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VILLAGE OF FLORIEN
ANNUAL FINANCIAL REPORT
SEPTEMBER 30, 1999

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

Release Date 4/12/00

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INDEPENDENT AUDITOR'S REPORT

The Honorable Rodney Jordan, Mayor
and the Members of the Board of Aldermen
Village of Florien, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Florien, Louisiana, as of and for the year ended September 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Florien, Louisiana management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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. I believe that my audit provides a reasonable basis for my opinion.

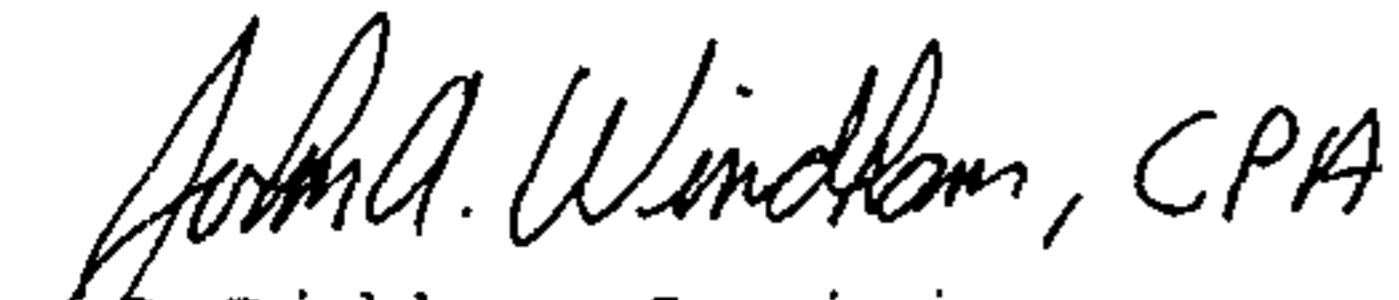
In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Florien, Louisiana, as of September 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with GOVERNMENT AUDITING STANDARDS, I have also issued my report dated March 21, 2000 on my consideration of the Village of Florien's internal control over financial reporting and my test of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and

The Honorable Rodney Jordan, Mayor
and the Members of the Board of Aldermen
Village of Florien, Louisiana
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are not a required part of the general purpose financial statements of the Village of Florien, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented, in all material respects, in relation to the general purpose financial statements taken as a whole.


DeRidder, Louisiana
March 21, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF FLORIEN

BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
September 30, 1999

ASSETS	Governmental Fund Types	
	<u>General</u>	<u>Special Revenue</u>
Cash and cash equivalents	\$ 5,902	\$ 45,007
Receivables -		
Accounts	2,200	---
Sales taxes	---	10,502
Franchise taxes	1,788	---
Grants	1,807	---
Due from other funds	1,752	---
Due from other governmental units	846	---
Prepaid expenditures/expenses	1,647	470
Utility deposits	---	---
Restricted assets -		
Cash and cash equivalents	---	---
Customers' deposits - cash	---	---
Property, plant, and equipment, net	---	---
 Total assets	 <u>\$ 15,942</u>	 <u>\$ 55,979</u>
 LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 1,136	\$ 2,994
Accrued salaries payable	7,220	1,199
Payroll taxes payable	1,596	183
Payable from restricted assets -		
Customers' deposits	---	---
Due to other funds	<u>6,681</u>	<u>---</u>
 Total liabilities	 <u>\$ 16,733</u>	 <u>\$ 4,376</u>
 Fund equity:		
Contributed capital	\$ ---	\$ ---
Investment in general fixed assets	---	---
Retained earnings (deficit) -		
Reserved	---	---
Unreserved	---	---
Fund balances -		
Unreserved -undesignated	<u>(791)</u>	<u>51,603</u>
Total fund equity	<u>\$ (791)</u>	<u>\$ 51,603</u>
 Total liabilities and fund equity	 <u>\$ 15,942</u>	 <u>\$ 55,979</u>

Statement A

<u>Proprietary Fund Type Enterprise</u>	<u>Account Group General Fixed Assets</u>	<u>Totals (Memorandum Only)</u>
\$ 11,258	\$ ---	\$ 62,167
23,915	---	26,115
---	---	10,502
---	---	1,788
---	---	1,807
6,681	---	8,433
2,239	---	3,085
2,051	---	4,168
---	---	---
11,348	---	11,348
11,606	---	11,606
<u>1,781,266</u>	<u>356,828</u>	<u>2,138,094</u>
<u>\$1,850,364</u>	<u>\$ 356,828</u>	<u>\$2,279,113</u>
\$ 6,837	\$ ---	\$ 10,967
628	---	9,047
108	---	1,987
14,730	---	14,730
<u>1,752</u>	<u>---</u>	<u>8,433</u>
<u>\$ 24,055</u>	<u>\$ ---</u>	<u>\$ 45,164</u>
\$1,927,331	\$ ---	\$1,927,331
---	356,828	356,828
8,224	---	8,224
(109,246)	---	(109,246)
---	---	50,812
<u>\$1,826,309</u>	<u>\$ 356,828</u>	<u>\$2,233,949</u>
<u>\$1,850,364</u>	<u>\$ 356,828</u>	<u>\$2,279,113</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

