)	\$ 342,166	\$ 248,443	\$ 590,609
Other information			
Current capital expenditures	\$ 284,554	\$ 316,515	\$ 601,069
Net working capital	429,448	(271,855)	157,593
Total assets	2,448,400	4,888,787	7,337,187
Reserve funds payable		847,460	847,460
General obligation bonds payable	4,907,820		4,907,820
Certificates of indebtedness payable	569,800	1,013,028	1,582,828
Total equity	4,273,856	3,844,968	8,118,824

**15. EMPLOYEE BENEFITS INSURANCE**

The City maintains a trust to finance employee hospitalization/health insurance and certain employee life insurance. Expenses accumulated for health coverage in the trust are accounted for in the Employee Benefits Insurance Fund and Internal Service Fund. Under this program, the Employee Benefits Insurance Fund

**CITY OF LEWISTON  
JUNE 30, 1997**

**NOTES TO FINANCIAL STATEMENTS**

normally provides coverage for a maximum of \$15,000 for each covered employee's (and dependent's, if applicable) qualifying health claims. The Fund's Annual aggregate retained loss per plan year is \$1,000,000. The Employee Benefits Insurance Fund purchased commercial insurance for health claims in excess of coverage provided and for certain employee life insurance. Under the terms of the trust agreement, the net assets of the Fund, \$183,887, at June 30, 1997, may only be used to provide employee benefits.

All funds of the City and covered employees participate in the program and make payments to the employee benefits insurance fund. The claims liability of \$21,098 reported in the Fund at June 30, 1997, is based upon GRAP, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Changes in the Fund's claims liability amount in the fiscal year ending June 30, 1997, were as follows:

Balance, beginning of year	\$ 8,167
Current year claims	203,707
Claim payments	(184,000)
Balance, end of year	\$ 21,098

**16. RISK MANAGEMENT**

The City is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The City carries commercial insurance as outlined in the following table. Settled claims did not exceed commercial coverage for any of the past three fiscal years.

	LIMITS OR COVERAGE
Workmen's compensation	Statutory
Auto liability	\$ 500,000
Commercial general liability	1,500,000
Low microtunneling contractors' liability (deductible \$1,000)	500,000
CITY-OWNED buildings and equipment - fire, lightning, and extended coverage	1,817,500

The City covers all other losses, claim settlements, and judgments from general fund resources. The City currently reports all of its risk management activities in the General Fund. Claims expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

CITY OF LEBLANCHE  
JUNE 30, 1997

NOTICE TO FINANCIAL STATEMENTS

The City is party to legal proceedings involving suits filed against the City for various reasons. None of these suits claim damages that are material in amount. The amount of losses, if any, that may arise from these suits was not reasonably estimated. Management does not believe that the City is exposed to any material losses not covered by insurance. No provision for losses is included in the financial statements.

37. COMPENSATION PAID TO MAYOR AND CITY COUNCIL

In accordance with the requirements of the Office of the Legislative Auditor, State of Louisiana, the following reflects compensation paid to the Mayor and members of the City Council of the City of Leblanche, Louisiana, for the fiscal year ending June 30, 1997.

Mayor James S. Shepleff, Jr.	\$52,800
Council Members	
William M. Elliott	8,100
Jerry L. Jones	8,200
Harold J. Switzer	8,100
Mickey S. Stevens	8,200
Allan F. Upshaw	8,300
Reuben C. Melin	8,100

38. PUBLIC EMPLOYEES' RETIREMENT SYSTEMS

The city contributes to three statewide cost-sharing, multiple-employer, defined benefit public employee retirement systems. These consist of the Municipal Police Employees' Retirement System of Louisiana (MPERS), the Firefighters' Retirement System (FRS), and the Louisiana State Employees' Retirement System (LASERS).

**MPERS.** Membership is mandatory for all full-time police officers employed by the City, provided they meet statutory criteria. Any member is eligible for normal retirement benefits after he has been a member of the System for one (1) year, if he has twenty-five (25) years of creditable service at any age, or if he has twenty (20) years of creditable service and is age fifty (50), or has twelve (12) years of creditable service and is age fifty-five (55). Benefit rates are three and one-third percent (3 1/3%) of final compensation per number of years of creditable service not to exceed one hundred percent (100%). Benefits and contribution requirements are established by state law. MPERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Municipal Police Employees' Retirement System, P. O. Box 84000, Baton Rouge, LA 70804-0000.

CITY OF LANSVILLE  
JUNE 30, 1963

NOTES TO FINANCIAL STATEMENTS

Members are currently required to contribute seven and one-half percent (7 1/2%) of their annual salary to the system, including supplemental pay. The City contributes an actuarially determined rate, presently set at nine percent (9%) of the member's salary, including supplemental pay.

**Plan.** This Plan is a defined benefit pension plan covering firemen employed by a municipality, parish, or fire protection district of the State hired after December 31, 1959. Employees with twenty (20) or more years of service who have attained age fifty (50), employees who have twelve (12) years of service who have attained age fifty-five (55), or employees who have twenty-five (25) years of service at any age are entitled to annual pension benefits equal to three and one-third percent (3 1/3%) of their average final compensation based on the thirty-six (36) consecutive months of highest pay multiplied by their total years of service, not to exceed one hundred percent (100%). Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering twelve (12) years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Benefit and contribution requirements are established by state law. PER issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to Firefighters' Retirement System, 3108 Westwood Drive, Baton Rouge, LA 70808.

Members are currently required to contribute eight percent (8%) of their annual salary, including supplemental pay to the Plan. The City contributes an actuarially determined rate, presently at nine percent (9%) of the member's salary, including supplemental pay.

**PLANES.** All state employees except certain classes of employees specifically excluded by statute become members of the system as a condition of employment. Statewide elected officials and officials appointed by the governor may, at their option, become members of the System. The only member of this System from the City of Laneyville is the city court judge. The age and years of creditable service required in order for a member to retire with full benefits are established by statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty (30) years of creditable service to age sixty (60) upon completing ten (10) years of creditable service.

The basic annual retirement benefit for substantially all members is equal to two and one-half percent (2 1/2%) of average compensation multiplied by the number of years of creditable service plus three hundred dollars (\$300). Average compensation is defined as the member's average annual earned compensation for the period of thirty-six (36) consecutive months of employment during which the

CITY OF MEMPHIS  
JUNE 30, 1997

NOTE TO FINANCIAL STATEMENTS

member's aggregate earned compensation was greatest. The maximum annual retirement benefit cannot exceed the lesser of one hundred percent (100%) of average compensation or certain specified dollar amounts or actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges and court officers and certain elected officials receive an additional annual retirement benefit equal to one percent (1%) of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the above basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

Benefit and contribution requirements are established by state law.

LEAPS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to P. O. Box 44315, Baton Rouge, LA 70804-4315.

Judges, court officers, and legislators contribute eleven and one-half percent (11 1/2%) of their salary to the System. The City contributes an actuarially determined rate, presently set at 12.8% of the member's annual salary.

**Required contributions.** The City made the following required contributions to the various pension plans:

YEAR ENDING	MEMS	ERS	LEAPS	TOTAL
06/30/97	\$41,783	\$23,488	\$448	\$65,719
06/30/96	35,215	18,830	432	\$54,477
06/30/95	30,256	21,128	828	\$52,212

18. DEFINED CONTRIBUTION PLAN

The City sponsors a defined contribution pension plan (the Plan) to provide benefits at retirement to all full-time employees who elect to participate. The Plan is administered by Public Employees Benefit Services Corporation. At June 30, 1997, there were 32 participants in the Plan. Plan members are required to contribute 5% of covered salary. The City is required to contribute 5% of the participant's covered salary. Plan provisions and contribution requirements are established by and may be amended by the City Council. Participant contributions were \$29,958 for the year ending June 30, 1997. Employer contributions were \$41,839, including \$39,648 related to the previous fiscal year. Participant and employer contributions are recognized in the period that the contributions are due.

**CITY OF LEBLANCHE**  
**JUNE 30, 1997**

**NOTES TO FINANCIAL STATEMENTS**

**29. SUPPLEMENTAL PAY**

Certain employees meeting statutory qualifications in the police and fire departments receive supplemental pay directly from the state of Louisiana. This supplemental pay in the amount of \$118,412 is recognized as revenue and expenditures in the General Fund and Sales Tax Special Revenue Fund as follows:

General Fund	
Police	\$ 76,290
Sales Tax Special Revenue Fund	
Fire	42,122
	<b>\$118,412</b>

**30. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The following individual governmental funds had expenditures, including transfers out, exceeding appropriations as approved in the budget:

	<u>EXPENDITURES</u>	<u>APPROPRIATIONS</u>	<u>EXCESS</u>
General Fund	\$2,364,462	\$2,388,928	(\$24,466)
Special Revenue Funds			
Sales Tax Fund	1,428,118	1,384,725	43,393

**31. LEGAL COMPLIANCE**

The following violations of state statutes occurred during the fiscal year:

- (1) Complete records, as required by Louisiana Revised Statutes for fixed assets for which the City is accountable, are not maintained.
- (2) Actual expenditures exceeded budgeted expenditures by five percent (5%) or more in the General Fund and Sales Tax Special Revenue Fund. In both cases the excess of actual expenditures over budgeted expenditures was due to year end audit adjustments.
- (3) An excess of expenditures over available appropriations was inadvertently budgeted in the Sales Tax Special Revenue Funds.
- (4) A budget for the HSE Teacher Program Special Revenue Fund was not officially adopted.

COMBINED, INDIVIDUAL FUND, AND ACCOUNT  
GROUP FINANCIAL STATEMENTS AND SCHEDULES

#### GENERAL FUND

This is the general operating fund of the City and is used to account for operations traditionally associated with a city which are not required to be accounted for in another fund.

