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**Town of Sibley
Sibley, Louisiana**

General Purpose Financial Statements

As of and for the Year Ended June 30, 1999

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

Release Date JAN 12 2000

Town of Sibley
Sibley, Louisiana

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Independent Auditors' Report

The Honorable Larry Merritt, Mayor
and Members of the Town Council
Town of Sibley
Sibley, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Sibley, Louisiana, as of June 30, 1999 and for the year then ended. These general purpose financial statements are the responsibility of the Town of Sibley's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Sibley, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles.

The year 2000 supplementary information on page 37 is not a required part of the general purpose financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Sibley is or will become year 2000 compliant, that the Town of Sibley's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Sibley does business are or will become year 2000 compliant.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 1999 on our consideration of the Town of Sibley's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general-purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as whole. The accompanying financial information listed as supporting schedules in the table of contents and shown on pages 23-35 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Sibley. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Cook & Morehart
Certified Public Accountants
December 3, 1999

Town of Sibley
Sibley, Louisiana
Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types			Proprietary Fund Type	Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt		
Assets and other debits								
Cash	\$ 61,375	\$ 103,208	\$ 17,408	\$ 84,328	\$	\$	\$	266,319
Account receivable				21,313				21,313
Due from other funds	16,902	17,456	1,943	11,726				48,027
Restricted assets - cash				62,035				62,035
Land				24,488		14,007		38,495
Buildings						117,877		117,877
Improvements other than buildings						18,691		18,691
Equipment						307,839		307,839
Plant and equipment				3,098,478				3,098,478
Accumulated depreciation				(804,959)				(804,959)
Amount available in debt service funds							19,351	19,351
Amount to be provided for retirement of general long-term debt							124,893	124,893
Total assets and other debits	\$ 78,277	\$ 120,664	\$ 19,351	\$ 2,497,409	\$ 458,414	\$ 144,244	\$	\$ 3,318,359

The accompanying notes are an integral part of this statement.

(Continued)

Town of Sibley
Sibley, Louisiana
Combined Balance Sheet - All fund Types and Account Groups
June 30, 1999
(Continued)

	Governmental Fund Types			Proprietary Fund Type	Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt		
Liabilities, Fund Equity and Other Credits								
Liabilities:								
Accounts payable	\$ 9,431	\$	\$	5,450	\$	\$	\$	14,881
Due to other funds	1,943	4,738		41,346				48,027
Payroll Taxes payable	741			749				1,490
Payable from restricted assets -								
Revenue bonds - current maturities				5,361				5,361
Accrued interest				1,234				1,234
Customer's deposits				27,927				27,927
General obligation bonds payable					110,000			110,000
Revenue bonds payable - long term				500,618				500,618
Note payable					34,244			34,244
Total liabilities	12,115	4,738		582,685	144,244			743,782
Fund equity and other credits								
Contributed capital						458,414		2,165,817
Investment in general fixed assets								458,414
Retained earnings -								
Reserved for revenue bond retirement				22,266				22,266
Unreserved				(273,359)				(273,359)
Fund balances -								
Reserved for debt service			19,351					19,351
Unreserved, undesignated	66,162	115,926						182,088
Total fund equity and other credits	66,162	115,926	19,351	1,914,724	458,414			2,574,577
Total liabilities, fund equity and other credits	\$ 78,277	\$ 120,664	\$ 19,351	\$ 2,497,409	\$ 458,414	\$ 144,244	\$	\$ 3,318,359

The accompanying notes are an integral part of this statement.

Town of Sibley
Sibley, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
For the Year Ended June 30, 1999

