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VILLAGE OF DUBBERLY, LOUISIANA
FINANCIAL REPORT
DECEMBER 31, 1999

Under provisions of state law, this report is a public document. It has been submitted to the entity and other public officials. The report is available for review at the Baton Rouge office of the legislative auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 26 2000

VILLAGE OF DUBBERLY, LOUISIANA
Financial Report
Year Ended December 31, 1999

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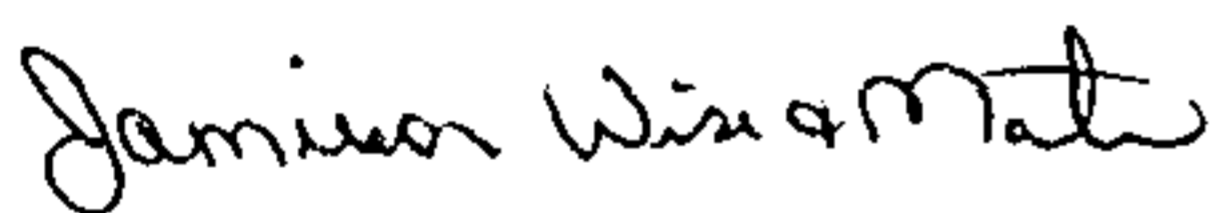
ACCOUNTANTS' COMPILATION REPORT

The Honorable Joe Butler, Mayor, and the
Board of Aldermen
Village of Dubberly, Louisiana

We have compiled the accompanying financial statements of the Village of Dubberly, Louisiana, as of and for the years ended December 31, 1999 and 1998 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting, in the form of financial statements information that is the representation of management. We have not audited or reviewed the compiled financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with the Louisiana Governmental Audit Guide and the provisions of state law, we have issued a report, dated June 13, 2000, on the results of our agreed-upon procedures.



Minden, Louisiana

June 13, 2000

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INDEPENDENT ACCOUNTANTS' REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Honorable Joe Butler, Mayor, and the Members of
the Board of Aldermen
Village of Dubberly, Louisiana

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Dubberly, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Dubberly's compliance with certain laws and regulations during the year ended December 31, 1999, included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

For the year ended December 31, 1999, no expenditures were noted for either materials and supplies exceeding \$15,000 or expenditures for public works exceeding \$100,000.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtained a copy of the legally adopted budget and all amendments.

No budget was adopted; therefore, no budget was provided.

6. Traced the budget adoption and amendments to the minute book.

No budget was adopted; therefore, adoption and amendments were not traced.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceeded budgeted amounts by more than 5%.

No budget was adopted; therefore, budget comparisons were not made.

Accounting and Reporting

8. Randomly select 6 disbursements made during the periods under examination and:
 - (a) trace payments to supporting documentation as to proper amount and payee

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account;

All six payments were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities

Inspection of documentation supporting each of the six disbursements and a review of the minutes of Village meetings, indicated proper approval from the Mayor and Board of Aldermen.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1 through 42:12 (the open meetings law).

The Village is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. Although management has asserted that such documents were properly posted, we could find no evidence supporting such assertion other than scanning a file containing copies of the notices posted during the year.

Debt

10. Examine bank deposits for the periods under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the periods under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

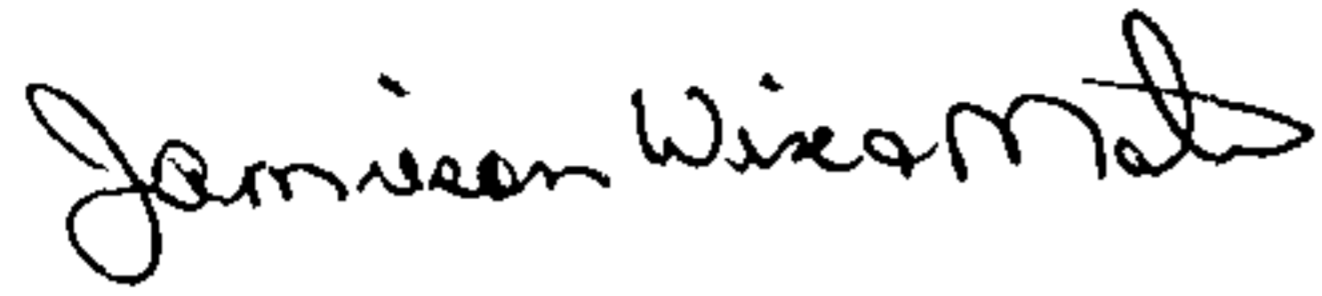
Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have made to employees which may constitute bonuses, advance, or gifts.