Statement B

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 Year Ended September 30, 1999

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Totals (Memorandum Only)</u>
Revenues:			
Taxes	\$ 39,410	\$ 105,968	\$ 145,378
Licenses and permit	17,127	---	17,127
Intergovernmental	19,912	---	19,912
Charges for services	20,234	4,716	24,950
Fines and forfeits	25,151	---	25,151
Use of money and property	600	400	1,000
Sale of asset	2,000	---	2,000
Miscellaneous	1,008	138	1,146
Total revenues	<u>\$ 125,442</u>	<u>\$ 111,222</u>	<u>\$ 236,664</u>
Expenditures:			
General government	\$ 87,392	\$ ---	\$ 87,392
Public safety	37,051	---	37,051
Public works	19,684	78,683	98,367
Total expenditures	<u>\$ 144,127</u>	<u>\$ 78,683</u>	<u>\$ 222,810</u>
Excess (deficiency) of revenues over expenditures	\$ (18,685)	\$ 32,539	\$ 13,854
Other financing sources:			
Transfers in	\$ 25,015	\$ ---	\$ 25,015
Transfers out	<u>(5,075)</u>	<u>---</u>	<u>(5,075)</u>
Total other financing sources (uses):	<u>\$ 19,940</u>	<u>\$ ---</u>	<u>\$ 19,940</u>
Excess (deficiency) of revenues over expenditures and other sources	\$ 1,255	\$ 32,539	\$ 33,794
Fund balances, beginning	<u>(2,046)</u>	<u>19,064</u>	<u>17,018</u>
Fund balances, ending	<u>\$ 791</u>	<u>\$ 51,603</u>	<u>\$ 52,394</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1999

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 45,600	\$ 39,410	\$ (6,190)
Licenses and permits	20,000	17,127	(2,873)
Intergovernmental	3,700	19,912	16,212
Charges for services	20,000	20,234	234
Fines and forfeits	37,400	25,151	(12,249)
Use of money and property	---	600	600
Sale of asset	---	2,000	2,000
Miscellaneous	3,400	1,008	(2,392)
Total revenues	<u>\$ 130,100</u>	<u>\$ 125,442</u>	<u>\$ (4,658)</u>
Expenditures:			
General government	\$ 77,700	\$ 87,392	\$ (9,692)
Public safety	37,400	37,051	349
Public works	20,000	19,684	316
Total expenditures	<u>\$ 135,100</u>	<u>\$ 144,127</u>	<u>\$ (9,027)</u>
Excess (deficiency) of revenues over expenditures	\$ (5,000)	\$ (18,685)	\$ (13,685)
Other financing sources (uses):			
Transfers in	\$ ---	\$ 25,015	\$ 25,015
Transfers out	---	(5,075)	(5,075)
Total other financing sources (uses):	<u>\$ ---</u>	<u>\$ 19,940</u>	<u>\$ 19,940</u>
Excess (deficiency) of revenues over expenditures and other sources	\$ (5,000)	\$ 1,255	\$ 6,255
Fund balance, beginning	<u>(2,046)</u>	<u>(2,046)</u>	<u>---</u>
Fund balance, ending	<u>\$ (7,046)</u>	<u>\$ (791)</u>	<u>\$ 6,255</u>

Statement C

<u>Special Revenue Fund Type</u>			<u>Totals (Memorandum) Only</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 90,000	\$ 105,968	\$ 15,968	\$135,600	\$145,378	\$ 9,778
---	---	---	20,000	17,127	(2,873)
---	---	---	3,700	19,912	16,212
4,800	4,716	(84)	24,800	24,950	150
---	---	---	37,400	25,151	(12,249)
---	400	400	---	1,000	1,000
---	---	---	---	2,000	2,000
---	138	138	3,400	1,146	(2,254)
<u>\$ 94,800</u>	<u>\$ 111,222</u>	<u>\$ 16,422</u>	<u>\$224,900</u>	<u>\$236,664</u>	<u>\$ (11,764)</u>
\$ ---	\$ ---	\$ ---	\$ 77,700	\$ 87,392	\$ (9,692)
---	---	---	37,400	37,051	349
79,800	78,683	1,117	99,800	98,367	1,433
<u>\$ 79,800</u>	<u>\$ 78,683</u>	<u>\$ 1,117</u>	<u>\$214,900</u>	<u>\$222,810</u>	<u>\$ (7,910)</u>
\$ 15,000	\$ 32,539	\$ 17,539	\$ 10,000	\$ 13,854	\$ 3,854
\$ ---	\$ ---	\$ ---	\$ ---	\$ 25,015	\$ 25,015
---	---	---	---	(5,075)	(5,075)
<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 19,940</u>	<u>\$ 19,940</u>
\$ 15,000	\$ 32,539	\$ 17,539	\$ 10,000	\$ 33,794	\$ 23,794
19,064	19,064	---	17,018	17,018	---
<u>\$ 34,064</u>	<u>\$ 51,603</u>	<u>\$ 17,539</u>	<u>\$ 27,018</u>	<u>\$ 50,812</u>	<u>\$ 23,794</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

