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VILLAGE OF PARKS

St. Martin Parish, Louisiana

FINANCIAL REPORT

Year Ended June 30, 1998

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

Release Date FEB 24 1999

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INDEPENDENT AUDITORS' REPORT

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Parks, Louisiana as of June 30, 1998 and for the year then ended. These general purpose financial statements are the responsibility of the Village's elected officials. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Parks, Louisiana as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated December 30, 1998 on our consideration of the Village of Parks' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Village of Parks, Louisiana taken as a whole. The accompanying schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular

A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the financial information listed as "Supplemental Information" in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Maraist & Maraist

MARAIST & MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

VILLAGE OF PARKS
St. Martin Parish, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1998

	<u>Governmental Fund Types</u>		<u>Proprietary</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Fund Type Enterprise</u>
<u>ASSETS AND OTHER DEBITS</u>			
Cash	\$20,448	\$22,398	\$ 67,821
Receivables		4,236	55,255
Restricted Assets			
Cash			235,767
Land, Buildings and Equipment			3,496,063
Accumulated Depreciation			(1,164,188)
Construction in Progress			
Amount To Be Provided For Retirement of General Long-Term Debt			
	-----	-----	-----
<u>TOTAL ASSETS AND OTHER DEBITS</u>	<u>\$20,448</u>	<u>\$26,634</u>	<u>\$2,690,718</u>
	=====	=====	=====

The accompanying notes are an integral part of this statement.

EXHIBIT A

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
<u>Fixed Assets</u>	<u>Long-Term</u>	<u>June 30, 1998</u>	<u>June 30, 1997</u>
	<u>Debt</u>		
		\$ 110,667	\$ 255,981
		59,491	92,684
		235,767	227,931
\$ 96,989		3,593,052	3,579,797
		(1,164,188)	(1,069,568)
		-0-	-0-
	-0-	-0-	-0-
-----	-----	-----	-----
\$ 96,989	-0-	\$2,834,789	\$3,086,825
=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
JUNE 30, 1998

	<u>Governmental Fund Types</u>		<u>Proprietary</u>
	<u>General</u>	<u>Special</u>	<u>Fund Type</u>
		<u>Revenue</u>	<u>Enterprise</u>
 <u>LIABILITIES AND FUND EQUITY</u>			
<u>LIABILITIES:</u>			
Accounts Payable	\$ 1,500		\$ 6,071
Other Accrued Liabilities	1,022	\$ 1,536	2,455
Payable from Restricted Assets			
Water Revenue Bonds			35,200
Certificates of Indebtedness			20,000
Rural Development Loan Payable			2,049
Accrued Interest			24,237
Customer's Deposits			74,874
Water Revenue Bonds Payable			815,500
Certificates of Indebtedness			225,000
Rural Development Loan Payable			209,847
	-----	-----	-----
<u>TOTAL LIABILITIES</u>	<u>\$ 2,522</u>	<u>\$ 1,536</u>	<u>\$1,415,233</u>
	-----	-----	-----
<u>FUND EQUITY:</u>			
Contributed Capital			\$1,164,961
Investment in General Fixed Assets			
Retained Earnings-Reserved			110,524
Retained Earnings-Unreserved			-
Fund Balance-Unreserved/Undesignated	\$17,926	\$25,098	-
	-----	-----	-----
<u>TOTAL RETAINED EARNINGS/FUND BALANCE</u>	<u>\$17,926</u>	<u>\$25,098</u>	<u>\$ 110,524</u>
	-----	-----	-----
<u>TOTAL FUND EQUITY</u>	<u>\$17,926</u>	<u>\$25,098</u>	<u>\$1,275,485</u>
	-----	-----	-----
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$20,448</u>	<u>\$26,634</u>	<u>\$2,690,718</u>
	=====	=====	=====

The accompanying notes are an integral part of this statement.

EXHIBIT A
(Continued)

<u>Account Groups</u>		<u>Totals</u>	
<u>General</u>	<u>General</u>	<u>(Memorandum Only)</u>	
<u>Fixed Assets</u>	<u>Long-Term</u>	<u>June 30, 1998</u>	<u>June 30, 1997</u>
	<u>Debt</u>		
		\$ 7,571	\$ 11,637
		5,013	15,489
		35,200	34,500
		20,000	20,000
		2,049	2,318
		24,237	25,539
		74,874	67,092
		815,500	850,700
		225,000	245,000
	-0-	209,847	212,639
-----	-----	-----	-----
\$ -0-	-0-	\$1,419,291	\$1,484,914
-----	-----	-----	-----
		\$1,164,961	\$1,164,961
\$ 96,989		96,989	96,989
		212,	212,666
		78,	78,786
		43,024	48,509
-----	-----	-----	-----
\$ -0-	-0-	\$ 153,548	\$ 339,961
-----	-----	-----	-----
\$ 96,989	-0-	\$1,415,498	\$1,601,911
-----	-----	-----	-----
\$ 96,989	-0-	\$2,834,789	\$3,086,825
=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1998