	General	Special Revenue	Debt Service	Total (Memorandum Only)
Revenues:				
Taxes				
Ad valorem	\$ 14,556	\$	\$ 19,392	\$ 33,948
Franchise	21,539			21,539
Sales		123,093		123,093
Licenses and permits	22,347			22,347
Intergovernmental				
Tobacco taxes	5,391			5,391
Other		15,555		15,555
Fines and forfeits	10,548			10,548
Other	900	7,947		8,847
Interest income	1,121	2,029	408	3,558
Total revenues	<u>76,402</u>	<u>148,624</u>	<u>19,800</u>	<u>244,826</u>
Expenditures:				
Current -				
General government	75,296			75,296
Public safety -				
Police	32,928			32,928
Fire		15,954		15,954
Highway and streets		15,457		15,457
Capital outlay		18,388		18,388
Debt service:				
Principal payments		7,726	7,000	14,726
Interest and fiscal charges		2,710	10,357	13,067
Total expenditures	<u>108,224</u>	<u>60,235</u>	<u>17,357</u>	<u>185,816</u>
Excess of revenues over(under) expenditures	<u>(31,822)</u>	<u>88,389</u>	<u>2,443</u>	<u>59,010</u>
Other financing sources (uses):				
Operating transfers in	45,194	30,129		75,323
Operating transfers out		(75,323)		(75,323)
Total other financing sources (uses)	<u>45,194</u>	<u>(45,194)</u>		
Excess of revenues and other sources over(under) expenditures and other uses	13,372	43,195	2,443	59,010
Fund balances at July 1, 1998	<u>52,790</u>	<u>72,731</u>	<u>16,908</u>	<u>142,429</u>
Fund balances at June 30, 1999	<u>\$ 66,162</u>	<u>\$ 115,926</u>	<u>\$ 19,351</u>	<u>\$ 201,439</u>

The accompanying notes are an integral part of this statement.

Town of Sibley
Sibley, Louisiana
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
General and Special Revenue Fund Types
For the Year Ended June 30, 1999

	General Fund			Special Revenue Fund Types		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes						
Ad valorem	\$ 13,860	\$ 14,556	\$ 696	\$	\$	\$
Franchise	22,000	21,539	(461)			
Sales				100,000	123,093	23,093
Licenses and permits	18,000	22,347	4,347			
Intergovernmental						
Tobacco taxes	5,000	5,391	391			
Other				600	15,555	14,955
Fines and forfeits	6,000	10,548	4,548			
Other	700	900	200	4,000	7,947	3,947
Interest income	500	1,121	621	1,200	2,029	829
Total revenues	<u>66,060</u>	<u>76,402</u>	<u>10,342</u>	<u>105,800</u>	<u>148,624</u>	<u>42,824</u>
Expenditures:						
General government	92,310	75,296	17,014			
Public safety -						
Police	36,250	32,928	3,322			
Fire				27,320	15,954	11,366
Highway and streets				22,700	15,457	7,243
Capital outlay				17,600	18,388	(788)
Principal payments on debt				8,000	7,726	274
Interest and fiscal changes				2,680	2,710	(30)
Total expenditures	<u>128,560</u>	<u>108,224</u>	<u>20,336</u>	<u>78,300</u>	<u>60,235</u>	<u>18,065</u>
Excess of revenues over (under) expenditures	<u>(62,500)</u>	<u>(31,822)</u>	<u>30,678</u>	<u>27,500</u>	<u>88,389</u>	<u>60,889</u>
Other financing sources (uses):						
Operating transfers in	37,500	45,194	7,694	25,000	30,129	5,129
Operating transfers out				(62,500)	(75,323)	(12,823)
Other financing sources (uses)	<u>37,500</u>	<u>45,194</u>	<u>7,694</u>	<u>(37,500)</u>	<u>(45,194)</u>	<u>(7,694)</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(25,000)</u>	<u>13,372</u>	<u>38,372</u>	<u>(10,000)</u>	<u>43,195</u>	<u>53,195</u>
Fund balances - July 1, 1998	25,000	52,790	27,790	10,000	72,731	62,731
Fund balances - June 30, 1999	<u>\$</u>	<u>\$ 66,162</u>	<u>\$ 66,162</u>	<u>\$</u>	<u>\$ 115,926</u>	<u>\$ 115,926</u>

The accompanying notes are an integral part of this statement.

Town of Sibley
Sibley, Louisiana
Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1999

	Enterprise
Operating revenues:	
Charges for service -	\$ 95,295
Water sales	98,784
Sewerage service charges	8,625
Other charges and fees	202,704
Total operating revenues	
 Operating expenses:	 47,106
Salaries	3,526
Payroll taxes	5,058
Employee benefits	817
Contract labor	6,682
Insurance - general	1,540
Lab fees	22,015
Maintenance and repairs	3,885
Miscellaneous expenses	4,710
Office expense	28,608
Materials and supplies	1,264
Uniforms	25,372
Utilities	88,604
Depreciation	239,187
Total operating expenses	
 Operating income (loss)	 (36,483)
 Non-operating revenues (expenses):	 2,846
Interest income	(29,591)
Interest expense	(26,745)
Total non-operating revenues (expenses)	(63,228)
Net income (loss)	
 Depreciation transferred to contributions	 8,908
Decrease in retained earnings	(54,320)
 Retained earnings (deficit) at July 1, 1998	 (196,773)
 Retained earnings (deficit) at June 30, 1999	 \$ (251,093)

The accompanying notes are an integral part of this statement.