Statement D

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
Year Ended September 30, 1999

	<u>Enterprise</u>
Operating revenues:	
Charges for services	\$ <u>149,870</u>
Operating expenses:	
Personal services	\$ 30,161
Supplies	14,544
Cost of water	56,651
Other services and charges	23,972
Heat, light, and power	4,950
Depreciation	<u>41,237</u>
Total operating expenses	\$ <u>171,515</u>
Operating income (loss)	\$ <u>(21,645)</u>
Non-operating revenues (expenses):	
Interest income	\$ 615
Transfers in	5,000
Transfers out	<u>(10,000)</u>
Total non-operating revenues (expenses)	\$ <u>(4,385)</u>
Net income (loss)	\$ (26,030)
Retained earnings, (deficit), beginning	<u>(74,992)</u>
Retained earnings, (deficit), ending	\$ <u>(101,022)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

Statement E

STATEMENT OF CASH FLOWS
Year Ended September 30, 1999

	<u>Enterprise</u>
Cash flows from operating activities:	
Cash received from customers	\$ 139,158
Cash payments to suppliers for goods and services	(98,753)
Cash payments for employee services and employee related benefits	<u>(33,200)</u>
Net cash provided by operating activities	<u>\$ 7,205</u>
Cash flows from noncapital financing activities:	
Transfers in	\$ 5,000
Transfers out	<u>(10,000)</u>
Net cash (used) for noncapital financing activities	<u>\$ (5,000)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 93,653
Acquisition and construction of capital assets	<u>(100,289)</u>
Net cash used for capital and related financing activities	<u>\$ (6,636)</u>
Cash flows from investing activities:	
Interest on cash management activities	<u>\$ 615</u>
Net increase in cash and cash equivalents	\$ (3,816)
Cash and cash equivalents, beginning of year	<u>38,028</u>
Cash and cash equivalents, end of year	<u>\$ 34,212</u>

(Continued)

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

Statement E

STATEMENT OF CASH FLOWS
Year Ended September 30, 1999

RECONCILIATION OF OPERATING LOSS TO NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>Enterprise</u>
Operating income (loss)	\$ <u>(21,645)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities:	
Depreciation	\$ 41,237
Changes in assets & liabilities	
Increase in accounts receivable	\$ (9,716)
Increase in prepaid insurance	(62)
Increase in due from other governments	(1,291)
Decrease in other assets	565
Decrease in accounts payable	(891)
Decrease in salaries payable	(2,047)
Decrease in payroll taxes payable	(992)
Increase in customer deposits	295
Increase in due to other funds	<u>1,752</u>
Total adjustments	<u>\$ (28,850)</u>
Net cash provided by operating activities	<u>\$ 7,205</u>

(Concluded)

The accompanying notes are an integral part of this statement.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS

As of and for the Year Ended September 30, 1999

INTRODUCTION

The Village of Florien was incorporated in 1959 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 Florien conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The Village maintains a general fund that provides police protection and garbage collection for its citizens, a sales tax fund that provides for repairs and maintenance of approximately 12 miles of roads and streets, and an enterprise fund that provides water and sewer services to approximately 320 residents.

The Village is located within Sabine Parish in the southwestern part of the State of Louisiana and is comprised of approximately 700 residents. The governing board is composed of three elected aldermen that are compensated for the regular and special board meetings they attend. There are eight employees which maintain the water and sewer systems and provide police protection and garbage collection for the Village.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Florien is considered a separate financial reporting entity. The Village of Florien, which is the primary government, does not have (a) organizations for which the primary government is financially accountable, and (b) other organizations for which the nature and significance of their relationship with the primary government is such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete; therefore the Village is also the financial reporting entity.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. FUND ACCOUNTING

The municipality uses funds and account groups to report on its financial position and the results of its operations.

Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

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

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Fund

The governmental funds are used to account for all or most of the municipality's general activities, including the acquisition or construction of general fixed assets. The governmental funds include:

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

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. The proprietary funds differ from the governmental funds in that their focus is on income measurement, which together with the maintenance of equity, is an important financial indicator.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Proprietary Funds include:

1. Enterprise funds - account for operations (a) 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 periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of the funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available as net current assets. Taxpayer assessed income and gross receipts 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 assessed for the calendar year on November 15 of each year and become delinquent on January 1. The taxes are generally collected in December of the current year and January and February of the ensuing year.