			Totals (Memorandum Only)	
<u>REVENUES:</u>	<u>General</u>	<u>Special</u>	<u>FYE 6/30/98</u>	<u>FYE 6/30/97</u>
Taxes	\$ 6,097	\$59,764	\$ 65,861	\$ 57,812
Licenses and Permits	34,995	-	34,995	33,693
Fines and Penalties	1,641	-	1,641	1,869
Federal Grants	-	9,583	9,583	11,975
State Grants	-	-	-0-	-0-
State Revenue Sharing	1,917	-	1,917	1,924
Fees/Charges for Services	-	120	120	980
Restitution Proceeds	-	-	-	8,639
Miscellaneous	88	112	200	2,249
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	<u>\$ 44,738</u>	<u>\$69,579</u>	<u>\$114,317</u>	<u>\$119,141</u>
	-----	-----	-----	-----
 <u>EXPENDITURES:</u>				
Current Operating-				
General Government	\$ 32,476		\$ 32,476	\$ 32,007
Public Safety(Police Dept.)		\$73,422	73,422	59,948
Public Works(Streets & Highways)	204,028	-	204,028	7,388
Recreation		106	106	1,242
Debt Service	-	-	-0-	-0-
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	<u>\$236,504</u>	<u>\$73,528</u>	<u>\$310,032</u>	<u>\$100,585</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(191,766)</u>	<u>\$(3,949)</u>	<u>(195,715)</u>	<u>\$ 18,556</u>
	-----	-----	-----	-----
 <u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers In	\$192,219	\$ 6,011	\$198,230	\$ 2,000
Operating Transfers Out	-	(8,000)	(8,000)	(192)
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>\$192,219</u>	<u>\$(1,989)</u>	<u>\$190,230</u>	<u>\$ 1,808</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u> <u>OTHER SOURCES OVER EXPENDITURES</u> <u>AND OTHER USES</u>	<u>\$ 453</u>	<u>\$(5,938)</u>	<u>\$ (5,485)</u>	<u>\$ 20,364</u>
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING</u>	<u>\$ 17,473</u>	<u>\$31,036</u>	<u>48,509</u>	<u>28,145</u>
	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING</u>	<u>\$ 17,926</u>	<u>\$25,098</u>	<u>\$ 43,024</u>	<u>\$ 48,509</u>
	=====	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT C

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS-PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>YEAR ENDED</u> <u>JUNE 30, 1998</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1997</u>
<u>OPERATING REVENUES:</u>		
Charges for Services:		
Water/Sewer Fees	\$ 502,495	\$ 492,318
Meter Sales	27,350	16,750
Connection Fees	2,055	2,240
Extension & Addition Charges	2,275	4,783
Proceeds-Water Tower Suit	55,000	-0-
Other Operating Income	3,319	2,173
	-----	-----
<u>TOTAL OPERATING REVENUES</u>	<u>\$ 592,494</u>	<u>\$ 518,264</u>
	-----	-----
<u>OPERATING EXPENSES:</u>		
Salaries	\$ 183,134	\$ 176,219
Payroll Taxes	14,142	14,924
Insurance Expense	43,255	45,591
Repair & Maintenance	12,861	41,206
Chemicals	6,041	5,366
Office Expense	9,133	8,358
Dues & Subscriptions	150	245
Utilities	40,863	46,980
Meter Readers	14,279	12,203
Miscellaneous Expense	579	980
Automotive Expense	11,376	11,362
Licenses and Taxes	650	-
Professional Fees	15,764	3,411
Telephone Expense	1,707	2,080
Depreciation Expense	94,620	94,654
Operating supplies	33,465	25,942
Training & Conferences	387	200
Sewer Maintenance Cost	16,673	30,338
	-----	-----
<u>TOTAL OPERATING EXPENSES</u>	<u>\$ 499,079</u>	<u>\$ 520,059</u>
	-----	-----
<u>OPERATING INCOME/(LOSS)</u>	<u>\$ 93,415</u>	<u>\$ (1,795)</u>
	-----	-----
<u>NON-OPERATING REVENUES/(EXPENSES):</u>		
Interest Income	\$ 11,721	\$ 12,776
Interest Expense	(95,834)	(97,677)
Grant Revenue	-	-
	-----	-----
<u>TOTAL NON-OPERATING REVENUES/(EXPENSES)</u>	<u>\$ (84,113)</u>	<u>\$ (84,901)</u>
	-----	-----
<u>INCOME/(LOSS) BEFORE OPERATING TRANSFERS</u>	<u>\$ 9,302</u>	<u>\$ (86,696)</u>
	-----	-----

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT C
(Continued)

COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS-PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>YEAR ENDED</u> <u>JUNE 30, 1998</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1997</u>
<u>OPERATING TRANSFERS:</u>		
Transfers In	\$ 8,000	\$ 313
Transfers Out	(198,230)	(2,121)
	-----	-----
<u>TOTAL OPERATING TRANSFERS</u>	<u>\$ (190,230)</u>	<u>\$ (1,808)</u>
	-----	-----
<u>NET INCOME/(LOSS)</u>	<u>\$ (180,928)</u>	<u>\$ (88,504)</u>
<u>RETAINED EARNINGS, BEGINNING</u>	291,452	379,956
	-----	-----
<u>RETAINED EARNINGS, ENDING</u>	<u>\$ 110,524</u>	<u>\$ 291,452</u>
	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT D

COMPARATIVE STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE-WATER/SEWER FUND
YEARS ENDED JUNE 30, 1998 AND 1997

	<u>YEAR ENDED</u> <u>JUNE 30, 1998</u>	<u>YEAR ENDED</u> <u>JUNE 30, 1997</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES:</u>		
Operating Income/(Loss)	\$ 93,415	\$ (1,795)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	94,620	94,654
Changes in Assets and Liabilities:		
(Increase)/Decrease in Accounts Receivable	8,932	(2,151)
Increase/(Decrease) in Accounts Payable	(4,554)	8,302
Increase/(Decrease) in Accrued Expenses	1,201	(3,307)
Increase in Customer Meter Deposits	7,782	9,784
	-----	-----
<u>NET CASH PROVIDED FROM OPERATING ACTIVITIES</u>	<u>\$ 201,396</u>	<u>\$ 105,487</u>
	-----	-----
<u>CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:</u>		
Operating transfers out to other funds	\$ (198,230)	\$ (2,121)
Operating transfers in from other funds	8,000	313
	-----	-----
<u>NET CASH USED IN NON-CAPITAL FINANCING ACTIVITIES</u>	<u>\$ (190,230)</u>	<u>\$ (1,808)</u>
	-----	-----
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</u>		
Proceeds from additional borrowing	\$ -0-	265,000
Principal paid on revenue bonds, certificates of indebtedness and installment loans	(57,561)	(264,782)
Interest paid on revenue bonds, certificates of indebtedness and installment loans	(95,834)	(97,677)
Decrease in Accrued Interest Payable	(1,302)	(13,629)
Payments made for capital purchases	(13,255)	(21,010)
	-----	-----
<u>NET CASH USED IN CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>\$ (167,952)</u>	<u>\$ (132,098)</u>
	-----	-----
<u>CASH FLOWS FROM INVESTING ACTIVITIES:</u>		
Interest earned on investments	\$ 11,721	\$ 12,776
	-----	-----
<u>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</u>	<u>\$ (145,065)</u>	<u>\$ (15,643)</u>
	-----	-----
<u>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</u>	<u>448,653</u>	<u>464,296</u>
	-----	-----
<u>CASH AND CASH EQUIVALENTS AT END OF YEAR</u>	<u>\$ 303,588</u>	<u>\$ 448,653</u>
	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT E