CITY OF MONROEVILLE, LOUISIANA  
 GENERAL FUND  
 BALANCE SHEET  
 JUNE 30, 1987

EXHIBIT P-1

ASSETS	
Cash	\$ 38,387
Investments	237,751
Receivables	
Taxes	37,833
Intergovernmental	88,527
Interest	7,541
Other	889
Due from other funds	
Sales Tax Special Revenue Fund	85,457
911 Communications District Special Revenue Fund	335
Water System Enterprise Fund	37,867
Inventory	58,788
<b><u>TOTAL ASSETS</u></b>	<b><u>\$588,532</u></b>
LIABILITIES AND FUND BALANCE	
<b>LIABILITIES</b>	
Accounts and contracts payable	\$ 45,328
Other current liabilities	5,501
Due to other funds	
Civic Center Bonds Debt Service Fund	142
Water System Bonds Debt Service Fund	7,188
Industrial Park Buildings Construction Fund	1,512
Water System Enterprise Fund	
Operating	188,923
General obligations bonds debt service accounts	17,718
Total liabilities	184,163
<b><u>FUND BALANCE</u></b>	
Unreserved - undesignated	404,369
<b><u>TOTAL LIABILITIES AND FUND BALANCE</u></b>	<b><u>\$588,532</u></b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBANON, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

PAGE 2-1

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Taxes	\$ 327,185	\$ 328,918	\$ 1,733
Licenses and permits	304,800	300,908	(3,892)
Charges for services	72,420	72,842	422
Intergovernmental	272,525	282,934	10,409
Fines and forfeitures	534,500	342,147	(192,353)
Interest	20,450	8,658	(11,792)
Other	32,820	25,226	(7,594)
<b>Total Revenues</b>	<u>1,824,280</u>	<u>1,772,633</u>	<u>(51,647)</u>
<b>EXPENDITURES</b>			
Current			
General government	457,000	438,112	18,888
Public safety	1,828,845	2,102,973	(274,128)
Public works	497,820	517,618	(19,798)
Economic development	51,280	55,012	(3,732)
Debt service		27,418	(27,418)
Capital outlay	61,825	58,921	2,904
<b>Total Expenditures</b>	<u>2,936,770</u>	<u>3,192,054</u>	<u>(255,284)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(1,112,490)</b>	<b>(149,421)</b>	<b>96,069</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out):			
Sales Tax Special Revenue Fund	158,000	150,000	8,000
Water System Enterprise Fund	175,000	175,000	
Waste System Enterprise Fund	500,000	500,000	
Lee Enforcement Block Grant Special Revenue Fund		13,274	(13,274)
Certificate of Indebtedness Bebc. Service Fund	(94,000)	(94,000)	
Airport Construction Fund		(56,171)	(56,171)
Industrial Park Buildings Construction Fund		(18,821)	(18,821)
Total Other Financing Sources (Uses)	<u>749,000</u>	<u>624,104</u>	<u>124,896</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(363,490)</b>	<b>(195,317)</b>	<b>168,173</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>616,024</u>	<u>616,024</u>	<u>0</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 252,534</u>	<u>\$ 420,707</u>	<u>\$ 168,173</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBONVILLE, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF REVENUES - BUDGET AND ACTUAL  
 YEAR ENDING JUNE 30, 1987

EXHIBIT 7-1

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Taxes</b>			
Ad valorem	\$ 133,700	\$ 134,250	\$ 550
Franchise	288,285	258,200	(30,085)
Other	7,480	7,250	(230)
Totals	429,465	399,700	(29,765)
<b>Licenses and permits</b>			
Occupational licenses	278,880	277,280	(1,600)
Beer and liquor permits	21,560	14,280	(7,280)
Building permits	7,480	7,554	774
Other licenses and permits	1,380	1,892	512
Totals	309,300	300,006	(9,294)
<b>Charges for Services</b>			
Animal shelter	68,988	66,691	(2,297)
Inspection fees	8,400	8,442	42
Police department fees	32,488	32,288	(200)
Totals	109,876	107,421	(2,455)
<b>Intergovernmental</b>			
<b>Federal</b>			
Law enforcement	18,440	18,518	78
<b>State</b>			
Video poker commissions	58,500	64,613	6,113
State tobacco tax	28,100	28,798	698
State beer tax	22,820	22,121	(699)
Fire insurance subsidy	12,200	12,248	48
Highway maintenance	10,380	10,250	(130)
Supplemental pay - police	14,210	73,290	59,080
State	14,210	18,978	4,768
Other	3,820	8,891	5,071
Totals	172,940	292,934	120,000
<b>Fines and forfeitures</b>			
City court	138,588	140,247	1,659
<b>Interest</b>	18,458	8,459	(9,999)
<b>Other</b>			
Miscellaneous	33,048	26,228	(6,820)
<b>TOTAL REVENUES</b>	<b>\$1,625,388</b>	<b>\$1,785,820</b>	<b>\$160,432</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

EXHIBIT E-4  
 (Continued)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>CURRENT</b>			
<b>General Government</b>			
<b>Executive Department</b>			
Salaries	\$38,488	\$38,488	\$ -0-
Payroll taxes	2,008	2,852	(844)
Insurance	13,175	9,721	3,454
Travel	8,758	2,722	6,036
Public relations	2,100	2,282	(182)
Telephone and utilities	2,500	2,808	(308)
Other	1,800	2,462	(662)
Totals	79,629	65,335	14,294
<b>Finance Department</b>			
Salaries	21,580	21,847	(267)
Payroll taxes	1,410	1,822	(412)
Insurance	4,885	4,808	77
Telephone and utilities	1,980	2,248	(268)
Other	280	280	-
Totals	29,135	30,205	(1,070)
<b>Administrative Department</b>			
Salaries	48,788	48,782	6
Payroll taxes	2,488	2,682	(194)
Pension	6,255	6,272	(17)
Insurance	14,000	14,248	(248)
Travel	4,000	4,022	(22)
Office supplies and expenses	1,200	1,288	(88)
Telephone and utilities	1,800	242	1,558
Other	260	218	44
Totals	78,296	78,242	54
<b>Legal Department</b>			
Salaries	28,800	28,800	-
Payroll taxes	2,260	2,261	(1)
Other	4,882	4,882	-
Totals	35,942	35,943	(1)
<b>Building Inspection Department</b>			
Salaries	22,278	22,271	7
Payroll taxes	888	887	1
Insurance	1,000	988	12
Other	888	282	606
Totals	35,054	35,428	(374)

The accompanying notes are an integral part of the financial statements.

CITY OF LEBANON, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
 YEAR ENDING JUNE 30, 1997

EXHIBIT P-2  
 (Continued)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Purchasing Department</b>			
Salaries	\$ 29,750	\$ 29,751	\$ (1)
Payroll taxes	1,838	1,888	50
Retirement	2,880	2,657	223
Insurance	4,885	4,887	2
Office supplies and expenses	1,188	1,189	1
Telephone and utilities	3,558	3,433	125
Other	568	555	13
Totals	38,767	38,683	84
<b>General Expenses</b>			
Liability insurance	30,890	30,360	530
Uniforms	17,500	18,818	(1,318)
Office supplies and expenses	3,500	3,488	12
Utilities	20,000	20,558	(558)
Payroll taxes	15,490	15,887	(397)
Publicities	4,800	4,874	(74)
Books	2,488	2,887	(399)
Mayor's Honor's Commission	2,888	3,881	(993)
Operating supplies	20,188	20,272	(84)
Building maintenance	35,000	35,587	(587)
Computer and software maintenance	10,888	15,443	(4,555)
Equipment maintenance	2,888	2,785	103
Coal costs	1,000	1,084	(84)
Professional services	12,888	12,888	-
Garbage service	2,888	2,878	10
Other	8,250	8,248	2
Totals	282,288	279,828	2,460
Total General Government	327,525	328,511	(986)
<b>Public Safety</b>			
<b>Police Department</b>			
Salaries	587,238	587,888	(650)
State supplemental pay		32,288	(32,288)
Payroll taxes	47,888	48,188	(300)
Retirement	48,308	47,888	420
Insurance	188,250	185,653	2,597
Tuition	7,350	8,171	(821)
Training	18,888	18,888	-
Uniforms	5,888	5,873	15
Office supplies	2,888	2,721	167
Telephone and utilities	17,888	18,884	(996)
Books	4,388	4,888	(500)
Operating supplies	22,888	22,821	67
Gas and oil	10,888	14,279	(3,391)
Repairs and maintenance	17,188	20,274	(3,086)
Prisoner expenses	22,888	22,649	239
EMR program	3,888	3,888	-
Other	18,218	18,876	(658)
Totals	874,822	870,783	4,039

The accompanying notes are an integral part of the financial statements.

CITY OF LEBANON, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1987

EXHIBIT 5-4  
 (Continued)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (EXCESS/SHORTAGE)
<b>Animal Shelter</b>			
Salaries	\$ 33,800	\$ 33,204	\$ (596)
Payroll taxes	3,800	3,800	0
Supplies	1,300	1,896	596
Veterinarian expenses	1,800	2,247	447
Other	1,500	1,550	50
<b>Totals</b>	<b>39,200</b>	<b>42,797</b>	<b>3,597</b>
<b>Total Public Safety</b>	<b>1,814,965</b>	<b>1,701,977</b>	<b>112,988</b>
<b>Public Works</b>			
<b>Public Works Department</b>			
Salaries	176,800	176,781	19
Payroll taxes	13,720	13,879	159
Retirements	17,800	19,560	1,760
Insurance	55,520	55,688	168
Telephone and utilities	70,000	78,785	8,785
Supplies	29,000	47,856	18,856
Gas and oil	52,000	13,806	38,194
Repairs and maintenance	46,000	67,351	21,351
Sanitification	8,500	8,700	200
Other	80,500	10,700	69,800
<b>Totals</b>	<b>449,120</b>	<b>467,686</b>	<b>18,566</b>
<b>Shop Department</b>			
Salaries	32,465	32,465	-0-
Payroll taxes	2,488	2,481	7
Retirements	2,728	1,728	1,000
Insurance	5,785	5,825	40
Supplies	8,100	7,328	772
<b>Totals</b>	<b>48,566</b>	<b>49,827</b>	<b>1,261</b>
<b>Total Public Works</b>	<b>497,686</b>	<b>517,513</b>	<b>19,827</b>
<b>Economic Development</b>			
<b>AIRPORT</b>			
Management fees	5,400	5,400	-0-
Insurance		2,465	2,465
Utilities	8,000	7,879	121
Supplies	8,000	8,858	858
Repairs and maintenance	3,100	3,073	27
Other	3,400	3,323	77
<b>Totals</b>	<b>19,900</b>	<b>21,587</b>	<b>1,687</b>
<b>Other Economic Development Programs</b>			
Technical assistance	18,300	18,300	-0-
Economic development office expenses	3,400	8,024	4,624
<b>Totals</b>	<b>21,700</b>	<b>26,324</b>	<b>4,624</b>
<b>Total Economic Development</b>	<b>41,600</b>	<b>47,911</b>	<b>6,311</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF EXPENDITURES - BUDGET AND ACTUAL  
 YEAR ENDING JUNE 30, 1977

PAGE 2  
 (Continued)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>DEBT SERVICE</b>			
Principal	\$	\$ 23,750	\$(23,750)
Interest	-----	3,882	(3,882)
Total Debt Service	-----	27,632	(27,632)
<b>CAPITAL OUTLAY</b>			
General government	4,875	6,478	(1,603)
Police	38,388	4,431	33,957
Public works	33,088	32,758	330
Total Capital Outlay	-----	43,667	(10,330)
<b>TOTAL EXPENDITURES</b>	<u>\$2,022,328</u>	<u>\$2,152,088</u>	<u>\$(129,760)</u>

The accompanying notes are an integral part of the financial statements.

#### SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for particular purposes.

**SALES TAX FUND** is used to account for revenues generated by the one cent sales and use tax. Proceeds are dedicated as follows: debt service of sales tax bonds; operations of public works; operations of sewer system; operations of fire department; and operations of recreation department.

**HUD VOUCHER PROGRAM FUND** accounted for revenues received from a Federal social security program. This program was transferred to the Lewisville Housing Authority during the fiscal year ending June 30, 1977. Remaining monies in this fund represent administrative fees earned in prior years.

**ECONOMIC DEVELOPMENT FUND** is used to account for monies available for economic development purposes.

**BELL COMMUNICATIONS DISTRICT FUND** is used to account for the intergovernmental agreement with the Warren Parish Police Jury and the Warren Parish Communications District for the operation of the Warren Parish enhanced 911 emergency system. Funding is provided by a telephone surcharge collected by South Central Bell.