Expenditures

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 is recognized when due.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGET

The primary government municipality uses the following budget practices:

1. The Village Treasurer prepares a proposed budget and submits same to the Mayor and Board of Aldermen.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. The budgets for the general fund and special revenue fund are adopted on a basis consistent with generally

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. ENCUMBRANCES

The Village of Florien does not use encumbrance accounting.

F. CASH AND CASH EQUIVALENTS
AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, money market accounts and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

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

G. SHORT-TERM INTERFUND
RECEIVABLES/PAYABLES

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

H. INVENTORIES

The Village of Florien does not maintain an inventory. Purchases are made as needed for repair and maintenance and replacement of existing equipment.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

I. PREPAID ITEMS

Prepaid amounts consist of insurance policy premiums paid in advance.

J. RESTRICTED ASSETS

Certain resources set aside for the replacement and extension of the waste water system along with deposits made by customers for the water and sewer systems are classified as restricted assets on the balance sheet because their use is limited.

K. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight line method and useful lives as follows:

Water Utility - Storage tanks, lines, and meters	5-20 years
Other equipment	5-10 years
Sewer Utility - Distribution system	50 years
Other equipment	5-10 years

L. LEAVE POLICY

The Village allows employees to accumulate up to ten days of sick leave per year. The vacation leave policy allows for one week of vacation after one year of employment and two weeks of vacation after two or more years of employment. Neither sick leave or vacation leave is compensated for if not used. The Village has no obligation to pay any other employee benefits.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

M. LONG-TERM OBLIGATIONS

The Village of Florien has no long-term obligations as of September 30, 1999.

N. FUND EQUITY

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriate for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

O. INTERFUND TRANSACTIONS

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

P. SALES TAXES

The Village of Florien receives a sales tax which is dedicated to the general maintenance of streets.

Q. TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the 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 is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

R. BAD DEBTS

Uncollectible amounts due for customers' utility receivables will be recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

2. FUND DEFICITS

The following individual fund had a deficit in its unreserved retained earnings at June 30, 1998:

<u>Fund</u>	<u>Deficit Amount</u>
Utility Fund	<u>\$ 109,246</u>

The retained earnings deficit in the enterprise fund arises because of the application of generally accepted accounting principles of financial reporting for such funds. Depreciation a non-cash expense, contributes to the deficit. Even though the retained earnings deficit exists, the utility fund had an overall fund equity of \$1,826,309 at September 30, 1999. The Board of Aldermen will raise user fees to reduce the retained deficit, when needed.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. LEVIED TAXES

The following is a summary of authorized and levied ad valorem taxes for the year:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Expiration Date</u>
Village taxes:			
General street maintenance	7.27	7.27	Annual Renewal

4. CASH AND CASH EQUIVALENTS

The following is a summary of cash and cash equivalents at September 30, 1999:

	<u>Primary Government</u>
Certificate of deposit	\$ 5,548
Money market accounts	50,265
Savings account	793
Interest-bearing demand deposits	5,265
Non-interest bearing demand deposits	23,090
Petty cash	<u>160</u>
Total	<u>\$ 85,121</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the 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. 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 September 30, 1999, the primary government had \$87,401 in deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance.

5. INVESTMENTS

The Village of Florien had no investments as of September 30, 1999.

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. RECEIVABLES

The following is a summary of receivables for September 30, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>
Taxes:			
Franchise taxes	\$ 1,788	\$ ---	\$ ---
Sales taxes	---	10,502	---
Tobacco taxes	846	---	---
Grants:			
COPS	1,807	---	---
Utility billing:			
Accounts	---	---	23,915
Sanitation	<u>2,200</u>	<u>---</u>	<u>---</u>
Total	<u>\$ 6,641</u>	<u>\$ 10,502</u>	<u>\$ 23,915</u>

7. FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance September 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance September 30, 1999</u>
Land	\$ 47,500	\$ ---	\$ ---	\$ 47,500
Vehicles	36,440	---	2,000	34,440
Equipment	<u>274,888</u>	<u>---</u>	<u>---</u>	<u>274,888</u>
Total	<u>\$ 358,828</u>	<u>\$ ---</u>	<u>\$ 2,000</u>	<u>\$ 356,828</u>

A summary of proprietary property, plant and equipment follows:

	<u>Enterprise Funds</u>
Gas System	
Land	\$ 16,850
Distribution system and plant	2,106,516
Other equipment	56,863
Vehicles	<u>5,024</u>
Total	\$ 2,185,253
Less accumulated depreciation	<u>(403,987)</u>
Net	<u>\$ 1,781,266</u>

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. ACCOUNTS AND OTHER PAYABLES

The following is a summary of payables at September 30, 1999:

<u>Class of Payable</u>	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Funds</u>
Payroll	\$ 8,916	\$ 1,382	\$ 736
Accounts	1,136	2,994	6,837
Customer deposits	---	---	14,730
Total	<u>\$ 10,052</u>	<u>\$ 4,376</u>	<u>\$ 22,303</u>

9. LEASES

The Village of Florien had no leases as of September 30, 1999.