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1998

	<u>GENERAL FUND</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<u>REVENUES:</u>			
Taxes	\$ 5,950	\$ 6,097	\$ 147
Licenses and Permits	33,700	34,995	1,295
Fines and Penalties	1,900	1,641	(259)
State Revenue Sharing	1,925	1,917	(8)
Miscellaneous	500	88	(412)
	-----	-----	-----
<u>TOTAL REVENUES:</u>	<u>\$ 43,975</u>	<u>\$ 44,738</u>	<u>\$ 763</u>
	-----	-----	-----
<u>EXPENDITURES:</u>			
Current Operating-			
General Government	\$ 29,536	\$ 32,476	\$ (2,940)
Public Works(Streets & Highways)	197,800	204,028	(6,228)
	-----	-----	-----
<u>TOTAL EXPENDITURES:</u>	<u>\$227,336</u>	<u>\$236,504</u>	<u>\$ (9,168)</u>
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES:</u>	(183,361)	(191,766)	\$ (8,405)
	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>			
Operating Transfers(Net)	\$190,000	\$192,219	\$ 2,219
	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	<u>\$190,000</u>	<u>\$192,219</u>	<u>\$ 2,219</u>
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u>			
<u>OTHER SOURCES OVER EXPENDITURES</u>			
<u>AND OTHER USES:</u>	\$ 6,639	\$ 453	\$ (6,186)
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING:</u>	17,473	17,473	-0-
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING:</u>	<u>\$ 24,112</u>	<u>\$ 17,926</u>	<u>\$ (6,186)</u>
	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

EXHIBIT E
(Continued)

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES-BUDGET (GAAP BASIS) AND ACTUAL-
GENERAL AND SPECIAL REVENUE FUND TYPES
YEAR ENDED JUNE 30, 1998

	<u>SPECIAL REVENUE FUNDS</u>		
			Variance- Favorable (Unfavorable)
<u>REVENUES:</u>	<u>Budget</u>	<u>Actual</u>	<u>(Unfavorable)</u>
Sales Taxes	\$52,000	\$59,764	\$ 7,764
Federal Grants	9,583	9,583	-
Fees/Charges for Services	120	120	-
Miscellaneous	1,500	112	(1,388)
	-----	-----	-----
<u>TOTAL REVENUES:</u>	<u>\$63,203</u>	<u>\$69,579</u>	<u>\$ 6,376</u>
	-----	-----	-----
<u>EXPENDITURES:</u>			
Current operating-			
General Government			
Public Safety (Police Dept.)	\$70,998	\$73,422	\$(2,424)
Recreation	106	106	-
	-----	-----	-----
<u>TOTAL EXPENDITURES:</u>	<u>\$71,104</u>	<u>\$73,528</u>	<u>\$(2,424)</u>
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>			
<u>OVER EXPENDITURES:</u>	\$(7,901)	\$(3,949)	\$ 3,952
	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>			
Operating Transfers (Net)	\$(2,000)	\$(1,989)	\$ 11
	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES):</u>	<u>\$(2,000)</u>	<u>\$(1,989)</u>	<u>\$ 11</u>
	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES AND</u>			
<u>OTHER SOURCES OVER EXPENDITURES</u>			
<u>AND OTHER USES:</u>	\$(9,901)	\$(5,938)	\$ 3,963
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING:</u>	<u>31,036</u>	<u>31,036</u>	<u>-0-</u>
	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING:</u>	<u>\$21,135</u>	<u>\$25,098</u>	<u>\$ 3,963</u>
	=====	=====	=====

The accompanying notes are an integral part of this statement.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS

(1) Summary of Significant Accounting Policies

The Village of Parks is incorporated under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of Parks conform to generally accepted accounting principles as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

Financial Reporting Entity. This report includes all funds and account groups which are controlled by or are dependent on the Village of Parks executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain governmental organizations are not part of the Village and are thus excluded from the accompanying financial statements. One such organization is the Housing Authority, which is directed by an independent board and does not receive any funding, facilities, or direction from the Village of Parks.

Fund Accounting. The accounts of the Village of Parks are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into two broad fund categories and further subdivided into three generic fund types as follows:

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds:

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

Special Revenue Fund-The Special Revenue Fund is used to account for the proceeds of specific revenue sources (sales and use tax receipts, user fees, etc.), that are legally restricted to expenditures for specific purposes (police protection, recreation, etc.).

Proprietary Fund:

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

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Long-term obligations expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, and not in the governmental funds.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with its activity are included on its balance sheet.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives of these fixed assets using the straight-line method. Depreciation expense was \$ 94,620 for fiscal year ended June 30, 1998. The estimated useful lives of fixed assets are as follows:

Water/Sewer Utilities

Wells	25 years
Storage Tanks	25 years
Elevated Tank	30 years
Purification Plant	25 years
Lines and Meters	25 years
Transportation Equipment	5 years
Office Equipment	10 years
Maintenance Equipment	10 years

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair value on the date donated.