**LAW ENFORCEMENT BLOCK GRANT FUND** is used to account for revenues received from a Federal program for crime prevention.

CITY OF MEMPHIS, TENNESSEE  
 SPECIAL REVENUE FUNDS  
 COMBINED BALANCE SHEET  
 JUNE 30, 1997

EXHIBIT 8-1

	SALES TAX	REGISTRATION FEE	ECONOMIC DEVELOPMENT	TELEPHONE	LAW ENFORCEMENT	TOTAL
Cash	\$ 8,388	247,313	145,455	11,385	58,431	470,972
Accounts receivable	19,839					19,839
Due from other funds						16,651
Water System Enterprise Fund						95,868
Inventory	3,112					3,112
<b>TOTAL ASSETS</b>	<b>34,339</b>	<b>247,313</b>	<b>145,455</b>	<b>11,385</b>	<b>58,431</b>	<b>498,926</b>
<b>LIABILITIES AND FUND BALANCES</b>						
LIABILITIES						
Accounts payable	\$ 21,687	\$	\$	\$	\$	\$ 23,642
Due to other funds	49,472			225		49,712
General Fund	112,069					112,069
Water System Enterprise Fund						10,000
Deferred Revenues	179,207					179,207
Total Liabilities						374,630
FUND BALANCES (DEFICIT)						
Reserved for economic development	494,000	56,320	469,665	19,483	498	1,030,966
Unreserved - unassigned	(150,681)	(26,320)	(323,210)	(8,103)	(498)	(508,812)
Total Fund Balances						522,154
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>423,666</b>	<b>300,000</b>	<b>436,455</b>	<b>10,580</b>	<b>57,933</b>	<b>969,634</b>

The accompanying notes are an integral part of the financial statements.

CITY OF MEMPHIS, TENNESSEE  
 OFFICIAL STATEMENT FROM  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES CONTRACTS  
 YEAR ENDED JUNE 30, 1967

EXHIBIT 6-2

REVENUES:	SALES TAX	REGISTRATION FEES	BOATRIGHT EXPENDITURES	911 CONTRACTS	LABOR EMPLOYMENT	TOTAL
Taxes	\$1,204,000					\$1,204,000
Charges for services	278,141			215,320	17,654	511,115
License plate renewal	21,122		4,004	2,226	143	28,595
COBICENT	911			216,418	17,799	235,128
Other	1,000,000	4,000	4,000			1,008,000
<b>Total Revenues</b>	<b>2,504,163</b>	<b>4,000</b>	<b>8,004</b>	<b>437,746</b>	<b>35,642</b>	<b>2,989,555</b>
<b>EXPENDITURES:</b>						
General						
General government	204,812			242,727	1,193	448,732
Public safety	40,143					40,143
Culture and recreation	227,000	3,000				230,000
Special programs						
Capital outlay	8,792	3,000		26,288	28,288	66,368
Total expenditures	540,747	6,000		269,015	30,481	836,243
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>1,963,416</b>	<b>1,000</b>	<b>8,004</b>	<b>(17,269)</b>	<b>(1,749)</b>	<b>1,953,602</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Memphis Housing Authority		(25,000)				(25,000)
Sparking Association (Cost)					2,124	2,124
General Fund	(100,000)					(100,000)
State Service Funds	(125,000)					(125,000)
Total Other Financing Sources (Uses)	<b>(225,000)</b>	<b>(25,000)</b>	<b></b>	<b></b>	<b>2,124</b>	<b>(247,876)</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>1,738,416</b>	<b>795,000</b>	<b>8,004</b>	<b>(17,269)</b>	<b>469</b>	<b>1,953,626</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>26,018</b>	<b>26,281</b>	<b>204,252</b>	<b>186,528</b>	<b></b>	<b>443,079</b>
<b>END BALANCES, JUNE 30, 1967</b>	<b>2,000,000</b>	<b>1,000,000</b>	<b>800,000</b>	<b>1,200,000</b>	<b>469</b>	<b>4,000,469</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
SALES TAX SPECIAL REVENUE FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
YEAR ENDED JUNE 30, 1997

EXHIBIT 2-3  
(Continued)

REVENUES	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Sales tax	\$1,395,000	\$1,194,423	\$(200,577)
Intergovernmental - State			
supplemental pay		39,120	39,120
Charges for services - recreation	111,000	120,140	9,140
Interest	975	915	(60)
Other	3,000	1,283	(1,717)
Total Revenues	<u>1,513,075</u>	<u>1,356,861</u>	<u>\$156,214</u>
<b>EXPENDITURES</b>			
<b>Current</b>			
<b>General government</b>			
Salaries	70,000	70,000	0
Payroll taxes	5,550	5,570	20
Retirement	4,125	4,124	1
Insurance	3,200	3,337	137
Travel	2,000	2,112	112
Professional fees	5,000	5,000	0
Other	1,200	1,210	10
Total General Government	<u>81,075</u>	<u>81,353</u>	<u>(278)</u>
<b>Public safety-fire department</b>			
Salaries	200,100	203,200	3,100
State supplemental pay		37,323	37,323
Payroll taxes	22,000	22,000	0
Retirement	24,000	24,370	370
Insurance	19,500	20,000	500
Training	1,000	2,000	1,000
Uniforms	2,000	2,000	0
Office supplies and expenses	2,000	2,000	0
Telephone and utilities	5,000	4,400	(600)
Supplies	1,200	1,000	(200)
Gas and oil	2,000	2,000	0
Repairs and maintenance	14,200	14,400	200
Other	2,000	2,000	0
Total Public Safety	<u>300,000</u>	<u>300,173</u>	<u>(173)</u>
<b>Culture and recreation</b>			
Salaries	80,700	80,000	(700)
Payroll taxes	7,000	7,000	0
Retirement	500	500	0
Insurance	8,500	13,000	4,500
Telephone and utilities	12,700	13,000	300
Supplies	10,000	12,000	2,000
Gas and oil	2,000	2,000	0
Repairs and maintenance	17,500	18,000	500
Items purchased for resale	0,000	0,000	0
Garbage service	2,300	2,300	0
Total Recreation	<u>139,200</u>	<u>134,170</u>	<u>\$5,030</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
 BUDGET AND SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE (DEFICIT) - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

EXHIBIT G-3  
 (Continued)

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>Recreation Complex</b>			
Salaries	\$ 9,300	\$ 10,344	\$ (1,044)
Payroll taxes	750	812	(62)
Retirement	300	311	(11)
Professional fees	6,400	6,400	-
Telephone and utilities	3,400	3,900	(500)
Supplies	18,575	19,088	(513)
Repairs and maintenance	3,400	3,400	-
Items purchased for resale	12,100	12,333	(233)
Other	3,400	3,882	(482)
Total Recreation Complex	<u>49,200</u>	<u>59,613</u>	<u>(10,413)</u>
<b>Neighborhood Center</b>			
Salaries	47,120	47,120	-
Payroll taxes	3,610	3,637	(27)
Retirement	775	774	1
Insurance	4,320	4,410	(90)
Telephone and utilities	4,800	5,072	(272)
Supplies	24,500	25,500	(1,000)
Repairs and maintenance	8,500	8,528	(28)
Other	700	658	42
Total Neighborhood Center	<u>93,325</u>	<u>94,629</u>	<u>(1,304)</u>
Total Culture and Recreation	<u>301,990</u>	<u>307,599</u>	<u>(5,609)</u>
<b>Capital Outlay</b>			
Culture and Recreation	<u>31,875</u>	<u>31,281</u>	<u>594</u>
Total Expenditures	<u>333,865</u>	<u>338,880</u>	<u>(5,015)</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>	<b>495,720</b>	<b>495,821</b>	<b>(100)</b>
<b>OTHER FINANCING SOURCES</b>			
Operating Leases' Cost			
General Fund	(150,000)	(150,000)	-
S&C Service Funds	138,000	138,000	-
Total Other Financing Uses	<u>(12,000)</u>	<u>(12,000)</u>	<u>-</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(38,280)</b>	<b>(36,959)</b>	<b>(1,321)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>25,018</b>	<b>25,028</b>	<b>(10)</b>
<b>FUND BALANCE, DEFICIT, END OF YEAR</b>	<b>\$ (13,262)</b>	<b>\$ (11,931)</b>	<b>\$ 2,131</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEXINGTON, KENTUCKY  
 ECONOMIC DEVELOPMENT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUE, EXPENDITURE, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	DEFICIT 6-5 VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Interest	\$ 8,425	\$ 8,094	331
FUND BALANCE, BEGINNING OF YEAR	338,763	338,763	-
<u>FUND BALANCE, END OF YEAR</u>	<u>347,188</u>	<u>346,857</u>	<u>331</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MEMPHIS, MISSISSIPPI  
 9111 COMMUNICATIONS DISTRICT SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1991

PERIOD 0-1

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Charges for services -			
Telephone surcharges	\$225,000	\$227,128	\$ 2,128
Rentals	2,300	2,328	28
Other	1,168	1,388	220
Total Revenues	228,468	230,844	2,376
<b>EXPENDITURES</b>			
Current			
Public Safety			
Salaries	109,800	109,921	(121)
Payroll taxes	8,300	8,348	(48)
Retirement	11,500	11,500	(0)
Insurance	21,500	20,214	1,286
Office supplies and expenses	1,300	1,294	6
Telephone and utilities	81,179	81,480	(301)
Supplies	5,000	5,550	(550)
Gas and oil	1,000	1,000	(0)
Other	480	324	156
Capital outlay	22,225	22,288	(63)
Total Expenditures	228,430	228,555	875
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>			
	(66,862)	(47,880)	18,982
<b>FUND BALANCE, BEGINNING OF YEAR</b>			
	188,328	188,328	(0)
<b>FUND BALANCE, END OF YEAR</b>			
	\$ 121,466	\$ 140,448	\$ 18,982

The accompanying notes are an integral part of the financial statements.

CITY OF MONROE, LOUISIANA  
 LAW ENFORCEMENT BUREAU SPECIAL REVENUE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

EXHIBIT C-3

	BUDGET	ACTUAL	VARIANCE FAVORABLE UNFAVORABLE
<b>REVENUES</b>			
Intergovernmental - Federal grants	\$23,734	\$27,488	\$14,000
Interest		<u>148</u>	<u>148</u>
<b>Total Revenues</b>	<u>23,734</u>	<u>27,794</u>	<u>14,000</u>
<b>EXPENDITURES</b>			
Current			
Public Safety - Police Department			
Salaries and payroll taxes	6,310	7,888	(1,577)
Capital outlay	20,822	18,352	2,471
<b>Total Expenditures</b>	<u>26,332</u>	<u>17,532</u>	<u>8,800</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(2,374)</b>	<b>(1,744)</b>	<b>600</b>
<b>OTHER FINANCING SOURCES</b>			
Operating transfers in General Fund	<u>2,374</u>	<u>2,374</u>	<u>0</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<b>0</b>	<b>600</b>	<b>600</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$0</b>	<b>\$600</b>	<b>\$600</b>

The accompanying notes are an integral part of the financial statements.

#### DEBT SERVICE FUNDS

These funds account for resources accumulated for payment of principal and interest of general obligation debt consisting of the following:

Civic Center public improvement bonds, dated February 2, 1973, secured as to payment by ad valorem tax assessed on all property and improvements in the City of Knoxville. Final payment on these bonds were made during the year ended June 30, 1977.