10. DUE FROM/TO OTHER FUNDS

Individual fund balances due from/to other funds at September 30, 1999, are as follows:

<u>Fund</u>	<u>Due from other funds</u>	<u>Due to other funds</u>
General Fund	\$ 1,752	\$ 6,681
Proprietary Funds:		
Utility fund	<u>6,681</u>	<u>1,752</u>
Total	<u>\$ 8,433</u>	<u>\$ 8,433</u>

11. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units at September 30, 1999, consisted of the following:

Tobacco taxes due from the State of Louisiana	\$ 846
Village of Fisher	<u>2,239</u>
	<u>31,085</u>

12. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets were applicable to the following at September 30, 1999:

Wastewater treatment account	\$11,348
Customers' deposits	<u>11,606</u>
Total	<u>\$22,954</u>

VILLAGE OF FLORIEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

13. RESERVED RETAINED EARNINGS

The Proprietary Fund - Utility Fund has reserved retained earnings available as follows:

Restricted assets:

Replacement and extension account	\$ 11,348
Customers' deposits	<u>11,606</u>
Total	\$ 22,954

Less:

Liabilities payable from restricted assets:	
Customers' deposits	<u>\$ 14,730</u>

Reserved retained earnings	<u>\$ 8,224</u>
----------------------------	-----------------

14. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital:

	<u>Water Utility Fund</u>
Balance at September 30, 1998	\$ 1,874,077
Additions:	
Community Development Block Grant	<u>53,254</u>
Balance at September 30, 1999	<u>\$ 1,927,331</u>

15. YEAR 2000 ISSUE - (Y2K)

The Village of Florien has its water billing system computerized. The Village's water billing program has been updated to handle the Y2K issue by the manufacturer of the software.

SUPPLEMENTAL INFORMATION SCHEDULES

GENERAL FUND

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

VILLAGE OF FLORIEN
GENERAL FUND

Schedule 1

BALANCE SHEET
September 30, 1999

ASSETS	<u>1999</u>
Cash and cash equivalents	\$ 5,902
Accounts receivable:	
Franchise tax	1,788
Sanitation	2,200
Grants	1,807
Due from other funds	1,752
Due from other governmental units -	
Tobacco taxes	846
Prepaid insurance	1,647
Utility deposits	<u>---</u>
Total assets	<u>\$ 15,942</u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable	\$ 1,136
Accrued salaries payable	7,220
Payroll taxes payable	1,696
Due to other funds	<u>6,681</u>
Total liabilities	<u>\$ 16,733</u>
Fund balance:	
Unreserved - undesignated	<u>\$ (791)</u>
Total liabilities and fund balance	<u>\$ 15,942</u>

VILLAGE OF FLORIEN
GENERAL FUND

Schedule 2

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 45,600	\$ 39,410	\$ (6,190)
Licenses and permits	20,000	17,127	(2,873)
Intergovernmental	3,700	19,912	16,212
Charges for services	20,000	20,234	234
Fines and forfeits	37,400	25,151	(12,249)
Use of money and property	---	600	600
Sale of asset	---	2,000	2,000
Miscellaneous	<u>3,400</u>	<u>1,008</u>	<u>(2,392)</u>
Total revenues	<u>\$ 130,100</u>	<u>\$ 125,442</u>	<u>\$ (4,658)</u>
Expenditures:			
General government	\$ 77,700	\$ 87,392	\$ (9,692)
Public safety	37,400	37,051	349
Public works	<u>20,000</u>	<u>19,684</u>	<u>316</u>
Total expenditures	<u>\$ 135,100</u>	<u>\$ 144,127</u>	<u>\$ (9,027)</u>
Excess (deficiency) of revenues over expenditures	\$ (5,000)	\$ (18,685)	\$ (13,685)
Other financing sources (uses):			
Transfers in	\$ ---	\$ 25,015	\$ 25,015
Transfers out	<u>---</u>	<u>(5,075)</u>	<u>(5,075)</u>
Total other financing sources (uses):	<u>\$ ---</u>	<u>\$ 19,940</u>	<u>\$ 19,940</u>
Excess (deficiency) of revenues over expenditures and other sources	\$ (5,000)	\$ 1,255	\$ 6,255
Fund balance, beginning	<u>(2,046)</u>	<u>(2,046)</u>	<u>---</u>
Fund balance, ending	<u>\$ (7,046)</u>	<u>\$ (791)</u>	<u>\$ 6,255</u>