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes, fines and forfeitures, and licenses are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Ad valorem taxes are considered "measurable" and are recognized as revenue at the time that they are assessed.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt are recognized when due and accumulated unpaid vacation and sick pay are not accrued.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are recorded at year end.

Budgets and Budgetary Accounting. Annually, the Village of Parks adopts a comprehensive operating budget on a basis consistent with generally accepted accounting principles. The budget is legally adopted or amended through the passage of a formal resolution.

Formal budgetary integration and interim budget reporting practices are not employed by the Village. Budgeted amounts reported in the accompanying financial statements include original budget amounts and all subsequent amendments. Budgets were not prepared and adopted for the proprietary fund types (Water/Sewer Department). The Village does not utilize a system which involves encumbrances.

All budgetary appropriations lapse at the end of each fiscal year.

Interest-bearing Deposits. Interest bearing deposits, consisting of certificates of deposit, are stated at cost, which approximates market.

Cash and Cash Equivalents. For purposes of cash flows, the Village considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

Bad Debts. Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 1998, an allowance for utility receivables and ad valorem taxes was considered unnecessary due to the immateriality of the amounts considered uncollectible.

Comparative Data. Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

"Total" Columns on Combined Statements-Overview. "Total" columns on the combined statements-overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns does not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Interest Bearing Deposits

Under state law, the Village may deposit funds within 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 Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Village has cash and interest-bearing deposits(book balances) totaling \$346,434 as follows:

Demand Deposits	\$346,434

Total	\$346,434
	=====

These deposits are stated at cost, which approximates market. Under state law these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal 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 fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to both parties. Deposit balances at June 30, 1998 are secured as follows:

Bank Balances	\$346,434
	=====

At June 30, 1998 the deposits are secured as follows:

Federal Deposit Insurance	\$346,434
	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Village's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Martin Parish. For the year ended June 30, 1998, taxes of 3.04 mills were levied and dedicated for general corporate purposes.

There were no uncollected balances of ad valorem taxes as of June 30, 1998.

(4) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

	<u>1998</u>
Cash and Interest Bearing Deposits:	
Revenue Bond Sinking Funds	\$ 56,351
Revenue Bond Reserve Funds	136,815
Revenue Bond Contingency Funds	42,601

Total Restricted Assets	\$235,767
	=====

The customers' meter deposit funds have been combined with bond reserve and contingency funds subsequent to the refunding of \$972,500 of revenue bonds originally held by the Farmers Home Administration, pursuant to FMHA's 1989 Discount Purchase Program. A segregation of customers' meter deposit funds will be reinstated as projected surplus funds from operations become available.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(5) Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Buildings</u>	<u>Office Equipment</u>	<u>Transportation Equipment</u>	<u>Totals</u>
Balance-July 1, 1997	\$72,594	\$10,077	\$14,318	\$ 96,989
Additions	-0-	-0-	-0-	-0-
Deletions	-0-	-0-	-0-	-0-
	-----	-----	-----	-----
Balance-June 30, 1998	\$72,594	\$10,077	\$14,318	\$ 96,989
	=====	=====	=====	=====

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

Water Department:

Land	\$ 44,599
Sewer System Plant & Equipment	1,602,458
Water System Plant	1,684,485
Water System Equipment	101,916
Transportation Equipment	40,645
Office Equipment	21,960

Subtotal	\$3,496,063
Less: Accumulated Depreciation	(1,164,188)

Net	\$2,331,875
	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(6) Changes in Long-Term Debt

The following is a summary of bond transactions of the Village of Parks for the year ended June 30, 1998:

	Revenue <u>Bonds</u>	Certificates of <u>Indebtedness</u>	<u>Total</u>
Bonds Payable-July 1, 1997	\$1,100,157	\$265,000	\$1,365,157
Bonds Retired	(37,562)	(20,000)	(57,562)
Bonds Issued	-0-	-0-	-0-
	-----	-----	-----
Bonds Payable-June 30, 1998	\$1,062,595	\$245,000	\$1,307,595
	=====	=====	=====

These revenue bonds are payable from the water/sewer department proprietary fund, and are comprised of the following individual issues at June 30, 1998:

Revenue Bonds

\$610,000 Water System Revenue Bonds dated 8-1-72; due in annual installments of \$3,000-24,000 through August 1, 2012; interest at 5.625% and secured by water system revenues.	\$327,000
\$143,000 Water System Revenue Bonds dated 2/1/67; due in annual installments of \$1,000-8,000 through February 1, 2007; interest at 3.75% and secured by water system revenues.	57,000
\$500,000 Water System Revenue Bonds dated 4/1/89; due in annual installments of \$2,300-54,200 through April 1, 2019; interest at 11.00% and secured by water system revenues.	466,700
\$217,000 Rural Development Loan dated 7/19/94; with interest only due annually on 7/19/95 and 7/19/96 in the amount of \$9,765.00 and thereafter due in monthly installments of \$996.03 through July 19, 2034; interest at 4.5% and secured by sewer system revenues.	211,895
Subtotal	----- \$1,062,595

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Certificates of Indebtedness

\$265,000 Certificates of Indebtedness dated 4/1/97; due in annual installments of \$20,000-35,000 through April 1, 2007; interest at 5.25% and secured by revenues of the General Fund and Enterprise Fund.	245,000 -----
Total	\$1,307,595 =====

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$1,174,062 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u> <u>Bonds</u>	<u>Certificates</u> <u>of</u> <u>Indebtedness</u>	<u>Total</u>
1999	118,345	32,863	151,208
2000	117,826	36,812	154,638
2001	116,292	35,500	151,792
2002	114,770	34,187	148,957
2003	113,249	32,875	146,124
2004-2034	1,587,138	141,800	1,728,938
	-----	-----	-----
	\$2,167,620	\$314,037	\$2,481,657
	=====	=====	=====

(7) Flow of Funds; Restrictions on Use - Water/Sewer Dept. Revenues

Under the terms of the bond indentures on outstanding Water System Revenue Bonds dated February 1, 1967, August 1, 1972, and April 1, 1989, all income and revenues of every nature, earned or derived from operation of the Water System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

There shall also be set aside into a "Bond Reserve Fund" an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the "Bond and Interest Sinking Fund" and as to which there would otherwise be default.