Water System public improvement bonds, dated April 1, 1983, secured as to payment by ad valorem tax assessed on all property and improvements in the City of Knoxville.

Public improvement bonds, Series 87-1998, secured as to payment by the revenues of the special one percent sales and use tax levied and collected by the City.

Certificates of Indebtedness, Series 1985, secured by and payable as to principal and interest solely from a pledge and dedication of the excess of annual revenues of the City.

CITY OF LITTLEVILLE, LOUISIANA  
 DEPT SERVICE FUND  
 COMBINING BALANCE SHEET  
 JUNE 30, 1987

EXHIBIT 8-1

	CIVIC CENTER FUND	WATER SEWER FUND	SALES TAX FUND	CERTIFICATES OF DEPOSIT	TOTAL
<b>ASSETS</b>					
Cash	\$ 800	\$27,345	\$243,473	\$49,574	\$321,192
Investments			328,370		328,370
Accrued interest receivable			1,882		1,882
Due from General Fund	142	2,188			2,330
<b>TOTAL ASSETS</b>	<u>\$1,184</u>	<u>\$31,715</u>	<u>\$573,725</u>	<u>\$49,574</u>	<u>\$666,198</u>
<b>FUND BALANCES</b>					
Reserved for debt service	\$	\$24,274	\$273,544	\$49,574	\$351,466
Unassigned - undesignated	1,184				1,732
<b>TOTAL FUND BALANCE</b>	<u>\$1,184</u>	<u>\$24,274</u>	<u>\$273,544</u>	<u>\$49,574</u>	<u>\$351,466</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
 DEBT SERVICE FUND  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR END: JUNE 30, 1997

EXHIBIT B-2

	CIVIC CENTER BOND	WATER SYSTEM BOND	SALES TAX BOND	CERTIFICATES OF INTERESTS	TOTAL
<b>REVENUES</b>					
Ad valorem taxes	\$12,165	\$155,585	\$	\$	\$ 167,750
Interest		<u>1,182</u>	<u>18,878</u>	<u>1,827</u>	<u>21,992</u>
Total Revenues	12,165	157,138	18,878	1,827	193,108
<b>EXPENDITURES - DEBT SERVICE</b>					
Principal payments	15,000	185,000	179,000	55,000	535,000
Interest and fiscal charges	<u>825</u>	<u>38,738</u>	<u>135,358</u>	<u>39,889</u>	<u>534,810</u>
Total Expenditures	15,825	164,238	323,358	94,889	698,310
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,760)	(12,597)	(151,380)	(93,062)	(410,810)
<b>OTHER FINANCING SOURCES</b>					
Operating transfers in General Fund				84,000	84,000
Sales Tax Fund			234,000		234,000
Industrial Park Infrastructure Construction Fund				<u>28,535</u>	<u>28,535</u>
Total Other Financing Sources	<u>0-</u>	<u>0-</u>	<u>234,000</u>	<u>112,535</u>	<u>376,535</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	13,760	(12,597)	28,220	28,563	36,626
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>4,725</u>	<u>48,812</u>	<u>348,828</u>	<u>21,812</u>	<u>524,177</u>
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 18,485</u>	<u>\$ 36,215</u>	<u>\$ 377,048</u>	<u>\$ 50,375</u>	<u>\$ 522,123</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBANON, LOUISIANA  
 CIVIC CENTER BOND DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

EXHIBIT 10-3

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$12,000	\$12,165	\$ 165
<b>EXPENDITURES - DEBT SERVICE</b>			
Principal retirement	15,000	15,000	-0-
Interest and fiscal charges	<u>    825</u>	<u>    825</u>	<u>-0-</u>
Total Expenditures	15,825	15,825	-0-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(3,825)	(3,660)	165
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>  4,775</u>	<u>  4,325</u>	<u>-0-</u>
<b>FUND BALANCE, END OF YEAR</b>	\$ <u>  950</u>	\$ <u>  665</u>	\$ <u>  285</u>

The accompanying notes are an integral part of the financial statements.

CITY OF LEONVILLE, LOUISIANA  
 WATER SYSTEM DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Ad valorem taxes	\$148,800	\$150,000	\$ 1,200
Interest	<u>1,200</u>	<u>1,120</u>	<u>80</u>
<b>Total Revenues</b>	<b>150,000</b>	<b>151,120</b>	<b>1,120</b>
<b>EXPENDITURES - DEBT SERVICE</b>			
Principal retirement	100,000	100,000	-0-
Interest and fiscal charges	<u>88,120</u>	<u>88,120</u>	<u>-0-</u>
<b>Total Expenditures</b>	<b>188,120</b>	<b>188,120</b>	<b>-0-</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<b>(14,800)</b>	<b>(12,000)</b>	<b>2,800</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfer in	<u>28,000</u>	<u>-0-</u>	<u>28,000</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	<b>970</b>	<b>(12,000)</b>	<b>13,970</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b><u>46,821</u></b>	<b><u>46,821</u></b>	<b><u>-0-</u></b>
<b>FUND BALANCE, END OF YEAR</b>	<b>\$ 47,791</b>	<b>\$ 34,821</b>	<b>\$12,970</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEGHILL, LOUISIANA  
 SALES TAX BOND DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGED IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Interest	\$ 14,825	\$ 14,878	\$ 53
EXPENDITURES - DEBT SERVICE			
Principal retirement	198,000	198,000	—
Interest and Fiscal charges	<u>133,368</u>	<u>133,358</u>	<u>10</u>
Total Expenditures	<u>331,368</u>	<u>331,358</u>	<u>10</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(318,543)	(316,480)	203
OTHER FINANCING SOURCES			
Operating transfers in Sales Tax Fund	<u>318,500</u>	<u>318,500</u>	<u>—</u>
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	23,945	23,920	25
FUND BALANCE, BEGINNING OF YEAR	<u>348,824</u>	<u>348,824</u>	<u>—</u>
<u>FUND BALANCE, END OF YEAR</u>	<u>\$ 372,769</u>	<u>\$ 372,744</u>	<u>\$ 25</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MONROE, LOUISIANA  
 CERTIFICATED OF INDEBTEDNESS DEBT SERVICE FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED JUNE 30, 1997

	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Interest	\$ 1,775	\$ 1,827	\$ 52
<b>EXPENDITURES - DEBT SERVICE</b>			
Principal retirement	58,000	58,000	-0-
Interest and fiscal charges	<u>18,000</u>	<u>18,000</u>	-0-
Total expenditures	<u>76,000</u>	<u>76,000</u>	-0-
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	(74,225)	(74,173)	(52)
<b>OTHER FINANCING SOURCES (USES)</b>			
Operating transfers in (out)			
General Fund	94,000	94,000	-0-
Industrial Park Infrastructure Construction Fund	<u>127,840</u>	<u>128,335</u>	<u>49,335</u>
Total Other Financing Sources (Uses)	<u>221,840</u>	<u>222,335</u>	<u>49,335</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	(139,860)	(28,260)	111,597
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<u>23,812</u>	<u>23,812</u>	-0-
<b>FUND BALANCE, END OF YEAR</b>	<u>\$114,252</u>	<u>\$ 45,214</u>	<u>69,037</u>

The accompanying notes are an integral part of the financial statements.

#### CAPITAL PROJECTS FUNDS

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital additions, other than those financed by proprietary funds.

AIRPORT CONSTRUCTION FUND was used to account for construction of improvements at the airport. Funding was provided primarily by federal and state grants. The project was completed during the year ended June 30, 1987.

INDUSTRIAL PARK INFRASTRUCTURE CONSTRUCTION FUND is used to account for construction of the infrastructure at the North Industrial Park. Funding is provided primarily by federal economic development grants and by proceeds from the Certificates of Indebtedness, Series - 1995.

INDUSTRIAL PARK BUILDINGS CONSTRUCTION FUND is used to account for construction of buildings at the North Industrial Park. Funding is provided primarily by a state economic development grant of \$2,488,082.

LCDBG CAPITAL PROJECTS FUND was used to account for the proceeds of an LCDBG grant for the acquisition of certain equipment for the City's new wastewater treatment plant. In accordance with LCDBG requirements, the grant is shown in a separate capital projects fund. The equipment was also recorded as contributed capital in the sewer system enterprise fund.

CITY OF MEMPHIS, TENNESSEE  
 CAPITAL PROJECTS FUND  
 COMBINED BALANCE SHEET  
 JUNE 30, 1993

PAGE 1-1

ASSETS	PORTFOLIO INVESTMENTS	INVESTMENT IN STATE AND LOCAL GOVERNMENTS	INVESTMENT IN CORPORATE BONDS	INVESTMENT IN MUTUAL FUNDS	INVESTMENT IN COMMON STOCK	TOTAL
Cash	0	0	0	0	0	0
Due from other governments	0	0	0	0	0	0
Federal:						
Treasury	0	0	0	0	0	0
State	0	0	0	0	0	0
Local	0	0	0	0	0	0
Due from other funds	0	0	0	0	0	0
General Fund	0	0	0	0	0	0
<b>TOTAL ASSETS</b>	0	0	0	0	0	0
LIABILITIES AND FUND BALANCES						
LIABILITIES						
Accounts and contracts payable	0	0	0	0	0	0
FUND BALANCES						
Designated for construction	0	0	0	0	0	0
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	0	0	0	0	0	0

The accompanying notes are an integral part of the financial statements.

CITY OF CHARLOTTE, NORTH CAROLINA  
CAPITAL PROJECTS FUND  
COMPARING STATEMENT OF REVENUES, EXPENDITURES, AND  
BALANCE TO FUND BALANCE  
FOR YEAR ENDING JUNE 30, 1971

EXHIBIT 1-2

REVENUES	AMOUNT CONTRACTIBLE	AMOUNT PAID CONTRACTIBLE	AMOUNT PAID NON-CONTRACTIBLE	AMOUNT PAID NON-CONTRACTIBLE	AMOUNT CAPITAL RESERVE	TOTAL
Subgovernmental:						
Federal	\$ 11,000	\$ 100,000	1,000,000		\$ 50,000	\$ 1,151,000
State		4,000				4,000
Intermunicipal	11,000	100,000	1,000,000		50,000	1,161,000
Total Revenues						
EXPENDITURES - CAPITAL, CAPITAL PROJECTS, DEPARTMENTAL Economic Development, Total Expenditures	41,347	100,000	1,000,000		50,000	1,191,347
	41,347	100,000	1,000,000		50,000	1,191,347
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(30,347)	(100,000)	(100,000)		-0-	(190,347)
OTHER FINANCING SOURCES (USES)						
Operating transfers in (out)	30,347		10,000			40,347
General Fund						
Contributions of individuals etc.		100,000				100,000
Service Fund						
Total Other Financing Sources (Uses)	30,347	100,000	10,000			140,347
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING SOURCES	-0-	(100,000)	(100,000)		-0-	(200,000)
FUND BALANCE, BEGINNING OF YEAR						
FUND BALANCE, END OF YEAR	41,347	1,000,000	1,000,000		50,000	2,491,347

The accompanying notes are an integral part of the financial statements.