The payroll records and minutes did not indicate any payments made to employees that constituted bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Dubberly, Louisiana and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

A handwritten signature in black ink that reads "Jamison Wise". The signature is written in a cursive style with a large, stylized initial "J".

Minden, Louisiana

June 13, 2000

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Government)

4/26/2000 (Date Transmitted)

Jamieson, Wise & Martin
P.O. Box 897
Minden, LA 71058-0897 (Auditors)

12-31-99

In connection with your compilation of our financial statements as of [date] and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of ⁴⁻²⁶⁻⁰⁰ (date of completion/representations).

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office..

Yes No []

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes No []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No []

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes No []

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92, as applicable.

Yes No []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.
Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60-1410.65.

Yes [] No []

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to the issuance of your report.

Janie Robinson Secretary 4-26-2000 Date
Joe Butte Treasurer _____ Date
Joe Butte President 4-26-2000 Date

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MANAGEMENT LETTER

June 13, 2000

To the Honorable Joe Butler, Mayor, and the Members of
the Board of Aldermen
Village of Dubberly, Louisiana

We have performed the agreed-upon procedures attestation/compilation of the Village of Dubberly, Louisiana as of December 31, 1999.

In addition to our agreed-upon procedures, we noted matters concerning the management of the Village that we submit for your consideration.

1. Bank Overdraft and Overdraft Fees

We noted the ending bank balance for the Water System Operations bank account at December 31, 1999 was an overdraft of \$ (2,707.98). For the month of December, 1999, we also noted overdraft fees charged by the bank for a total of \$ 100.00.

We recommend management review the cash management procedures and make necessary changes to avoid overdrafts and related fees in the future.

2. Lack of Reconciliation of Water Works Revenue Bank Account and Accounts Receivable

We noted the Water Works Revenue Bank Account and the Accounts Receivable Aged Trial Balance of the Water System were not reconciled to the general ledger balances at December 31, 1999. Adjustments were required to bring these accounts in balance.

We recommend these accounts be reconciled to the general ledger on a monthly basis.

3. Required Transfers to Restricted Accounts

Under the terms of the bond indentures on the outstanding Water System Revenue Bonds, the Village is required to make monthly transfers to the Bond and Interest Sinking Fund, Bond Reserve Fund and Depreciation Fund. Transfers to the Bond and Interest Sinking Fund for 1999 amounted to \$2,250.00 which was less than the required amount of \$7,325.00. We noted the transfers to each of the restricted accounts were not routinely made on a monthly basis as required by the bond indentures.

We recommend management review the terms of the bond indenture covenants to ascertain the required transfers to the restricted accounts are being made on a monthly basis.

4. 1998 Outstanding Transfers from Waterworks System Operations to Restricted Accounts

At December 31, 1999, we noted the following outstanding transfers from 1998 which have not been deposited in the related restricted bank accounts and remain outstanding in the operations bank account.

<u>Check No.</u>	<u>Date</u>	<u>Amount</u>	<u>Payee</u>
<u>Transfers from Operations to Sinking Fund</u>			
3758	9/30/98	2,250.00	Sinking Fund
3559	12/29/97	2,250.00	Sinking Fund
3536	11/30/97	2,250.00	Sinking Fund
<u>Transfers from Operations to Reserve Fund</u>			
Unavailable	Unavailable	85.50	Reserve Fund
Unavailable	Unavailable	85.50	Reserve Fund
3757	9/30/98	85.50	Reserve Fund
<u>Transfers from Operations to Depreciation Fund</u>			
Unavailable	Unavailable	174.50	Depreciation Fund
Unavailable	Unavailable	174.50	Depreciation Fund
3756	9/30/98	174.50	Depreciation Fund

The outstanding transfers shown above should be resolved as soon as possible. Required transfers in the future should be promptly deposited.