VILLAGE OF FLORIEN
GENERAL FUND

Schedule 3

SCHEDULE OF REVENUES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Taxes:			
Franchise	\$ 15,600	\$ 13,261	\$ (2,339)
Ad valorem taxes	<u>30,000</u>	<u>26,149</u>	<u>(3,851)</u>
Total taxes	<u>\$ 45,600</u>	<u>\$ 39,410</u>	<u>\$ (6,190)</u>
Licenses and permits:			
Occupational	<u>\$ 20,000</u>	<u>\$ 17,127</u>	<u>\$ (2,873)</u>
Intergovernmental:			
Tobacco taxes	\$ 3,700	\$ 3,385	\$ (315)
State grant in aid	<u>---</u>	<u>16,527</u>	<u>16,527</u>
Total inter- governmental	<u>\$ 3,700</u>	<u>\$ 19,912</u>	<u>\$ 16,212</u>
Charges for services:			
Sanitation	<u>\$ 20,000</u>	<u>\$ 20,234</u>	<u>\$ 234</u>
Fines and forfeits:			
Traffic fines	<u>\$ 37,400</u>	<u>\$ 25,151</u>	<u>\$ (12,249)</u>
Use of money and property:			
Interest earned	\$ ---	\$ ---	\$ ---
Rent	<u>---</u>	<u>600</u>	<u>600</u>
Total use of money and property	<u>\$ ---</u>	<u>\$ 600</u>	<u>\$ 600</u>
Sale of asset	<u>\$ ---</u>	<u>\$ 2,000</u>	<u>\$ 2,000</u>
Miscellaneous:			
Other revenues	\$ 3,400	\$ 1,008	\$ (2,392)
Tax collection fee	<u>---</u>	<u>---</u>	<u>---</u>
Total miscellaneous	<u>\$ 3,400</u>	<u>\$ 1,008</u>	<u>\$ (2,392)</u>
Total revenues	<u>\$ 130,100</u>	<u>\$ 125,442</u>	<u>\$ (4,658)</u>

VILLAGE OF FLORIEN
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
General government:			
Personal services	\$	\$ 39,037	\$
Dues		Individual 16	
Utilities & telephones		line items 7,098	
Office expenditures		not budgeted 11,150	
Legal and advertising		2,872	
Professional fees		2,037	
Insurance		5,973	
Maintenance		6,149	
Capital outlay		13,060	
Total general government	<u>\$ 77,700</u>	<u>\$ 87,392</u>	<u>\$ (9,692)</u>
Public safety:			
Police -			
Personal services	\$	\$ 23,540	\$
Supplies & fuel		807	
Insurance		5,707	
Telephone		1,281	
Maintenance		4,007	
Uniforms		132	
Collection fees		1,057	
Capital outlay		520	
Total public safety	<u>\$ 37,400</u>	<u>\$ 37,051</u>	<u>\$ 349</u>
Public Works:			
Sanitation			
Personal services	\$	\$ 13,794	\$
Insurance		2,934	
Supplies & fuel		516	
Maintenance		2,440	
Total public works	<u>\$ 20,000</u>	<u>\$ 19,684</u>	<u>\$ 316</u>
Total expenditures	<u>\$ 135,100</u>	<u>\$ 144,127</u>	<u>\$ (9,027)</u>

(Continued)

VILLAGE OF FLORIEN
GENERAL FUND

Schedule 4

SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Excess (deficiency) of revenues over expenditures	\$ (5,000)	\$(18,685)	\$ (13,685)
Other financing sources (uses):			
Transfers in	\$ ---	\$ 25,015	\$ 25,015
Transfers out	<u>---</u>	<u>(5,075)</u>	<u>(5,075)</u>
Total other financing sources (uses):	<u>\$ ---</u>	<u>\$ 19,940</u>	<u>\$ 19,940</u>
Excess (deficiency) of revenues over expenditures and other sources	\$ (5,000)	\$ 1,255	\$ 6,255
Fund balance, beginning	<u>(2,046)</u>	<u>(2,046)</u>	<u>---</u>
Fund balance, ending	<u>\$ (7,046)</u>	<u>\$ (791)</u>	<u>\$ 6,255</u>

(Concluded)

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of the Village's sales and use tax. These taxes are dedicated to expenditures for the improvement of roads, streets, water treatment, and general improvements and maintenance of public facilities of the Village.

VILLAGE OF FLORIEN
SPECIAL REVENUE FUND
SALES TAX FUND

Schedule 5

BALANCE SHEET
September 30, 1999

ASSETS

Cash and cash equivalents	\$ 45,007
Sales tax receivable	10,502
Prepaid insurance	<u>470</u>
Total assets	<u>\$ 55,979</u>

LIABILITIES AND FUND BALANCE

Liabilities:	
Accounts payable	\$ 2,994
Accrued salaries payable	1,199
Payroll taxes payable	<u>183</u>
Total liabilities	<u>\$ 4,376</u>
Fund balance:	
Unreserved - undesignated	<u>\$ 51,603</u>
Total liabilities and fund balance	<u>\$ 55,979</u>

VILLAGE OF FLORIEN
SALES TAX FUND

Schedule 6

SCHEDULE OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended September 30, 1999