There will also be set aside into a "Contingency Fund" a minimum of \$9,700. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

Under the terms of the revenue bond indentures dated April 1, 1989 on outstanding Water System Revenue Refunding Bonds, there shall be set aside monthly into a sinking fund an amount equal to 1/6 of the next maturing interest payment, and 1/12 of the next maturing principal payment on the outstanding bonds. Such funds shall be used for the prompt payment of maturing interest and principal due on said bonds.

There shall also be set aside into a bond reserve fund an amount equal to 20% of the monthly amount transferred to the sinking fund, until a maximum reserve fund amount of \$52,900 is reached. Thereafter, an amount equal to 5% of the monthly amount transferred to the sinking fund shall be set aside into the reserve fund, until such time as an amount equal to the maximum maturing interest and principal payment falling due on all bonds in any one year. Such funds shall be used for the payment of bond interest and principal for which sufficient funds are not on deposit in the bond sinking fund.

In addition, there shall also be set aside monthly into a replacement fund an amount equal to 5% of the monthly amount transferred into the sinking fund. Money in this fund shall be used for the making of extraordinary repairs, or for the payment of interest and principal falling due on these bonds for which there is not sufficient money for payment in any of the other bond funds.

Under the terms of the Sewer Revenue Bonds dated July 19, 1994, there shall be set aside monthly into a sinking fund the amount of \$996.03 for payment of monthly maturities of interest and principal on said bonds. Additionally, there shall be set aside monthly the sum of \$50 into a bond reserve fund, until the maximum reserve fund amount of \$11,952.36 is reached. Simultaneously, a monthly payment of \$54 is to be set aside into a bond contingency fund to be used for extraordinary repairs to the sewer system and to pay any principal and interest payments coming due for which sufficient funds are not available in any of the other sewer revenue bond funds.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose. As of June 30, 1998 the Village of Parks, Louisiana was in compliance with the stipulations of the aforementioned bond indentures with regard to bond fund sinking and reserve requirements.

(8) Accumulated Unpaid Vacation and Sick Pay

Employees of the Village earn sick leave and vacation days depending on length of employment. The vacation days and sick pay days cannot be carried over from year to year. Neither can be received in cash in lieu of taking the days. If an employee quits he forfeits all accumulated days. Because of these policies, there are no accruals made in either the proprietary fund or the governmental funds.

(9) Retirement Commitments

All employees of the Village of Parks are members of the Social Security System, with the exception of the Chief of Police, who is a member of the police retirement system of the State of Louisiana.

The chief of police is a participant in the Municipal Police Employee's Retirement System (MPERS) of Louisiana, a multiple-employer public employee retirement system. The payroll for the chief of police for the year ended June 30, 1998 was \$20,600. The total village payroll was \$261,175.

Members of the Municipal Police Employee's Retirement System may retire with 20 years of service at age 50 and with 12 years of service at age 55. The retirement allowance is equal to 3 1/3 percent of the member's annual average final compensation multiplied by his years of creditable service. Their retirement allowance may not exceed the greater of 100 percent of a member's final salary or compensation. The System also provides disability and survivor benefits. Benefits are established by State statute.

Covered employees are required to contribute 7.5 percent of their earnings to the plan; the Village contributed 9.0 percent. The Village's contribution to the system for the year ended June 30, 1998 was \$1,854, which is equal to the required contribution for the year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employee's Retirement System, P. O. Box 94095 - Capital Station, Baton Rouge, LA 70804-9095.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

(10) Retained Earnings - Reserved

Retained Earnings are reserved as follows:

	June 30, <u>1998</u>
Reserved for Debt Retirement	\$ 35,650
Reserved for Customers' Meter Deposits	74,874

	\$110,524
	=====

(11) Interfund Transfers

	FYE 6/30/98	
	Transfers In	Transfers Out
General Fund	\$192,219	\$ -
Special Revenue Fund		
(Sales Tax Fund)	6,011	8,000
Enterprise Fund		
(Water/Sewer Fund)	8,000	198,230
	-----	-----
Totals	\$206,230	\$206,230
	=====	=====

(12) Pending Litigation and Contingent Liabilities

The Village is a participant in various lawsuits. Management and legal counsel for the Village believe there is adequate insurance coverage on all cases where monetary damages are sought, and that the suits will not have an adverse effect on the Village's financial position.

(13) Compensation of Village Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1998 follows:

John L. Dugas, Mayor	\$12,000
	=====
Aldermen:	
Horace Charles	\$ 1,200
Daniel Dupont	1,200
Rodney Potier	1,200

Total	\$ 3,600
	=====

SUPPLEMENTAL INFORMATION
(SCHEDULES OF SELECTED INDIVIDUAL FUNDS)

GENERAL FUND

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

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
GENERAL FUND

Schedule 1

Comparative Balance Sheet
June 30, 1998 and 1997

<u>ASSETS</u>	<u>FYE</u> <u>6/30/98</u>	<u>FYE</u> <u>6/30/97</u>
Cash	\$20,448	\$19,507
Receivables	-0-	-0-
	-----	-----
<u>TOTAL ASSETS</u>	<u>\$20,448</u>	<u>\$19,507</u>
	=====	=====
 <u>LIABILITIES AND FUND BALANCE</u>		
 <u>LIABILITIES:</u>		
Accounts Payable	\$ 1,500	\$ 1,012
Other Accrued Liabilities	1,022	1,022
	-----	-----
<u>TOTAL LIABILITIES</u>	<u>\$ 2,522</u>	<u>\$ 2,034</u>
	-----	-----
 <u>FUND BALANCE:</u>		
Fund Balance-Unreserved	\$17,926	\$17,473
	-----	-----
<u>TOTAL LIABILITIES AND FUND BALANCE</u>	<u>\$20,448</u>	<u>\$19,507</u>
	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana
GENERAL FUND