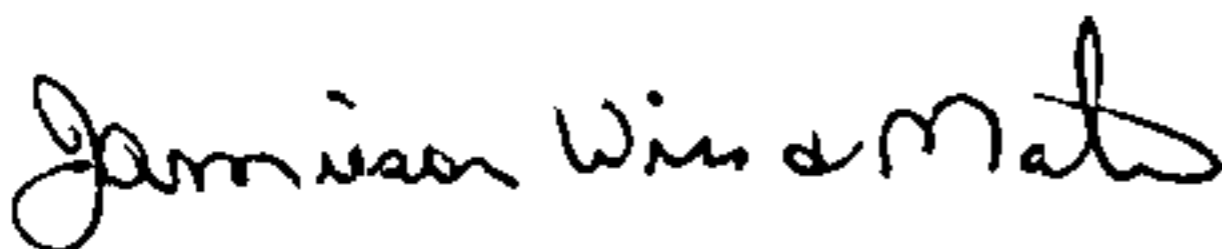
5. Payroll and Sales Taxes Remittances

We observed only one(1) remittance of sales tax which was for the third quarter of 1999. We did not observe any payroll tax remittances in 1999.

We recommend management review the payroll and sales tax report filings to ensure the appropriate tax reports are being filed and the required taxes are being remitted.

Should there be any questions concerning these comments or the attestation/compilation report, please let us know.

Sincerely,



Jamieson, Wise & Martin

GENERAL PURPOSE FINANCIAL STATEMENTS

2011

VILLAGE OF DUBBERLY, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1999

	Governmental Fund Type	Proprietary Fund Type	Account Group	Totals (Memorandum Only)	
	General Fund	Enterprise Fund	General Fixed Assets	1999	1998
ASSETS					
Cash and cash equivalents	\$ 46,720	15,738	-	62,458	45,392
Certificate of deposit	46,027	-	-	46,027	43,665
Accounts receivable	-	14,301	-	14,301	13,970
Restricted assets -					
Cash and interest-bearing bank deposits	-	52,284	-	52,284	69,397
Land	-	5,519	5,912	11,431	11,431
Buildings	-	-	8,798	8,798	8,798
Improvements other than buildings	-	-	23,993	23,993	23,993
Equipment	-	11,092	2,895	13,987	8,741
Utility plant and equipment	-	506,914	-	506,914	506,860
Accumulated depreciation	-	(206,021)	-	(206,021)	(191,881)
Total assets	\$ 92,747	399,827	41,598	534,172	540,366
LIABILITIES AND FUND EQUITY					
Liabilities:					
Accounts payable	\$ -	2,254	-	2,254	1,678
Payable from restricted assets:					
Customer deposits	-	12,422	-	12,422	12,291
Revenue bonds payable	-	73,000	-	73,000	76,493
Revenue notes payable	-	213,149	-	213,149	220,789
Total liabilities	-	300,825	-	300,825	311,251
Fund equity:					
Contributed capital	-	46,000	-	46,000	46,000
Investment in general fixed assets	-	-	41,598	41,598	39,898
Retained earnings- unreserved	-	53,002	-	53,002	59,505
Fund balance- unreserved	92,747	-	-	92,747	83,712
Total fund equity	92,747	99,002	41,598	233,347	229,115
Total liabilities and fund equity	\$ 92,747	399,827	41,598	534,172	540,366

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
GENERAL FUND
Statement of Revenues, Expenditures and Changes in
Fund Balance
Year Ended December 31, 1999 and 1998

	1999	1998
REVENUES:		
Franchise taxes	\$ 5,577	4,494
Occupational licenses	9,008	7,742
Intergovernmental -		
Tobacco taxes	684	1,026
Grant	-	8,566
Royalties	103	647
Interest	3,759	5,009
Total revenues	19,131	27,484
EXPENDITURES		
General government -		
Current -		
Salaries	606	609
Office supplies and expense	3,378	1,193
Utilities	2,005	3,181
Insurance	522	130
Dues and subscriptions	15	140
Professional fees	-	548
Other	3,570	80
Grant expenditures	-	12,000
Total expenditures	10,096	17,881
EXCESS OF REVENUES OVER EXPENDITURES	9,035	9,603
FUND BALANCE - BEGINNING OF YEAR	83,712	74,109
FUND BALANCE - END OF YEAR	\$ 92,747	83,712