	<u>Budget</u>	<u>Actual</u>	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 90,000	\$ 105,968	\$ 15,968
Intergovernmental	---	---	---
Charges for services	4,800	4,716	(84)
Use of money and property	---	400	400
Miscellaneous	---	138	138
Total revenues	<u>\$ 94,800</u>	<u>\$ 111,222</u>	<u>\$ 16,422</u>
Expenditures:			
Public works:			
Highway and streets			
Personal services	\$	\$ 35,458	\$
Commissions		Individual 1,763	
Utilities		line items 11,283	
Office expenditures		not budgeted 335	
Legal and professional fees		2,037	
Insurance		4,558	
Fuel		1,776	
Maintenance		6,473	
Capital outlay		---	
Total highways and streets	<u>\$ 64,800</u>	<u>\$ 63,683</u>	<u>\$ 1,117</u>
Sanitation			
Collection fees	<u>15,000</u>	<u>15,000</u>	<u>---</u>
Total public works	<u>\$ 79,800</u>	<u>\$ 78,683</u>	<u>\$ 1,117</u>
Total expenditures	<u>\$ 79,800</u>	<u>\$ 78,683</u>	<u>\$ 1,117</u>
Excess (deficiency) of revenues over expenditures	\$ 15,000	\$ 32,539	\$ 17,539
Fund balance, beginning	<u>19,064</u>	<u>19,064</u>	<u>---</u>
Fund balance, ending	<u>\$ 34,064</u>	<u>\$ 51,603</u>	<u>\$ 17,539</u>

ENTERPRISE FUNDS

Utility Fund - To account for the provision of water and sewer services to residents of the Village. 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 FLORIEN
ENTERPRISE FUND

Schedule 7

BALANCE SHEET
September 30, 1999

ASSETS

Current assets:

Cash and cash equivalents	\$ 11,258
Accounts receivable	23,915
Due from other governmental units - Village of Fisher	2,239
Due from other funds	6,681
Prepaid insurance	2,051
Utility deposits	---
Total current assets	<u>\$ 46,144</u>

Restricted assets:

Wastewater and Wastewater Improvement account	
Cash and cash equivalents	\$ 11,348
Customers' meter deposits - Cash and cash equivalents	<u>11,606</u>
Total restricted assets	<u>\$ 22,954</u>

Fixed assets:

Property, plant, and equipment; at cost, net of accumulated depreciation	<u>\$1,781,266</u>
Total fixed assets	<u>\$1,781,266</u>
Total assets	<u>\$1,850,364</u>

VILLAGE OF FLORIEN
ENTERPRISE FUND

Schedule 7

BALANCE SHEET
September 30, 1999

LIABILITIES AND FUND EQUITY

Liabilities:

Current liabilities (payable
from current assets):

Accounts payable	\$ 6,837
Salaries payable	628
Payroll taxes payable	108
Due to other funds	<u>1,752</u>

Total current liabilities (payable from current assets)	<u>\$ 9,325</u>
--	-----------------

Current liabilities (payable
from restricted assets):

Customers' deposits	<u>\$ 14,730</u>
---------------------	------------------

Total liabilities	<u>\$ 24,055</u>
-------------------	------------------

Fund equity:

Contributed capital	<u>\$1,927,331</u>
---------------------	--------------------

Retained earnings (deficit) -

Reserved	\$ 8,224
Unreserved	<u>(109,246)</u>

Total retained earnings (deficit)	<u>\$ (101,022)</u>
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Total fund equity	<u>\$1,826,309</u>
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Total liabilities and fund equity	<u>\$1,850,364</u>
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VILLAGE OF FLORIEN
ENTERPRISE FUND

Schedule 8

SCHEDULE OF REVENUES,
EXPENSES, AND CHANGES IN RETAINED EARNINGS (Deficit)
Year Ended September 30, 1999

Operating revenues:

Charges for services \$ 149,870

Operating expenses:

Personal services \$ 30,161
Supplies 14,544
Cost of water 56,651
Other services and charges 23,972
Heat, light, and power 4,950
Depreciation 41,237
Total operating expenses \$ 171,515

Operating income (loss) \$ (21,645)

Non-operating revenues (expenses):

Interest income \$ 615
Transfers in 5,000
Transfers out (10,000)
Total non-operating revenues (expenses) \$ (4,385)

Net income (loss) \$ (26,030)

Retained earnings (deficit), beginning (74,992)

Retained earnings (deficit), ending \$(101,022)

VILLAGE OF FLORIEN
ENTERPRISE FUND

Schedule 9

SCHEDULE OF CASH FLOWS
Year Ended September 30, 1999

Cash flows from operating activities:	
Cash received from customers	\$ 139,158
Cash payments to suppliers for goods and services	(98,753)
Cash payments for employee services and employee related benefits	<u>(33,200)</u>
Net cash provided (used) by operating activities	\$ <u>7,205</u>
Cash flows from noncapital financing activities:	
Transfers in	\$ 5,000
Transfers out	<u>(10,000)</u>
Net cash provided (used) for noncapital financing activities	\$ <u>(5,000)</u>
Cash flows from capital and related financing activities:	
Construction grants received	\$ 93,653
Acquisition and construction of capital assets	<u>(100,289)</u>
Net cash used for capital and related financing activities	\$ <u>(6,636)</u>
Cash flows from investing activities:	
Interest on cash management activities	\$ <u>615</u>
Net increase (decrease) in cash and cash equivalents	\$ (3,816)
Cash and cash equivalents, beginning of year	<u>38,028</u>
Cash and cash equivalents, end of year	\$ <u>34,212</u>