Schedule 2

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	FYE 6/30/98		Variance- Favorable Unfavorable	FYE 6/30/97 Actual
	<u>Budget</u>	<u>Actual</u>		
<u>REVENUES:</u>				
Taxes	\$ 5,950	\$ 6,097	\$ 147	\$ 5,901
Licenses and Permits	33,700	34,995	1,295	33,693
Fines and Penalties	1,900	1,641	(259)	1,869
State Revenue Sharing	1,925	1,917	(8)	1,924
Miscellaneous	500	88	(412)	523
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	<u>\$ 43,975</u>	<u>\$ 44,738</u>	<u>\$ 763</u>	<u>\$43,910</u>
	-----	-----	-----	-----
<u>EXPENDITURES:</u>				
Current Operating- General & Administrative				
Other General Government	\$ 29,536	\$ 32,476	\$(2,940)	\$32,007
Public Works	197,800	204,028	(6,228)	7,388
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	<u>\$227,336</u>	<u>\$236,504</u>	<u>\$(9,168)</u>	<u>\$39,395</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>OVER EXPENDITURES</u>	<u>(183,361)</u>	<u>(191,766)</u>	<u>\$(8,405)</u>	<u>\$ 4,515</u>
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers(Net)	\$190,000	\$192,219	\$ 2,219	\$ (160)
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	<u>\$190,000</u>	<u>\$192,219</u>	<u>\$ 2,219</u>	<u>\$ (160)</u>
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER</u> <u>EXPENDITURES AND OTHER USES</u>	<u>\$ 6,639</u>	<u>\$ 453</u>	<u>\$(6,186)</u>	<u>\$ 4,355</u>
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-BEGINNING</u>	<u>17,473</u>	<u>17,473</u>	<u>-0-</u>	<u>13,118</u>
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-ENDING</u>	<u>\$ 24,112</u>	<u>\$ 17,926</u>	<u>\$(6,186)</u>	<u>\$17,473</u>
	=====	=====	=====	=====

SPECIAL REVENUE FUNDS

Sales Tax Fund - Used to account for the receipt and use of proceeds of the Village's 2% sales and use tax. The proceeds of this tax are used to fund the operations of the police department, including salaries, equipment, maintenance and operational costs.

Park Commission Fund - Used to account for the receipt and use of fees assessed for utilization of the park facilities located in and maintained by the Village of Parks.

COPS Fast Fund - Used to account for the subsequent receipt and expenditure of federal funds approved for hiring, training and continued employment of additional police officers.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
SPECIAL REVENUE FUNDS

Schedule 3

Combining Balance Sheet
June 30, 1998
 With Comparative Totals for June 30, 1997

	Sales Tax	Park Commission	COPS Fast	<u>Totals</u>	
				FYE 6/30/98	FYE 6/30/97
<u>ASSETS</u>					
Cash	\$ 9,717	\$12,681		\$22,398	\$15,752
Receivables	4,236	-0-		4,236	28,497
	-----	-----	-----	-----	-----
<u>TOTAL ASSETS</u>	\$13,953	\$12,681	NONE	\$26,634	\$44,249
	=====	=====	=====	=====	=====
 <u>LIABILITIES AND FUND BALANCES</u>					
<u>LIABILITIES:</u>					
Accounts Payable					
Other Accrued Liabilities	\$ 1,536			\$ 1,536	\$13,213
	-----	-----	-----	-----	-----
<u>TOTAL LIABILITIES</u>	\$ 1,536	NONE	NONE	\$ 1,536	\$13,213
	-----	-----	-----	-----	-----
<u>FUND BALANCES:</u>					
Fund Balance-Unreserved	\$12,417	\$12,681	NONE	\$25,098	\$31,036
	-----	-----	-----	-----	-----
<u>TOTAL LIABILITIES AND FUND BALANCES</u>	\$13,953	\$12,681	NONE	\$26,634	\$44,249
	=====	=====	=====	=====	=====

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
SPECIAL REVENUE FUNDS

Schedule 4

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Year Ended June 30, 1998
 With Comparative Totals for June 30, 1997

	<u>Sales</u>	<u>Park</u>	<u>COPS</u>	<u>Totals</u>	
	<u>Tax</u>	<u>Commission</u>	<u>Fast</u>	<u>FYE</u>	<u>FYE</u>
				<u>6/30/98</u>	<u>6/30/97</u>
<u>REVENUES:</u>					
Taxes	\$59,764			\$59,764	\$51,911
Federal Grants			\$ 9,583	9,583	11,975
Fees/Charges for Services		\$ 120		120	980
Restitution Proceeds				-	8,639
Miscellaneous	105	7		112	1,726
	-----	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	\$59,869	\$ 127	\$ 9,583	\$69,579	\$75,231
	=====	=====	=====	=====	=====
<u>EXPENDITURES:</u>					
Current Operating- General & Administrative					
Public Safety(Police Dept.)	\$63,839		\$ 9,583	\$73,422	\$59,948
Recreation		\$ 106		106	1,242
	-----	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	\$63,839	\$ 106	\$ 9,583	\$73,528	\$61,190
	-----	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>					
<u>OVER EXPENDITURES</u>	\$(3,970)	\$ 21	-0-	\$(3,949)	\$14,041
	-----	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>					
Operating Transfers In	\$ 6,011			\$ 6,011	\$ 2,000
Operating Transfers Out	(8,000)			(8,000)	(32)
	-----	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	\$(1,989)	-0-	-0-	\$(1,989)	\$ 1,968
	-----	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>					
<u>AND OTHER SOURCES OVER</u>					
<u>EXPENDITURES AND OTHER USES</u>	\$(5,959)	\$ 21	-0-	\$(5,938)	\$16,009
	-----	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-BEGINNING</u>	18,376	12,660	-0-	31,036	15,027
	-----	-----	-----	-----	-----
<u>FUND BALANCES/(DEFICIT)-ENDING</u>	\$12,417	\$12,681	-0-	\$25,098	\$31,036
	=====	=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule 5