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Statement of Revenues, Expenses and Changes in
Retained Earnings - Proprietary Fund Type
Year Ended December 31, 1999 and 1998

	1999	1998
Operating revenues:		
Water sales	\$ 84,055	86,602
Tapping fees	320	1,335
Other	40	20
Total operating revenues	84,415	87,957
Operating expenses:		
Salaries	16,679	17,534
Insurance	2,163	2,120
Utilities	11,261	11,176
Office supplies	2,458	1,556
Operating supplies	6,223	6,587
Repairs and maintenance	16,684	17,016
Employee expense	7	641
Advertising	198	86
Payroll taxes	-	2,073
Depreciation	14,140	13,729
Dues and subscriptions	150	350
Professional fees	1,300	2,627
Sales tax	993	2,484
Other	4,887	348
Total operating expenses	77,143	78,327
Operating income	7,272	9,630
Non-operating revenues (expenses):		
Interest income	1,466	1,852
Interest expense	(15,241)	(15,794)
Total non-operating revenues (expenses)	(13,775)	(13,942)
Net (loss)	(6,503)	(4,312)
Retained earnings - beginning of year	59,505	63,817
Retained earnings - end of year	\$ 53,002	59,505

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Cash received from customers	\$ 84,044	88,432
Cash payments for supplies and services	(45,748)	(47,063)
Cash payments to employees for services	(16,679)	(17,534)
Other operating revenues	40	20
Net cash provided by operating activities	<u>21,657</u>	<u>23,855</u>
Cash flows from noncapital financing activities:		
Net increase in meter deposits	<u>131</u>	<u>965</u>
Net cash provided by noncapital financing activities	<u>131</u>	<u>965</u>
Cash flows from capital and related financing activities:		
Purchase of equipment	(3,600)	(17,142)
Principal paid on revenue bonds and notes	(11,133)	(10,829)
Interest paid on revenue bonds and notes	<u>(15,241)</u>	<u>(15,794)</u>
Net cash used for capital and related financing activities	<u>(29,974)</u>	<u>(43,765)</u>
Cash flows from investing activities:		
Interest on interest-bearing deposits	<u>1,466</u>	<u>1,852</u>
Net decrease in cash and cash equivalents	(6,720)	(17,093)
Cash and cash equivalents at beginning of year	<u>74,742</u>	<u>91,835</u>
Cash and cash equivalents at end of year	<u>\$ 68,022</u>	<u>74,742</u>
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	\$ 7,272	\$ 9,630
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	14,140	13,730
Changes in assets and liabilities:		
Increase in accounts receivable	(331)	495
Increase in accounts payable	<u>576</u>	<u>-</u>
Net cash provided by operating activities	<u>\$ 21,657</u>	<u>\$ 23,855</u>

See accompanying notes and accountants' report.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

The Village of Dubberly is incorporated under the provisions of the Lawrason Act. The Village is located in the Parish of Webster, being in the northwest corner of the State of Louisiana. The Village operates under a Mayor-Board of Aldermen form of government.

1. Summary of significant accounting policies

- A. Basis of presentation - The accounting and reporting policies of the Village of Dubberly conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.
- B. Reporting entity - This report includes all funds and account groups which are controlled by or dependent on the Village 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.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Dubberly for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body and
 - a) The ability of the municipality to impose its will on that organization and/or
 - b) The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organization for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the foregoing criteria, there were no entities that were determined to be a component unit of the Village of Dubberly.

- C. Fund accounting - The accounts of the Village of Dubberly 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

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

comprises 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 categories as follows:

Governmental fund -

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.

Proprietary fund -

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

- D. Basis of accounting - Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related 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. Most revenues are recorded when cash is received. Expenditures are generally recognized when the related fund liability is incurred, except that principal and interest on general long-term debt is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

- E. Budgets and budgetary accounting - Louisiana Revised Statutes 39:1301-1314 require the Village to prepare a budget each year. The Village follows these procedures in establishing budgetary data reflected in these financial statements:
- a) The Village clerk prepares a proposed budget and submits same to the Mayor and the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
 - b) The public is notified that the proposed budget is available for public inspection. At that time, a public hearing is called.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

- c) A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
 - d) After the holding of the public hearing and completion of all action necessary to finalized 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.
 - e) Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases or decreases in expenditures resulting from revenues exceeding or failing to meet amounts estimated require the approval of the Board of Aldermen.
 - f) All budgetary appropriations lapse at the end of each fiscal year.
- F. Encumbrances - The Village does not employ encumbrance accounting in the governmental funds. Management does not believe that the use of encumbrance accounting would serve any significant benefit for budgetary purposes.
- G. Cash and cash equivalents - For purposes of the statement of cash flows, cash and cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost.