VILLAGE OF FLORIEN
ENTERPRISE FUND

Schedule 9

SCHEDULE OF CASH FLOWS
Year Ended September 30, 1999

RECONCILIATION OF OPERATING INCOME
(LOSS) TO NET CASH PROVIDED BY
OPERATING ACTIVITIES

Operating income (loss)	\$ <u>(21,645)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:	
Depreciation	\$ 41,237
Changes in assets & liabilities	
Increase in accounts receivable	\$ (9,716)
Increase in prepaid insurance	(62)
Increase in due from other governments	(1,291)
Decrease in other assets	565
Decrease in accounts payable	891
Decrease in salaries payable	(2,047)
Decrease in payroll taxes payable	(992)
Increase in customer deposits	295
Increase in due to other funds	<u>1,752</u>
Total adjustments	\$ <u>(28,850)</u>
Net cash provided (used) by operating activities	\$ <u>7,205</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

VILLAGE OF FLORIEN

Schedule 10

SCHEDULE OF GENERAL FIXED ASSETS
September 30, 1999

General fixed assets, at cost:	
Land	\$ 47,500
Vehicles	34,440
Equipment	<u>274,888</u>
Total general fixed assets	<u>\$ 356,828</u>

VILLAGE OF FLORIEN

Schedule 11

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 Year Ended September 30, 1999

	<u>Land</u>	<u>Vehicles</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning	\$ 47,500	\$ 36,440	\$ 274,888	\$ 358,828
Additions	---	--	---	---
Deletion	---	(2,000)	---	(2,000)
General fixed assets, ending	<u>\$ 47,500</u>	<u>\$ 34,440</u>	<u>\$ 274,888</u>	<u>\$ 356,828</u>

VILLAGE OF FLORIEN

Schedule 12

SCHEDULE OF COMPENSATION PAID ALDERMEN
Year Ended September, 1999

ALDERMEN	<u>Compensation Paid</u>
Dan Devaney	\$ 1,100
Brad Williams	1,200
Sidney Lucius Jr.	<u>1,200</u>
	<u>\$ 3,500</u>

SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
Year ended September 30, 1999

Prior Audit Findings

There were no prior year audit findings for the year ended September 30, 1999.

John A. Windham, CPA

A Professional Corporation

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DeRidder, LA 70634
Tel. (318) 462-3211
Fax. (318) 462-0640

John A. Windham, CPA

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

The Honorable Rodney Jordan, Mayor
and the Members of The Board of Aldermen
Village of Florien, Louisiana

I have audited the general purpose financial statements of the Village of Florien, Louisiana, as of and for the year ended September 30, 1999, and have issued my report thereon dated March 21, 2000. I conducted my 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 Florien, Louisiana's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under GOVERNMENT AUDITING STANDARDS.

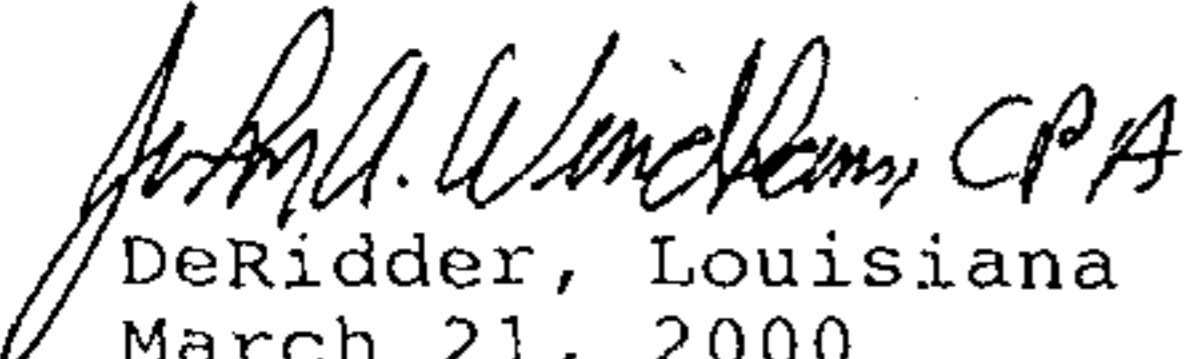
Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Florien, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over

The Honorable Rodney Jordan, Mayor
and the Members of The Board of Aldermen
Village of Florien, Louisiana
Page 2

financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended solely for the information and use of management, others within the organization, the Board of Aldermen and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.


DeRidder, Louisiana
March 21, 2000