CITY OF LEVYVILLE, LOUISIANA  
 AIRPORT CONSTRUCTION FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 1987

EXHIBIT 1-3

REVENUES	
Intergovernmental	
State	\$ 11,876
EXPENDITURES - CAPITAL OUTLAY	
Economic Development - Airport Improvements	
Engineering	11,840
Construction	28,197
Other costs	.28,000
Total Expenditures	.61,247
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES	(49,371)
OTHER FINANCING SOURCES	
Operating transfers in	
General Fund	.59,371
EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES	-0-
FUND BALANCE, BEGINNING OF YEAR	_____-0-
FUND BALANCE, END OF YEAR	\$ _____-0-

The accompanying notes are an integral part of the financial statements.

CITY OF MONROE, LOUISIANA  
 INDUSTRIAL PARK INFRASTRUCTURE CONSTRUCTION FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCE  
 YEAR ENDED JUNE 30, 1997

EXHIBIT 1-6

<b>REVENUES</b>	
Intergovernmental	\$ 194,234
Federal	4,489
Interest	<u>188,647</u>
<b>Total Revenues</b>	<b>387,370</b>
<b>EXPENDITURES - CAPITAL OUTLAY</b>	
Economic Development - Infrastructure	0,000
Engineering	288,917
Construction	<u>3,000</u>
Other costs	<u>238,395</u>
<b>Total Expenditures</b>	<b>530,312</b>
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	<b>(142,942)</b>
<b>OTHER FINANCING SOURCES (USES)</b>	
Operating transfer out	
Certificate of Indebtedness Debt Service Paid	<u>(28,139)</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<b>(171,081)</b>
<b>FUND BALANCE, BEGINNING OF YEAR</b>	<b>222,407</b>
<b>FUND BALANCE, END OF YEAR</b>	<b><u>51,326</u></b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBESVILLE, LOUISIANA  
 INDUSTRIAL PARK BUILDINGS CONSTRUCTION FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGE IN FUND BALANCE  
 YEAR ENDED JUNE 30, 1987

EXHIBIT 1-5

<b>REVENUES</b>	
Intergovernmental - state	\$1,000,000
<b>EXPENDITURES - CAPITAL OUTLAY</b>	
Economic Development - Buildings	
Engineering	127,887
Construction	838,888
Other costs	21,388
Total Expenditures	988,163
<b>DEFICIENCY OF REVENUES OVER EXPENDITURES</b>	118,837
<b>OTHER FINANCING SOURCES</b>	
Specialty Transfer to General Fund	10,837
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>	-0-
<b>FUND BALANCE, BEGINNING OF YEAR</b>	0-
<b>FUND BALANCE, END OF YEAR</b>	118,837

The accompanying notes are an integral part of the financial statements.

CITY OF LEBONVILLE, LOUISIANA  
 LEBOG CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUE, EXPENDITURE, AND  
 CHANGE IN FUND BALANCE  
 YEAR ENDED JUNE 30, 1997

SERIES 1-4

REVENUE	\$51,915
Intergovernmental - State	
EXPENDITURES - CAPITAL OUTLAY	
Sewer System Improvements	\$3,935
Equipment	.00
EXCESS OF REVENUE OVER EXPENDITURES	47,980
FUND BALANCE, BEGINNING OF YEAR	1,121
FUND BALANCE, END OF YEAR	\$49,101

The accompanying notes are an integral part of the financial statements.

#### Enterprise Fund

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs of providing goods and services to the general public on a continuing basis be financed or recovered primarily through user charges, or where the governing body has decided that periodic determination of net income is appropriate for accountability purposes.

SEWER SYSTEM FUND is used to account for the sewer services provided to the residents of the City. 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.

WATER SYSTEM FUND is used to account for water services provided to the residents of the city. 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.

CITY OF MEMPHIS, LOUISIANA  
 BUDGETARY FUNDS  
 COMBINED BALANCE SHEET  
 JUNE 30, 1997

EXHIBIT 2.1  
 (Continued)

	MAYOR FUNDS	MAYOR FUNDS	TOTAL
<b>CURRENT ASSETS</b>			
Cash	\$ 42,818	\$ 2,285	\$ 45,103
Investments		58,827	58,827
Receivables			
Accounts Receivable (Net of allowance for doubtful accounts)	47,228	144,372	191,600
Other		3,428	3,428
Due from other funds			
General Fund	106,921		106,921
Sales Tax Special Revenue Fund	112,088		112,088
Water System Enterprise Fund	148,251		148,251
TOTAL Current Assets	878,286	208,629	1,086,915
<b>RESTRICTED ASSETS</b>			
Revenue bond debt service accounts		122,115	122,115
Capital additions and contingencies account		82,322	82,322
Construction account	272,229		272,229
General obligation bonds debt service accounts	278,882		278,882
Contributions of indebtedness debt service accounts	18,821	72,322	91,143
TOTAL Restricted Assets	648,763	276,761	925,524
<b>PROPERTY, PLANT, AND EQUIPMENT</b>			
Property, plant, and equipment	4,448,887	4,524,879	8,973,766
Accumulated depreciation	(11,888,188)	(12,022,882)	(23,911,070)
Net Property, Plant, and Equipment	2,560,699	2,501,997	5,062,696
<b>OTHER ASSETS</b>			
Bond insurance costs - net	47,289	17,826	65,115
Certification of indebtedness insurance costs - net	8,822	8,822	17,644
TOTAL Other Assets	56,111	26,648	82,759
<b>TOTAL ASSETS</b>	<b>\$ 1,583,460</b>	<b>\$ 1,030,765</b>	<b>\$ 2,614,225</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
ENTERPRISE FUND  
COMBINED BALANCE SHEET  
JUNE 30, 1987

EXHIBIT 3-1  
(Continued)

	OTHER ASSETS	DEBT ISSUANCE	TOTAL
<b>LIABILITIES AND EQUITY</b>			
<b>CURRENT LIABILITIES (Payable from General Account)</b>			
Bonds and certificates of indebtedness payable	\$ 36,148	\$ 113,083	\$ 149,231
Accounts payable	6,954	5,951	12,905
Other current liabilities		4,838	4,838
Accrued expenses	10,548	24,342	34,890
Customers' Deposits		148,248	148,248
Due to other funds			
General Fund		37,863	37,863
Sales Tax Special Revenue Fund		75,000	75,000
Sewer System Enterprise Fund		(34,815)	(34,815)
Totals	(27,633)	(86,772)	(114,405)
<b>CURRENT LIABILITIES (Payable from Restricted Assets)</b>			
Payable from revenue bond debt service account			
Revenue bonds		51,348	51,348
Interest		26,855	26,855
Payable from construction account			
Accounts and advances	48,122		48,122
Payable from general obligation bonds, debt service accounts			
General obligation bonds	158,088		158,088
Interest	42,072		42,072
Payable from certificates of indebtedness debt service account			
Certificates of indebtedness	(14,811)	(14,811)	(29,622)
Totals	(292,803)	(38,889)	(331,692)
Total Current Liabilities	237,528	727,187	964,715
<b>NONCURRENT LIABILITIES</b>			
Revenue bonds		896,128	896,128
General obligation bonds	4,107,810		4,107,810
Certificates of Indebtedness	(520,800)	(826,088)	(1,346,888)
Total Noncurrent Liabilities	3,587,010	1,070,040	4,657,050
TOTAL LIABILITIES	5,134,838	1,803,847	6,938,685
<b>EQUITY</b>			
Contributed capital	2,382,288	2,382,288	4,764,576
Retained earnings (Accumulated Deficit)			
Reserved for			
Construction	128,188		128,188
Debt Service	145,890	64,718	180,608
Capital additions and contingencies		87,912	87,912
Total Reserved Retained Earnings	274,078	157,338	431,416
Unreserved	(218,879)	(115,143)	(334,022)
Total Retained Earnings	(4,292,827)	(162,805)	(4,455,632)
(Accumulated Deficit)	(4,292,827)	(162,805)	(4,455,632)
Total Equity	2,377,989	2,324,388	4,702,377
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>7,512,827</b>	<b>4,128,235</b>	<b>11,641,062</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LAFAYETTE, LOUISIANA  
 SPECIAL FUND  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS (ACCUMULATED DEFICIT)  
 YEAR ENDING JUNE 30, 1967

SHEET 2-2

	1966 DOLLARS	1967 DOLLARS	2000
OPERATING REVENUES			
Charges for services	\$ 663,646	\$1,088,187	\$1,554,193
OPERATING EXPENSES			
Salaries	65,448	168,198	231,888
Payroll taxes	8,828	12,213	17,342
Retirement	4,488	15,734	20,483
Operating supplies	25,145	38,887	44,883
Gas and oil	3,143	5,763	6,526
Utilities and telephone	25,689	82,288	108,675
Depreciation	113,828	128,288	138,179
Repairs and maintenance	62,488	175,298	227,182
Testing	22,428		25,428
Professional fees	8,123	4,123	8,452
Provision for doubtful accounts	8,083	8,088	21,161
Office expense	6,162	13,122	27,441
Insurance	9,128	33,888	42,183
Other	2,324	3,881	8,123
Total operating expenses	<u>788,182</u>	<u>988,828</u>	<u>1,128,472</u>
OPERATING INCOME	113,444	303,899	423,123
NONOPERATING REVENUES (EXPENSES)			
Ad valorem taxes	318,164		318,164
Interest revenue	13,174	18,555	21,229
Interest expense and fiscal charges	<u>(11,818)</u>	<u>(182,888)</u>	<u>(168,759)</u>
Total Nonoperating Revenues (Expenses)	<u>319,520</u>	<u>(166,226)</u>	<u>(28,366)</u>
INCOME BEFORE OPERATING TRANSFERS	432,964	137,673	394,757
OPERATING TRANSFERS (OUT)			
General Fund	<u>(127,882)</u>	<u>(188,882)</u>	<u>(127,882)</u>
NET INCOME (LOSS)	305,082	(51,209)	(33,125)
RETAINED EARNINGS, BEGINNING OF YEAR	1,827,521	1,225,398	1,225,397
RETAINED EARNINGS (ACCUMULATED DEFICIT), END OF YEAR	<u>\$1,225,398</u>	<u>\$ (51,209)</u>	<u>\$1,225,397</u>

The accompanying notes are an integral part of the financial statements.