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits, those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

- H. Accounts receivable - The Village considers substantially all customers' utility receivables and other receivables to be fully collectible; accordingly, an allowance for doubtful accounts is not required. If amounts become uncollectible, in the opinion of management, they are charged to operations at that time.
- I. Fixed assets and long-term liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund is 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 or 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 Groups, and recorded as expenditures in the

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

governmental fund types when purchased. No depreciation has been provided on general fixed assets.

Long-term liabilities to be financed from revenues of the proprietary fund are accounted for in the balance sheet of that fund.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations.

Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

Water Utility -	
Wells	40 years
Storage tanks	40 years
Distribution system	40 years
Other equipment	10 years

All fixed assets are stated at historical cost.

- J. Accumulated unpaid vacation - Due to immateriality, accumulated unpaid vacation is not recorded as a liability.
- K. Total columns on combined statements - Total columns on combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles.

Neither are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

2. Cash and cash equivalents and investments

At December 31, 1999, the Village had cash and cash equivalents with book balances totaling \$160,769, as follows:

Interest-bearing demand deposits	\$114,742
Certificate of deposit	<u>46,027</u>
Total	<u>\$160,769</u>

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

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 fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times at least equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1999, the Village had \$167,544 in deposits of collected bank balances. These deposits were secured from risk by \$167,544 of federal deposit insurance.

3. Accounts receivable - utilities customers

Accounts receivable - utilities customers are analyzed periodically and accounts considered to be uncollectible are charged off. For the year ended December 31, 1999, no accounts receivable were charged off.

4. Flow of funds, restrictions on use - utilities revenues

Under the terms of the Revenue Promissory Note dated November 14, 1967, an amount of net revenues from the Waterworks System sufficient to pay the principal of and interest on the notes as they become due and payable, is to be pledged for that purpose and is to be set aside into a special fund identified as "Waterworks Revenue Note Fund." Such fund was not established at December 31, 1999. Under the terms of the bond indentures on outstanding Water System Revenue Bonds dated April 1, 1974 and September 30, 1979, income and revenues derived from the operation of the Village's Waterworks System are pledged in amounts sufficient for the payment of principal and interest on the bonds as they become due and payable, and are to be set aside into the following special funds:

Waterworks Revenue Fund - All of the income and revenues earned from the operation of the Waterworks System shall be deposited as collected into the Waterworks Revenue Fund. Current expenses of the Waterworks System shall be paid from the Revenue Fund as they become due and payable.

Waterworks Revenue Bond and Interest Sinking Fund - Each month, there shall be transferred from the Waterworks Revenue Fund into the Waterworks Revenue Bond and Interest Sinking Fund an amount constituting 1/12 of the next maturing installment of principal and 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.

Waterworks Reserve Fund - There shall also be transferred from the Waterworks Revenue Fund into the Waterworks Reserve Fund an amount at least equal to five (5) per cent of the amount required to be paid monthly into the aforesaid Waterworks Revenue Bond and Interest Sinking Fund, until such time as there has been accumulated in the Waterworks Reserve Fund the sum of \$ 15,392. Such amounts may be used for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Revenue Sinking Fund, and as to which there would otherwise be default.

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

Waterworks Depreciation Fund - Funds will also be set aside into a Waterworks Depreciation Fund at the rate of \$46 each month. Money in this fund may be used for extension, additions, improvements and replacements necessary to properly operate the system. 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.

The balance of the excess funds on deposit in the Waterworks Revenue Fund may be used for the purpose of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the System may determine.

Transfers to the Waterworks Revenue Bond and Interest Sinking Fund for the year ended December 31, 1999, amounted to \$2,250 which was less than the requirement of \$7,325. Transfers to the Waterworks Reserve Fund for the year ended December 31, 1999, amounted to \$1,026, which exceeded the requirement of \$366. Transfers to the Waterworks Depreciation Fund during 1999 amounted to \$2,094 which exceeded the requirement of \$552.