SPECIAL REVENUE FUND
Sales Tax Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget (GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	FYE 6/30/98		Variance-	FYE
	<u>Budget</u>	<u>Actual</u>	Favorable	6/30/97
			<u>Unfavorable</u>	<u>Actual</u>
<u>REVENUES:</u>				
Taxes	\$52,000	\$59,764	\$ 7,764	\$51,911
Miscellaneous	1,500	105	(1,395)	1,726
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	\$53,500	\$59,869	\$ 6,369	\$53,637
	-----	-----	-----	-----
<u>EXPENDITURES:</u>				
Current Operating- Public Safety (Police Dept.)	\$61,415	\$63,839	\$(2,424)	\$47,973
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	\$61,415	\$63,839	\$(2,424)	\$47,973
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	\$(7,915)	\$(3,970)	\$ 3,945	\$ 5,664
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers (Net)	\$(2,000)	\$(1,989)	\$ 11	\$ 1,968
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	\$(2,000)	\$(1,989)	\$ 11	\$ 1,968
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER</u>				
<u>EXPENDITURES AND OTHER USES</u>	\$(9,915)	\$(5,959)	\$ 3,956	\$ 7,632
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-BEGINNING</u>	18,376	18,376	-0-	10,744
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-ENDING</u>	\$ 8,461	\$12,417	\$ 3,956	\$18,376
	=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule 6

SPECIAL REVENUE FUND
Park Commission Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget(GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	FYE 6/30/98			FYE 6/30/97
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable Unfavorable</u>	<u>Actual</u>
<u>REVENUES:</u>				
Fees/Charges for Services	\$ 120	\$ 120	\$ -	\$ 980
Miscellaneous	-	7	7	8,639
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	\$ 120	\$ 127	\$ 7	\$ 9,619
	-----	-----	-----	-----
<u>EXPENDITURES:</u>				
Current Operating- Recreation	\$ 106	\$ 106	\$ -	\$ 1,242
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	\$ 106	\$ 106	\$ -	\$ 1,242
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	\$ 14	\$ 21	\$ 7	\$ 8,377
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers(Net)	-	-	-	-
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	-	-	-	-
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER</u>				
<u>EXPENDITURES AND OTHER USES</u>	\$ 14	\$ 21	\$ 7	\$ 8,377
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-BEGINNING</u>	12,660	12,660	-	4,283
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-ENDING</u>	\$12,674	\$12,681	\$ 7	\$12,660
	=====	=====	=====	=====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule 7

SPECIAL REVENUE FUND
Cops Fast Fund

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget(GAAP Basis) and Actual
Year Ended June 30, 1998

With Comparative Actual Amounts for Year Ended June 30, 1997

	FYE 6/30/98		Variance-	FYE
	<u>Budget</u>	<u>Actual</u>	Favorable Unfavorable	6/30/97 <u>Actual</u>
REVENUES:				
Federal Grants	\$ 9,583	\$9,583	\$ -	\$11,975
Miscellaneous	-	-	-	-
	-----	-----	-----	-----
<u>TOTAL REVENUES</u>	\$ 9,583	\$ 9,583	\$ -	\$11,975
	-----	-----	-----	-----
EXPENDITURES:				
Current Operating- Public Safety(Police Dept.)	\$ 9,583	\$ 9,583	\$ -	\$11,975
	-----	-----	-----	-----
<u>TOTAL EXPENDITURES</u>	\$ 9,583	\$ 9,583	\$ -	\$11,975
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>OVER EXPENDITURES</u>	-	-	-	-
	-----	-----	-----	-----
<u>OTHER FINANCING SOURCES/(USES):</u>				
Operating Transfers(Net)	-	-	-	-
	-----	-----	-----	-----
<u>TOTAL OTHER FINANCING SOURCES/(USES)</u>	-	-	-	-
	-----	-----	-----	-----
<u>EXCESS/(DEFICIENCY) OF REVENUES</u>				
<u>AND OTHER SOURCES OVER</u>				
<u>EXPENDITURES AND OTHER USES</u>	-	-	-	-
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-BEGINNING</u>	-	-	-	-
	-----	-----	-----	-----
<u>FUND BALANCE/(DEFICIT)-ENDING</u>	-	-	-	-
	=====	=====	=====	=====

PROPRIETARY FUND

Water/Sewer Fund - Used to account for the provision of water and sewerage services to the residents of the Village of Parks, Louisiana and outlying rural areas. 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.

VILLAGE OF PARKS
 St. Martin Parish, Louisiana
PROPRIETARY FUND TYPE-WATER/SEWER FUND

Schedule 8

Comparative Balance Sheet
June 30, 1998 and 1997

<u>ASSETS</u>	<u>FYE</u> <u>6/30/98</u>	<u>FYE</u> <u>6/30/97</u>
Current Assets:		
Cash	\$ 67,821	\$ 220,722
Accounts Receivable	55,255	64,187
	-----	-----
Total Current Assets	\$ 123,076	\$ 284,909
	-----	-----
Restricted Assets:		
Cash	\$ 235,767	\$ 227,931
	-----	-----
Total Restricted Assets	\$ 235,767	\$ 227,931
	-----	-----
Plant and Equipment, at cost, net of accumulated depreciation of \$1,164,188 at 6/30/98 and \$1,069,568 at 6/30/97	\$2,331,875	\$2,413,240
	-----	-----
<u>TOTAL ASSETS</u>	<u>\$2,690,718</u>	<u>\$2,926,080</u>
	=====	=====