CITY OF MONROE, LOUISIANA  
 INTERFUND FUND  
 CONDENSED STATEMENT OF CASH FLOWS  
 YEAR ENDED JUNE 30, 1993

EXHIBIT 2-3

	DEBT ISSUES	WATER ISSUES	TOTAL
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Operating income	\$ 317,444	\$ 360,689	\$ 678,133
Adjustments to reconcile operating income to net cash provided by operating activities:			
Depreciation	113,870	220,218	334,088
Provision for doubtful accounts	4,883	4,188	9,071
Changes in assets and liabilities:			
Accounts receivable	(3,223)	(3,823)	(7,046)
Due from other funds	(178,387)		(178,387)
Accounts payable	(544)	13,454	(12,910)
Other current liabilities		1,580	1,580
Accrued expenses	380	1,548	1,928
Due to other funds	(2,460)	(380,215)	(382,675)
Customers' deposits		(483)	(483)
Net cash provided by Operating Activities	<u>\$2,328</u>	<u>\$28,272</u>	<u>\$30,600</u>
<b>CASH FLOWS FROM MUNICIPAL FINANCING ACTIVITIES</b>			
Operating transactions out	(118,000)	(580,000)	(698,000)
<b>CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES</b>			
Issuance of bonds and certification of indebtedness	3,438,084		3,438,084
Ad valorem taxes	222,328		222,328
Contributions in aid of construction	288,208	754,518	1,042,726
Acquisition and construction of property, plant, and equipment	(3,568,128)	(739,514)	(4,307,642)
Payments of bonds and other indebtedness	(248,000)	(221,840)	(469,840)
Cost of issuing bonds and certification of indebtedness	(9,422)		(9,422)
Interest, excluding capitalized interest, paid on long-term debt	(18,028)	(158,320)	(176,348)
Net Cash Provided (Used) by Capital Financing Activities	<u>\$28,922</u>	<u>(184,892)</u>	<u>(155,970)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Redemption (purchase) of investments	(248,488)	328,288	(20,200)
Interest received	13,128	18,888	32,016
Net Cash Provided (Used) by Investing Activities	<u>(135,360)</u>	<u>347,176</u>	<u>211,816</u>
<b>INCREASE IN CASH</b>	<b>158,028</b>	<b>(208,496)</b>	<b>(50,468)</b>
<b>CASH, BEGINNING OF YEAR</b>	<b>308,388</b>	<b>488,888</b>	<b>797,276</b>
<b>CASH, END OF YEAR</b>	<b>\$ 466,416</b>	<b>\$ 280,392</b>	<b>\$ 746,808</b>
<b>CLASSIFIED AS</b>			
Current Assets	\$ 42,816	\$ 2,388	\$ 45,204
Restricted Assets	<u>423,600</u>	<u>278,004</u>	<u>701,604</u>
<b>TOTAL</b>	<b>\$ 466,416</b>	<b>\$ 280,392</b>	<b>\$ 746,808</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LISBONVILLE, GEORGIA  
 INTERNAL SERVICE FUND  
 EMPLOYEE BENEFITS INSURANCE FUND  
 BALANCE SHEET  
 JUNE 30, 1997

SHEET 2-1

	ASSETS	
CURRENT ASSETS		
Cash		\$179,600
OTHER ASSETS		
Deposits		23,600
<b>TOTAL ASSETS</b>		<b>\$203,200</b>
	<b>LIABILITIES AND EQUITY</b>	
CURRENT LIABILITIES		
Claims payable		\$ 21,000
EQUITY		
Retained earnings reserved for employee benefits		182,200
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>\$203,200</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LEBLANCHE, LOUISIANA  
 FEDERAL SERVICE FUND  
 EMPLOYEE BENEFITS INSURANCE FUND  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETIRED EARNINGS  
 YEAR ENDED JUNE 30, 1997

EXHIBIT 8-1

<b>OPERATING REVENUES</b>	
Charges for services	\$224,806
Employer and employee contributions	
Other	25,857
Stop loss reimbursements	5,693
Miscellaneous	355,044
Total Operating Revenues	
<b>OPERATING EXPENSES</b>	
Insurance premiums	79,494
Hospitalization/health	5,480
Life	288,800
Claims paid	22,588
Administrative costs	258,061
Total Operating Expenses	
<b>NET LOSS</b>	(1,004)
<b>RETAINED EARNINGS, BEGINNING OF YEAR</b>	255,791
<b>RETAINED EARNINGS, END OF YEAR</b>	254,787

The accompanying notes are an integral part of the financial statements.

CITY OF LEBANON, LOUISIANA  
INTERNAL SERVICE FUND  
EMPLOYEE BENEFITS INSURANCE FUND  
STATEMENT OF CASH FLOWS  
YEAR ENDED JUNE 30, 1997

EXHIBIT 8-3

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income (loss)	\$ 11,000
Adjustments to reconcile operating loss to net cash provided by operating activities	
Changes in assets and liabilities	
Net loss reimbursements receivable	517
Claims payable	(12,850)
Net Cash Provided by Operating Activities	18,744
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	-0-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	-0-
CASH FLOWS FROM INVESTING ACTIVITIES	100
INCREASE IN CASH	18,744
CASH, BEGINNING OF YEAR	188,750
<u>CASH, END OF YEAR</u>	<u>\$12,000</u>

The accompanying notes are an integral part of the financial statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

This account group is used to account for fixed assets other than those used in the proprietary funds.

CITY OF LEBLANCHE, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
JUNE 30, 1957

SHEET 1-1

<b>GENERAL FIXED ASSETS</b>		<b>\$ 328,696</b>
Land		1,281,898
Buildings		14,395,373
Improvements other than buildings		3,840,896
Equipment		2,257,594
Construction in progress		—
<b>TOTAL GENERAL FIXED ASSETS</b>		<b>\$28,866,557</b>
<b>INVESTMENT IN GENERAL FIXED ASSETS</b>		<b>\$ 3,486,444</b>
General obligation bonds		3,028,193
General Fund revenues		4,294,508
Sales Tax revenues		143,204
SPIC Communications District revenues		1,709,449
Federal and state grants		—
General public contributions		—
<b>TOTAL INVESTMENT IN GENERAL FIXED ASSETS</b>		<b>\$22,592,394</b>

The accompanying notes are an integral part of the financial statements.

CITY OF LINCOLNE, CALIFORNIA  
 STATEMENT OF CHANGES IN GENERAL FUND ASSETS  
 YEAR ENDED JUNE 30, 1997

PAGE 10-3

	1996	REVENUES	EXPENSES	CHANGES	TOTAL
<b>GENERAL FUND ASSETS, BEGINNING OF YEAR</b>	\$128,898	\$1,217,948	\$13,443,749	\$1,092,097	\$26,271,813
<b>ADDITIONS</b>					
General Fund revenues		193,496			207,893
General Obligation Bonds					98,881
State Tax revenues		38,289			38,289
FFEL Commitment/Contingent revenues		2,686			26,189
Federal and State Grants		18,387			21,229,222
Other Additions		186,187			2,267,822
<b>DEDUCTIONS</b>					
General Fund revenues		(5,951)			(154,227)
Federal and State Grants					(180,888)
Other Deductions					(198,154)
<b>CONTRIBUTIONS</b>					
<b>GENERAL FUND ASSETS, END OF YEAR</b>	\$128,898	\$1,185,082	\$13,430,312	\$1,033,668	\$26,271,813

The accompanying notes are an integral part of the financial statements.

GENERAL LONG-TERM DEBT ACCOUNT GROUP

This account group accounts for long-term debt not recorded in any other fund.



#### ADDITIONAL INFORMATION

**CITY OF CHICAGO, ILLINOIS**  
**FINANCIAL STATEMENTS**  
**SCHEDULE OF LIABILITIES TO WHICH RESTRICTIONS FOR**  
**EXCESS BOND PROCEEDS**  
**WAS APPLIED AS OF 12/31/1970**

(Continued)

	TOTAL FUND TYPE			GENERAL FUND			SPECIAL FUND TYPE			SPECIAL FUND TYPE		
	AMOUNT	PERCENT	PERCENT	AMOUNT	PERCENT	PERCENT	AMOUNT	PERCENT	PERCENT	AMOUNT	PERCENT	PERCENT
<b>LIABILITIES, RESTRICTIONS OF TYPE</b>	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%
<b>DEFERRED</b>												
Transfers from reserve account												
Transfers into operating account												
<b>TOTAL DEFERRED</b>	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%
<b>OTHER LIABILITIES</b>												
TOTAL OTHER LIABILITIES	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%
<b>LIABILITIES TO WHICH RESTRICTIONS</b>												
Transfers to sinking fund account												
Transfers to operating account												
Unpaid payments												
Contract and lease contract												
<b>TOTAL LIABILITIES TO WHICH RESTRICTIONS</b>	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%	\$ 0.00	0.00%	0.00%

See Independent Auditor's report.

CITY OF CHARLESTON, WEST VIRGINIA  
COMMITTEE MEMBERS OF CONTRACT 10 FORD  
JUNE 22, 1971

CONTRACT #  
1001210041

ISSUES	ESTIMATED DATE	COMMENTS	REMARKS/COVERAGE	LIMITS
National Union Fire Insurance Company of Pittsburgh, PA	09-01-79	Automobile liability	owned, hired, non-owned	\$ 250,000 AGI \$0 \$ 50
		public officials and employees liability	each annual AGI of Public Officials \$200,000 annual	\$ 200,000 \$ 200,000 \$ 2,000
National Union Fire Insurance Company of Pittsburgh	09-01-78	Corporate General Liability	General Aggregate limit Total AGI per bond- operation	\$1,000,000
			Professional operations Appropriates 19871	\$1,000,000
			Personal & Advertising Policy Limits	\$ 500,000
			Each Contract Limit	\$ 500,000
			Fire Contract Limit, 19871 only	\$ 10,000
			Medical Expense (limit 19871 only)	\$ 5,000
			Required 19871 coverage AGI limit AGI limit for operations	\$ 200,000 \$ 200,000 \$ 1,000
Southwestern Bay Insurance Company	09-05-78	Fire, lightning and extended coverage	day care building rentable amount (AGI maximum) rental property rental property rental property	\$1,000,000 \$ 1,000,000 \$ 5,000 \$ 5,000
Employers Mutual Company	01-15-69	Fire, lightning and extended coverage	day care building rental property (1,000) rentable	\$1,000,000 \$10,000 AGI maximum



CITY OF MEMPHIS  
 SCHEDULE OF EXPENDITURES BY FEDERAL AGENCY  
 YEAR ENDED JUNE 30, 1967

PAGE 2

FEDERAL AGENCY, BASIC-TYPE AND NUMBER OF CONTRACTS	AGENCY OR FUND NUMBER	PASS-THROUGH AGENCY-NUMBER	TOTAL FEDERAL FUNDS	FEDERAL FUNDS EXPENDED
U.S. Department of Commerce Economic Development Administration Special Economic Development and Encouragement Administration Program - Industrial and Science Centric Development and Long-Term Economic Development Memphis PORTINCO Industrial Park	12.300	88-49-00140	\$2,823,734	\$219,444
U.S. Department of Housing and Urban Development Community Planning and Development pass-through the name of Louisiana Division of Administration Community Development Block Grant - Small Cities Program	14.318	101-0001	100,000	50,000
U.S. Department of Justice Bureau of Justice Assistance Funded-through the State of Louisiana, Commission on Law Enforcement Urban Economic Grant Program - Crime Rates Reduction Program Year ending 5/31/67 Year ending 5/31/68 Program Total	14.318	99-000-0-01-0001	10,400	15,000 -3,000 12,000
FEDERAL Legal Aid Enforcement Block Grant Program Agency Total	14.318	99-000-0001	10,400	12,000
U.S. Department of Transportation Federal Aviation Administration Airport Improvement Program Phase I Phase II Program Total	20.184	9-01-001-04-02 9-02-0001-04	1,040,454 1,037,000	0 0 0
National Highway Traffic Safety Administration Funded-through the State of Louisiana, Highway Safety Committee National Traffic Safety and Work Writing Commission Memphis Office - 1966 Memphis Holdings Sale and Robert Commission Agency Total	20.400	9405-10	1,037,000	1,037,000
<b>TOTAL</b>			<b>3,861,184</b>	<b>1,128,444</b>

The schedule of expenditures for Federal Awards was prepared on the modified accrual basis of accounting. Due to the financial statements position additional information relating to the City's accounting policies.