Restricted assets were applicable to the following at December 31, 1999:

Bond and Interest Sinking Fund	\$ 6,980
Bond Reserve Fund	11,749
Depreciation Fund	16,350
Construction Fund	12
Customers' Deposits	<u>17,193</u>
	<u>\$52,284</u>

5. Long-term debt

The following is a summary of long-term debt transactions of the Village of Dubberly for the year ended December 31, 1999:

Bonds and notes payable - December 31, 1998	\$297,282
New bonds and notes	-
Bonds and notes retired	<u>(11,133)</u>
Bonds and notes payable - December 31, 1999	<u>\$286,149</u>

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

Long-term debt at December 31, 1999, consisted of the following:

\$70,500 Revenue Promissory Note Payable to the Farmers Home Administration, United States Department of Agriculture; dated November 15, 1967; due in annual installments of \$3,731 through November 15, 2007; interest at 4%; secured by pledge of net revenues and a mortgage on the Waterworks System constructed with the proceeds from the sale of the note.	\$ 15,340
\$103,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated April 1, 1974; due in annual installments of \$1,000 to \$6,000 through January, 2014; interest at 5%.	61,000
\$22,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated September 20, 1979; due in annual installments of \$500 to \$1,000 through January, 2019; interest at 5%.	12,000
\$200,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated February 28, 1994; due in annual installments of \$12,354 through January, 2034; interest at 5.37%.	190,754
\$50,000 Revenue Bonds payable to the Farmers Home Administration, United States Department of Agriculture; dated February 28, 1994; due in annual installments of \$3,038 through January, 2034; interest at 5.25%.	<u>7,055</u>
Total long-term debt	<u>\$286,149</u>

The annual requirement to amortize all debt outstanding as of December 31, 1999, including interest payments of \$299,420, are as follows:

Year ending December 31	Revenue Promissory Note	Revenue Bonds	Total
2000	\$ 16,837	6,989	23,826
2001	16,837	6,989	23,826
2002	16,837	6,989	23,826
2003	18,946	6,989	25,935
2004	13,105	6,989	20,094
Thereafter	<u>393,166</u>	<u>74,896</u>	<u>468,062</u>
	<u>\$475,728</u>	<u>109,841</u>	<u>585,569</u>

VILLAGE OF DUBBERLY, LOUISIANA
Notes to Financial Statements
December 31, 1999

6. Fixed assets

A summary of proprietary fund type property, plant and equipment at December 31, 1999, follows:

Water Utility	
Land	\$ 5,519
Office Equipment	11,092
Utility Plant & Equipment	<u>506,914</u>
Total	523,525
Less accumulated depreciation	<u>(206,021)</u>
Net property, plant and equipment	<u>\$317,504</u>

7. Contingent liabilities

The Village makes no unemployment insurance contributions to be Louisiana Department of Labor for Village employees. Consequently, the Village may be liable for any claims for unemployment compensation.

SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF DUBBERLY, LOUISIANA

Schedule of Compensation Paid Board Members
For the Year Ended December 31, 1999

The following serve the Village of Dubberly and were compensated as follows:

<u>Member</u>	<u>Position</u>	<u>Compensation</u>
Joe Butler	Mayor	\$2,400
Dyann Plunkett	Alderman	1,200
Curtis Hirth	Alderman	1,200
Johnny Brown	Alderman	<u>1,200</u>
	Total Compensation	<u>\$6,000</u>

VILLAGE OF DUBBERLY, LOUISIANA

Summary Schedule of Prior Year Findings
For the year ended December 31, 1999

Agreed-upon Procedures Findings

98-1 - Budgeting

Finding - Expenditures exceeded budgeted amounts by more than 5%.

Planned Corrective Action- Management intends to monitor revenues and expenditures more closely in order to make necessary amendments to the budget for unfavorable variances noted, as required by LSA-RS 39:1310.

Present Status - There was no formally adopted budget for 1999. Budget comparisons could not be made.

Management Letter Findings

98-2 - Late Filing of the 1998 Financial Report

Finding - Information necessary to complete the attestation/compilation by June 30, 1999 was not submitted to the CPA firm's office in a timely manner. As a result, the 1998 financial report is filed late which violates state law.