	FYE <u>6/30/98</u>	FYE <u>6/30/97</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES:</u>		
Current Liabilities (payable from current assets)		
Accounts Payable	\$ 6,071	\$ 10,625
Other Accrued Liabilities	2,455	1,254
	-----	-----
Total Current Liabilities (payable from current assets)	\$ 8,526	\$ 11,879
	-----	-----
Current Liabilities (payable from restricted assets)		
Accrued Interest Payable	\$ 24,237	\$ 25,539
Revenue Bonds Payable	35,200	34,500
Certificates of Indebtedness Payable	20,000	20,000
Rural Development Loan Payable	2,049	2,318
Customers' Meter Deposits	74,874	67,092
	-----	-----
Total Current Liabilities (payable from restricted assets)	\$ 156,360	\$ 149,449
	-----	-----
Long-term Liabilities		
Revenue Bonds Payable	\$ 815,500	\$ 850,700
Certificates of Indebtedness	225,000	245,000
Rural Development Loan	209,847	212,639
	-----	-----
Total Long-term Liabilities	\$1,250,347	\$1,308,339
	-----	-----
<u>TOTAL LIABILITIES</u>	\$1,415,233	\$1,469,667
	-----	-----
<u>FUND EQUITY:</u>		
Contributed Capital		
LCDBG Grant	\$ 738,523	\$ 738,523
FMHA Grant	328,371	328,371
General Fund	98,067	98,067
	-----	-----
Total Contributed Capital	\$1,164,961	\$1,164,961
	-----	-----
Retained Earnings		
Retained Earnings-Reserved	\$ 110,524	\$ 212,666
Retained Earnings-Unreserved	-	78,786
	-----	-----
Total Retained Earnings	\$ 110,524	\$ 291,452
	-----	-----
<u>TOTAL FUND EQUITY</u>	\$1,275,485	\$1,456,413
	-----	-----
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	\$2,690,718	\$2,926,080
	=====	=====

INTERNAL CONTROL, COMPLIANCE

AND

OTHER GRANT INFORMATION

MARAIST & MARAIST

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

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

We have audited the financial statements of the Village of Parks, Louisiana, as of June 30, 1998 and for the year then ended, and have issued our report thereon dated December 30, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

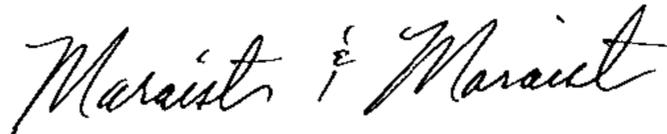
Internal Control Over Financial Statements

In planning and performing our audit, we considered the Village of Parks' 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 operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Parks' 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 prior and current audit findings as item 98-1.

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 none of the reportable conditions described above is a material weakness.

This report is intended for the information of the management, federal awarding agencies and pass-through entities of the Village of Parks, Louisiana. However, this report is a matter of public record and its distribution is not limited.



MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1998

MARAIST & MARAIST

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

To the Mayor and the Board
of Aldermen of the Village
of Parks, Louisiana

Compliance

We have audited the compliance of the Village of Parks, Louisiana with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1998. The major federal program of the Village of Parks, Louisiana 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 the Village of Parks' management. Our responsibility is to express an opinion on the Village of Parks' compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the provisions of Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Nonprofit Organizations." Those 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 Village of Parks' compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Village of Parks' compliance with those requirements.

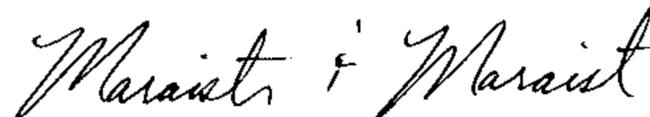
In our opinion, the Village of Parks, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1998.

Internal Control Over Compliance

The management of the Village of Parks, Louisiana is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Village of Parks' 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.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information of management, and federal awarding agencies and pass-through entities of the Village of Parks, Louisiana. However, this report is a matter of public record and its distribution is not limited.



MARAIST AND MARAIST
CERTIFIED PUBLIC ACCOUNTANTS

December 30, 1998

VILLAGE OF PARKS
St. Martin Parish, Louisiana

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 1998

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR: PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>RECEIPTS OR REVENUE RECOGNIZED</u>	<u>DISBURSEMENTS/ EXPENDITURES</u>
U. S. Dept. of Justice-Office of Community Oriented Policing Services	16.710	\$ 9,583	\$ 9,583
Total		----- \$ 9,583 =====	----- \$ 9,583 =====

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule of Findings and Questioned Costs
Year Ended June 30, 1998

Part I: Summary of Auditors' Results:

1. An unqualified report was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements, however, it was not considered to be a material weakness.
3. Material noncompliance was not disclosed.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:

United States Department of Justice/Office of Community Oriented Policing Services/ COPS Fast Grant Program.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II: Findings which are required to be reported in accordance with generally accepted government auditing standards:

98-1 Inadequate Segregation of Accounting Functions

Finding: Due to the limited number of administrative employees, the Village of Parks did not have a completely adequate segregation of functions within the accounting system.

Recommendation: Based upon the limited size of the entity, and the cost-benefit to be derived from the hiring of additional administrative personnel, it may not be feasible to achieve complete segregation of accounting functions and duties.

Response: No response is considered necessary.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Schedule of Findings and Questioned Costs(Continued)
Year Ended June 30, 1998

Part III: Findings and questioned costs for Federal awards which include
audit findings as defined in Section 510(a) of Circular A-133:

There are no findings that are required to be reported under the
above guidance.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Summary Schedule of Prior Audit Findings
Year Ended June 30, 1998

There were no audit findings at June 30, 1997.

VILLAGE OF PARKS
St. Martin Parish, Louisiana

Corrective Action Plan
Year Ended June 30, 1998

Corrective actions, where needed and if feasible, have been addressed on the schedule of findings and questioned costs.