The Airport Improvement Program was substantially complete as of June 30, 1966, with all eligible grant expenditures being incurred prior to June 30, 1966. Final billings were made to the State only received during the year ended June 30, 1967.

No Federal funds were awarded to subscribers during the year ended June 30, 1967.

See independent auditor's report.

OTHER REPORTS RECEIVED BY  
GOVERNMENT ACQUISITION STANDARDS  
AND ONE CIRCULAR A-111

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS, COMBINED,  
INDIVIDUAL FUND, AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS



PAID, ACCOUNT & INFORMATION, LLP

STATE OF MISSISSIPPI

REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCY GOVERNMENT, CERTIFIED INDIVIDUAL FUNDS, AND ACCOUNT GROUP FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Jim Shapko, Jr., Mayor and Members of the City Council City of Leesville, Louisiana

We have audited the primary government financial statements and the combined, individual fund, and account group financial statements of the City of Leesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated November 17, 1997. In our report, our opinion was qualified because the financial statements of the General Fixed Assets account group include only assets acquired subsequent to 1971. Records of general fixed assets acquired prior to 1972 were not maintained. Generally accepted accounting principles require the recording of fixed assets at cost, or estimated historical cost if costs records are not available.

Except as discussed in the above paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City'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 these 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 questioned costs as Finding 93-94 through Finding 97-98. In addition, we noted certain immaterial instances of noncompliance that we have reported to management of the City of Leesville, Louisiana, in a separate letter entitled Other Concerns and Recommendations, dated November 17, 1997.

Missouri 114 | Miami 114 | New York 114
Illinois 114 | North Carolina 114 | Ohio 114
Maryland 114 | South Carolina 114 | Virginia 114



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PAYNE, MOORE & HERREMTON, LLP

The Honorable Jim Shapoff, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Leesville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operations 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 City'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 schedule of findings and questioned costs as Finding 91-06.

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

We also noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Leesville, Louisiana, in a separate letter, entitled Other Comments and Recommendations, dated November 17, 1987.



PAYNE, MOORE & TERMINATION, LLP

The Honorable Jim Shephard, Sr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

This report is intended for the information of the Mayor, members of the City Council and management of the City of Leesville, Louisiana, Federal receiving agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Payne Moore & Termination, LLP*  
Certified Public Accountants

November 17, 1997

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-123



PERNELL MOORE & HARRINGTON, LLP

INTERNAL CONTROL STATEMENT

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH ONE CIRCULAR A-133

The Honorable Jim Skapheff, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

Compliance

We have audited the compliance of the City of Leesville, Louisiana, with the types of compliance requirements described in the U.S. Office Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1997. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of management of the City of Leesville, Louisiana. Our responsibility is to express an opinion on the City's compliance based on our audit.

Except as discussed in Finding 97-07 in the accompanying schedule of findings and questioned costs, 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 examining, on a test basis, evidence about the City'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 City of Leesville, Louisiana's compliance with those requirements.

MOBILE OFFICE 170 | NEW ORLEANS OFFICE 214 | HOUSTON OFFICE 170  
1100 PINE BLVD 114 | SUITE 800 DUNN 170 | SUITE 1000 174  
MOBILE 335-1111 | NEW ORLEANS 584-1700 | HOUSTON 281-1700



PERNELL MOORE & HARRINGTON • 1100 PINE BLVD • SUITE 1100 • MOBILE, AL 36686 • 335-1111  
HOUSTON OFFICE • 10000 WESTHEIMER • SUITE 1000 • HOUSTON, TX 77042



PRYOR, MOORE & HERRINGTON, LLP

The Honorable Jim Shephard, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

As described in Finding N7-01 in the accompanying schedule of findings and questioned costs, the City of Leesville, Louisiana, did not comply with the requirements regarding the Revisions Act that are applicable to its major federal program. Compliance with such requirements is necessary, in our opinion, for the City of Leesville to comply with requirements applicable to that program.

In our opinion, except for the noncompliance described in the preceding paragraph, the City of Leesville, Louisiana, complied in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1997. The results of our auditing procedures also disclosed another instance of noncompliance with those requirements that is required to be reported in accordance with OMB Circular A-133 and which is described in the accompanying schedule of findings and questioned costs as Finding N7-08.

#### **Internal Control Over Compliance**

The management of City of Leesville, 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 City of Leesville, 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 OMB Circular A-133.

We noted certain matters involving the internal control over compliance and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over compliance that, in our judgment, could adversely affect the City's ability to administer a major federal program in accordance with applicable requirements of laws, regulations, contracts, and grants. These reportable conditions are described in the accompanying schedule of findings and questioned costs as Finding N7-07 and Finding N7-08.



PAINE, MOORE & HERRINGTON, LLP

The Honorable Jim Sharpoff, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

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. Our consideration of the internal control over compliance 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 in the accompanying schedule of findings and questioned costs as finding 91-97 to be a material weakness.

This report is intended for the information of the Mayor, members of the City Council and management of the City of Leesville, Louisiana, Federal awarding agencies, and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

*Payne Moore & Herrington, LLP*  
Certified Public Accountants

November 17, 1997

CITY OF LEBESVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1997

(Continued)

PART I - SUMMARY OF AUDITOR'S RESULTS

1. We have audited the primary government financial statements and the combining, individual fund, and account group financial statements of the City of Leesville, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated November 17, 1997. In our report, our opinion was qualified because the financial statements of the General Fixed Assets account group include only assets acquired subsequent to 1973. Records of general fixed assets acquired prior to 1973 were not maintained. Generally accepted accounting principles require the recording of fixed assets at cost or estimated historical cost if costs records are not available.
2. We noted a certain matter, as described in Finding 97-04 in Part II of this schedule, involving the internal control over financial reporting and its operations that we consider to be a reportable condition 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. We believe that this reportable condition is not a material weakness.
3. Our tests of compliance based on an audit of financial statements performed in accordance with Government Auditing Standards disclosed instances of noncompliance that are required to be reported under Government Auditor Standards, and which are described in Finding 97-01 through Finding 97-05 in Part II of this schedule.
4. We noted certain matters, described in Part III of this schedule as Findings 97-07 and 97-08, involving the internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to the City's major federal program and its operations, that we consider to be reportable conditions required to be reported in accordance with GAO Circular A-133. We believe the reportable condition described in Finding 97-07 to be a material weakness.
5. We have audited the compliance of the City of Leesville, Louisiana, with the types of compliance requirements described in the D.S. Office Assignment and Budget (OAB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1997, and have issued our report thereon dated November 17, 1997. In our report, our opinion was qualified because, as described in Finding 97-09 in Part III of this schedule, the City of Leesville, Louisiana did not comply with the requirements regarding the Davis-Bacon Act that are applicable to its major

CITY OF LEEVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND DISCUSSIONS  
YEAR ENDING JUNE 30, 1997

(Continued)

- federal program. Compliance with such requirements is necessary, in our opinion, for the City of Leesville to comply with requirements applicable to that program.
6. Our audit disclosed audit findings which we are required to report under Section 518(a) of OMB Circular A-133. These findings are included in Part III of this schedule.
  7. We identified the following program of the City of Leesville, Louisiana, as a major program:  

CFDA #11.187, Special Economic Development and Adjustment Assistance Program - Scales and Severe Economic Dislocations and Long-Term Economic Retardation - Leesville Northside Industrial Park.
  8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 518(c) of OMB Circular A-133, was \$100,000. City of Leesville, Louisiana, had no Type A programs during year ended June 30, 1997.
  9. The City of Leesville, Louisiana, did not qualify as a low-risk auditee under Section 519 of OMB Circular A-133.

PART II - FINDINGS RELATED TO THE FINANCIAL STATEMENTS WHICH ARE  
REQUIRED TO BE REPORTED UNDER GOVERNMENT ACCOUNTING STANDARDS

FINDING 87-0) COMPLIANCE WITH THE LOUISIANA LOCAL GOVERNMENT BUDGET ACT

Criteria: It is our understanding that the Louisiana Local Government Budget Act requires that a budget be adopted for the general fund and all special revenue funds; that budgeted expenditures can not exceed available resources (budgeted revenue plus beginning fund balances); and that budget amendments are required when actual expenditures exceed budgeted expenditures by 5% or more.

Condition: We found that a budget was not adopted for the HUD Voucher Program Special Revenue Fund; that budgeted expenditures exceed available resources in the Sales Tax Special Revenue Fund; and that actual expenditures exceeded budgeted expenditures by 5% or more in the General Fund and the Sales Tax Special Revenue Fund.

Cause: The HUD Voucher Program was transferred to the Leesville Housing Authority in the prior fiscal year. However, a few transactions in relation to the termination of the program occurred in the year ending June 30, 1997. Discussion with management indicated that budgeting expenditures in excess of available resources for the Sales Tax Special Revenue Fund was inadvertent. Management

CITY OF LEBANVILLE, LOUISIANA  
SCHEDULE OF FUNDING BY QUANTIFIED COSTS  
YEAR ENDED JUNE 30, 1991

(Continued)

reviewed the budget prior to year end and proposed budget amendments to the City Council which were approved. However, certain necessary year-end Journal entries prepared as a result of our engagement were not taken into account which resulted in actual expenditures exceeding budgeted expenditures in the above funds by more than 34.

Recommendations: We recommend that budgets be adopted for the general and all special revenue funds in accordance with the Louisiana Local Government Budget Act; that more care be taken in the budgeting process so budgeted expenditures do not exceed available resources; and that budget amendment process include consideration of all facts and circumstances.

Management's Response: The City of Lebanonville will prepare a budget for all special revenue funds in accordance with the Louisiana Local Government Budget Act and will ensure that budgeted expenditures do not exceed available resources in the future.

**FINDING 52-02**

**COMPLIANCE WITH ASSET MANAGEMENT LAWS**

Criteria: It is our understanding that Louisiana Revised Statutes require the City to maintain records of all land, buildings, improvements other than buildings, equipment, and any other fixed assets which were purchased or otherwise acquired, and for which the City is accountable. The records should include the date of purchase of such property or equipment, the initial costs, the disposition, if any, the purpose of such disposition, and the recipient of the disposed property or equipment. In addition, federal regulations may require that additional information be maintained on property and equipment acquired with federal funds.

Condition: Records of general fixed assets acquired prior to 1972 were not maintained. Records of fixed assets acquired after 1971 do not always contain all required information.

Recommendation: We understand that the City has an on-going project to bring the City's records into compliance with these requirements. We recommend that the City complete this project as soon as possible.

Management's Response: The City will continue to work on bringing our general fixed assets list into compliance to include those assets purchased prior to 1971.

**FINDING 53-02**

**COMPLIANCE WITH DEBT REQUIREMENTS**

Criteria: Various indentures for bonds and certificates of indebtedness require the City to establish sinking funds into which the City is required each month to deposit an amount equal to one-third of the next interest payment plus one-twelfth of the next principal payment.