Planned Corrective Action - Management intends to provide all required information in a timely manner to comply with the state law filing deadline of June 30.

Present Status - Corrective action was implemented. No similar findings are noted for the year ended December 31, 1999.

98-3 - Outstanding Transfers from Waterworks System Operations to Special Funds

Finding - The Village's Waterworks System is required to make certain transfers from operations to special funds under the terms of the bond indentures on outstanding Water System Revenue Bonds. At December 31, 1998, there were outstanding transfers which had not been deposited in the related special funds bank accounts and remain outstanding in the operations bank account.

Planned Corrective Action- Management intends to immediately deposit any outstanding transfers and to promptly deposit transfers in the future. Management intends to review the terms of the bond indenture covenants for assurance that the required transfers to special funds are being made.

Present Status - A similar finding is noted for the year ended December 31, 1999.

VILLAGE OF DUBBERLY, LOUISIANA

Corrective Action Plan for Current Year Findings
As of and for the year ended December 31, 1999

The Village of Dubberly, Louisiana submits the following corrective action plan for the year ended December 31, 1999.

Section I - Agreed-Upon Procedures Attestation/Compilation

99-1 - FINDING: *Budgeting*

There was no formally adopted budget for 1999.

Planned Corrective Action:

Management will review the "Louisiana Local Government Budget Act." The requirements contained in the Act will be followed and the required budget(s) will be appropriately adopted in December, 2000 for the next year.

Section II - Management Letter

99-2 - FINDING: *Bank Overdraft and Overdraft Fees*

The ending bank balance for the Water System Operations bank account at December 31, 1999 was an overdraft of \$(2,707.98). For the month of December, 1999, overdraft fees were charged by the bank for a total of \$100.00.

Planned Corrective Action:

The overdraft balance was brought to a positive balance in January, 2000. Management will more closely monitor all bank accounts to avoid overdrafts and related fees in the future.

99-3 - FINDING: *Lack of Reconciliation of Water Works Revenue Bank Account and Accounts Receivable*

The Water Works Revenue Bank Account and the Accounts Receivable Aged Trial Balance of the Water System were not reconciled to the general ledger balances at December 31, 1999. Adjustments were required to bring these accounts in balance

Planned Corrective Action:

Management will review this matter and take appropriate measures to assure the Water Works Revenue Bank Account and Accounts Receivable Aged Trial Balance are appropriately reconciled to the general ledger on a monthly basis.

VILLAGE OF DUBBERLY, LOUISIANA

Corrective Action Plan for Current Year Findings (continued)
As of and for the year ended December 31, 1999

99-4 - FINDING: *Required Transfers to Restricted Accounts*

Under the terms of the bond indentures on the outstanding Water System Revenue Bonds, the Village is required to make monthly transfers to the Bond and Interest Sinking Fund, Bond Reserve Fund and Depreciation Fund. Transfers to the Bond and Interest Sinking Fund for 1999 amounted to \$2,250.00 which was less than the required amount of \$7,325.00. Transfers to the restricted accounts were not routinely made on a monthly basis as required by the bond indentures.

Planned Corrective Action:

Management will review the terms of the bond indenture covenants for assurance that the required transfers to the restricted accounts are made on a monthly basis.

99-5 - FINDING: *1998 Outstanding Transfers from Waterworks System Operations to Restricted Accounts*

The Village's Waterworks System is required to make certain transfers from operations to restricted accounts under the terms of the bond indentures on outstanding Water System Revenue Bonds. At December 31, 1999, there were outstanding transfers from 1998 which had not been deposited in the related restricted bank accounts and remain outstanding in the operations bank account.

Planned Corrective Action:

Management intends to resolve any outstanding transfers and to promptly deposit transfers in the future. Management intends to review the terms of the bond indenture covenants for assurance that the required transfers to restricted accounts are being made.

99-6 - FINDING: *Payroll and Sales Taxes Remittances*

Only one(1) remittance of sales tax which was for the third quarter of 1999 was observed. No remittances of payroll taxes were observed for 1999.

Planned Corrective Action:

Management will review the status of payroll and sales taxes reports to ensure the appropriate reports are being filed and the required taxes are being remitted in a timely manner.