Condition: Monthly transfers were not made in all cases to the various debt service sinking funds as required, resulting in deficiencies in these funds at

CITY OF LEBONISSE, LOUISIANA  
MEMORANDUM OF FINDINGS AND RECOMMENDATIONS  
YEAR ENDED JUNE 30, 1997

(Continued)

various times during the year. In some cases, lump sum transfers were made, as needed, to pay principal and interest when due. By June 30, 1997, all sinking funds were current, except for the Certificates of Indebtedness, Series 1994, sinking fund which had a deficit of \$76,232.

Cause: Discussions with management indicated that monthly transfers were not made as scheduled due to periodic cash flow problems.

Recommendations: We recommend that the City comply with the sinking fund requirements of the indentures for the various bonds and certificates of indebtedness.

Management's Response: The City will make the required debt service sinking fund monthly deposits on a timely basis as outlined in the bond indentures.

FINDING 51-14

COMPLIANCE WITH PUBLIC BID LAW - CHANGE ORDERS

Criteria: It is our understanding that Louisiana Revised Statutes require that all change orders to contracts be in writing.

Condition: We were informed by the City's consulting engineer that certain verbal change orders were approved by him and a representative of the federal agency funding the Berwick Industrial Park project because the amount of the necessary changes are not determinable until the changes are substantially complete due to unpredictable conditions at the project site. Formal written change orders are to be completed as soon as the extent of the changes are determinable.

Cause: The consulting engineer indicated that it was impossible to determine the amount of the necessary changes to the project until the changes are substantially complete due to unpredictable conditions at the project site. The project was still in progress at June 30, 1997.

Recommendations: We recommend that all change orders be in writing to comply with state law. If a situation similar to this occurs in the future, we recommend that a series of written change orders be prepared and approved to comply with state law.

Management's Response: The City will implement a policy to insure that all future change orders will be in writing to comply with state law.

FINDING 51-15

COMPLIANCE WITH PAYROLL TAX DEPOSIT REQUIREMENTS

Criteria: Federal laws and regulations require that federal payroll taxes be deposited timely in a federal depository bank.

Condition: On several occasions during the year, timely payroll tax deposits were

CITY OF LEBEVILLE, LOUISIANA  
SCHEMATIC OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1997

(CONTINUED)

not made resulting in the City paying \$14,187 in interest and penalties during the year ended June 30, 1997.

Cause: We were informed that timely payroll tax deposits were not always made due to cash flow shortages.

Recommendations: To comply with laws and regulations and to eliminate unnecessary interest and penalties, we recommend that payroll tax deposits be made timely. Management should review all available sources of cash, including investments, in order to make timely payroll deposits. Management should also prepare monthly cash flow projections to predict cash flow shortages so that arrangements can be made in advance to eliminate these cash flow shortages.

Management's Response: The City will make payroll tax deposits on a timely basis to eliminate the assessment of any unnecessary interest and penalty charges.

FINDING 31-05                      RECONCILIATION OF AD VALOREM TAX RECEIPTS TO GENERAL LEDGER

Criteria: Reconciliation of subsidiaries to the general ledger is an integral internal control procedure.

Condition: We found that the subsidiary listing of outstanding ad valorem taxes was not reconciled to the unpaid tax notices file or the related general ledger control account during the year ended June 30, 1997. We were also informed that receipts were not posted to the subsidiary ledger on a daily basis. Considerable time was required to reconcile the ad valorem tax accounts to ensure that all receipts were deposited and correctly recorded in the general ledger. The result of our extended procedures was an immaterial unreconciled difference of less than 1% of the ad valorem tax revenue.

Cause: Miscommunication with management indicated that a lack of communication between departments resulted in the reconciliations not being prepared during the year. We were informed that there is not sufficient personnel to ensure that receipts are posted to the subsidiary ledger on a daily basis.

Recommendations: We recommend that procedures be developed and implemented to ensure that the subsidiary of outstanding ad valorem taxes is reconciled to the unpaid tax notice file and to the related general ledger control account at least monthly.

Management's Response: The City will implement procedures to insure that subsidiary ledgers are reconciled to collections on a monthly basis.

CITY OF LEXINGTON, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 1997

(Continued)

PART III - FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

FINDING B7-C1

COMPLIANCE WITH DEWIS-BACON ACT

Federal Agency: U. S. Department of Commerce, Economic Development Administration  
Federal Agency Grant Number: 28-48-01845  
CFDA Number: 11.051

Program Title: Special Economic Development and Adjustment Assistance Program -  
Haddon and Savers Economic Dislocation and Long-term Economic Deterioration -  
Lexington Heritage Industrial Park.

Criteria: It is our understanding that when required by the Davis-Bacon Act, the Department of Labor's (DOL) governmentwide implementation of the Davis-Bacon Act, or by federal program legislation, all laborers and mechanics employed by contractors or subcontractors on construction contracts in excess of \$2,000 financed by federal assistance funds must be paid wages not less than those established for the locality of the project (prevailing wage rates) by the DOL (49 USC 276a to 276a-7). The contracts with the various construction companies included therein that the contractors would pay prevailing wage rates in accordance with the Davis-Bacon Act.

Condition: We understand that the City requires the consulting project engineer to monitor compliance with the provisions of the Davis-Bacon Act. We were informed by a member of the project engineer's staff that they did not monitor compliance with the provisions of the Davis-Bacon Act during the year ended June 30, 1997, for construction under this project. This person also stated that they had not required the corporations to furnish certified payrolls during the year and that they had not conducted field interviews with the contractors' employees. Because of the lack of records, we were unable to apply the suggested auditing procedures relating to compliance with the Davis-Bacon Act found in the U.S. Office Management and Budget (OMB) Circular A-228 Compliance Agreement.

Questioned Costs:

None

Cause: We were unable to determine the reason the project engineer's staff failed to monitor compliance with the provisions of the Davis-Bacon Act during the year ended June 30, 1997. As part of our audit of the City for the prior fiscal year ended June 30, 1996, we tested the project engineer's procedures for monitoring compliance with the provisions of the Davis-Bacon Act for the year ended June 30, 1996, and found no problems at that time. The City incurred construction costs of \$286,812 on this project during the year ended June 30, 1997, as compared to the \$1,538,998 incurred in construction costs during the year ended June 30, 1997.

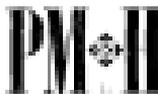
CITY OF LEBONVILLE, LOUISIANA  
SCHEDULE OF FINDINGS AND PROPOSED CORRE  
YEAR ENDED JUNE 30, 1991

(Concluded)

**Recommendation:** We recommend that required reports be prepared and furnished to the FEA quarterly in accordance with the grant agreement. We also recommend that the City develop procedures to determine what reports are required to be filed for each federal financial assistance program, and that procedures be developed to assure that required reports are filed timely and accurately.

**Management's Response:** The City will develop procedures to determine what reports are required to be filed with each federal financial assistance program and will see that all reports are filed timely and accurately.

**OTHER COMMENTS AND RECOMMENDATIONS**



PAYNE, ARNOLD & FERRELLSON, LLP

CENTRAL PUBLIC ACCOUNTING

YOUR COMMENTS AND RECOMMENDATIONS

The Honorable Jim Shepoff, Jr., Mayor  
and Members of the City Council  
City of Leesville, Louisiana

In planning and performing our audit of the primary government financial statements and the combining, individual fund, and account group financial statements of the primary government of the City of Leesville, Louisiana, as of and for the year ended June 30, 1997, we considered the City's internal controls to determine our auditing procedures for the purpose of expressing an opinion on the financial statements and not to provide assistance on the internal controls.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls, operating efficiency, and compliance. The memorandum that accompanies this letter summarizes our comments and suggestions regarding these matters. A separate report, dated November 17, 1997, contains our report on reportable conditions of the City's internal control. This letter does not affect our report, dated November 13, 1997, on the primary government financial statements and the combining, individual fund, and account group financial statements of the primary government of the City of Leesville, Louisiana.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with management personnel, and we will be pleased to discuss them in detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

*Large Print & Braille, LLP*  
*certified public accountants*

November 17, 1997



**Management's Response:** The City of Leesville has implemented procedures to insure that property owners are invoiced for demolition work and liens are filed on non-payments.

#### **COMPLIANCE WITH ARTICLE 7, SECTION 14 OF STATE CONSTITUTION**

Article 7, Section 14 of the Constitution of the State of Louisiana provides, with some limited exceptions, that funds, credits, property, or things of value of the state or of any political subdivision shall not be loaned, pledged, or donated to or for any person, association, or corporation, public or private. It is our understanding that memorial or floral gifts, and payment of dues to the Chamber of Commerce are prohibited under this section. As in prior years, our tests continue to disclose some immaterial amounts paid for memorial and floral gifts and payment of dues to the Chamber of Commerce during the year ended June 30, 1991. We continue to recommend that all department heads be advised of this provision of the state constitution and that all such charges be reviewed and approved by the City Attorney prior to being incurred.

**Management's Response:** The City will no longer pay annual chamber dues or make payment for memorial or floral gifts.

#### **TRAVEL ADVANCES**

We found that the unused portions of some travel advances were not promptly reimbursed to the City. In fact, the unused amounts were reimbursed over a period of time by being withheld from the individuals' salaries. It is our understanding that state law prohibits payroll advances. By recovering the unused portions of the travel advances as payroll withholdings, it may be construed that these travel advances in effect were payroll advances. We understand that the City is currently in the process of updating its travel policy. We recommend that the travel policy include guidelines for the prompt reimbursement of unused travel advances.

**Management's Response:** The City has included guidelines pertaining to travel advances and travel reimbursements in updates to our travel policy.

#### **INSUFFICIENT DOCUMENTATION FOR CREDIT CARD CHARGES**

Our tests of charges on credit cards indicated that sufficient documentation is not always furnished to the accounting department to determine if the charges are, in fact, liabilities of the City. We recommend that all credit card charges be supported by sufficient documentation to substantiate that the charge was authorized and incurred on behalf of the City.

**Management's Response:** The City will require documentation be supplied for each credit card charge prior to its payment in order to verify all charges are liabilities of the city.

#### ADJUSTMENTS TO CUSTOMER'S ACCOUNTS

Our tests of adjustments to sewer and water customer's accounts indicated that sufficient written detail was not always attached to the adjustment form to explain the reason for the adjustment. However, we were able to obtain sufficient, additional verbal explanations for these adjustments. We recommend that written detail to explain the adjustment be attached to the adjustment form to provide adequate documentation of the transaction.

Management's Response: The City has implemented a policy that no adjustments are to be made to customer's accounts unless written documentation is provided indicating the reason why an adjustment is necessary.

#### PAYMENT AGREEMENTS ON DELINQUENT CUSTOMER ACCOUNTS NOT ENFORCED

In prior Memorandums of Other Comments and Recommendations, we reported that payment agreements on delinquent customer accounts were not being enforced. City policy requires a delinquent water or sewer customer to sign a payment agreement in order to continue to receive service. The agreement specifies that the customer must pay the current bill plus a negotiated amount on the past due amount. We found that as long as the customer made an occasional payment on account, then the customer continued to receive service. We found an improvement in this area during the fiscal year ended June 30, 1997. We continue to recommend that the City's policies be enforced. We also recommend that the City Administrator review delinquent accounts monthly with the person in charge of collections to enhance enforcement of the City's policies.

Management's Response: The City will enforce payment agreements on delinquent customer accounts and the delinquent accounts will be reviewed on a monthly basis.