Town of Sibley
Sibley, Louisiana
Combined Statement of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 1999

	Enterprise
Cash flows from operating activities:	
Operating net income (loss)	\$ (36,483)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:	
Depreciation	88,604
(Increase) decrease in accounts receivable	(930)
Increase (decrease) in accounts payable	3,504
Increase (decrease) in payroll taxes payable	165
Increase (decrease) in interest payable	(4,374)
Increase (decrease) in customer's deposits	4,539
Net cash provided by operating activities	55,025
 Cash flows from capital and related financing activities:	
Construction of capital assets	(225,001)
Federal and state grants received	225,001
Principal paid on revenue bonds	(1,365)
Interest paid on revenue bonds	(29,591)
Net cash used for capital and related financing activities	(30,956)
 Cash flows from investing activities:	
Interest income	2,846
 Net increase in cash and cash equivalents	26,915
 Cash and cash equivalents at July 1, 1998	119,448
 Cash and cash equivalents at June 30, 1999	\$ 146,363

The accompanying notes are an integral part of this statement.

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999

(1) **Summary of Significant Accounting Policies**

The Town of Sibley is incorporated under the provisions of the Lawrason Act. The Town operates under a Mayor-Council form of government.

A. Basis of Presentation

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

B. Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Sibley is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (Town of Sibley), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Sibley for financial reporting purposes. The basic criterion 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 Town 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 Town.**
- 2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.*
- 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.*

As required by generally accepted accounting principles, these financial statements present the Town of Sibley. There are no component units to be included as part of the reporting entity.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

C. Fund Accounting

The Town 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 Town 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 Funds

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund – the general operating fund of the Town and accounts for all financial resources except those required to be accounted for in other funds.

Special Revenue Funds – account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Fund – account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term debt account group.

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. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

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 revenue earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

The account groups of the Town are described as follows:

General Fixed Assets Account Group

The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group

The General Long-Term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

D. Basis of Accounting

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

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Town considers property taxes as available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, licenses, interest revenue and charges for services. Sales taxes collected and held by the collecting government at year-end on behalf of the Town also are recognized as revenue. Fines and permit revenues are not susceptible to accrual because generally they are not measurable until received as cash.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

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 liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

E. Budget and Budgetary Accounting

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

1. *The Mayor and Town Council prepare a proposed budget.*
2. *After completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance.*
3. *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 Council.*
4. *All budgetary appropriations lapse at the end of each fiscal year.*
5. *Budgets for the General and Special Revenue and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts in the accompanying statements are as originally adopted, or as amended by the Council. There were no amendments to the budget for the year ended June 30, 1999.*
6. *The Town's fiscal year is June 30.*

F. Cash and Cash Equivalents

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

Under state law, the Town of Sibley, Louisiana 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.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

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. Short-term interfund loans are classified as interfund receivables/payables.

H. Fixed Assets

General Fixed Assets Account Group –

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed and the related assets are capitalized (reported) in the General Fixed Asset Account Group. Public domain (“infrastructure”) general fixed assets including roads and sidewalks are not capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated assets are valued at their estimated fair value on the date donated. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Water and Sewer System –

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line method and charged as an expense against operations. Estimated useful lives are as follows:

Water System –	
Wells	20 years
Storage tanks	40 years
Water treatment plant	33 years
Distribution system	40–50 years
Other equipment	5–10 years
Sewer System	
	30 years

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

I. Inventories

Purchases of various operating supplies for the Water System and Sewer System are regarded as expenses at the time purchased, and any inventories of such supplies remaining at year end was immaterial and therefore are not recorded as assets at the close of the fiscal year.

J. Compensated Absences

The Town allows up to three weeks vacation depending upon years of service. No carryover or accrued vacation leave is allowed. Unused vacation time will be applied upon termination.

The Town allows up to twelve days per year of sick leave and employees can accumulate up to twenty four days depending upon years of service. Unused accumulated sick pay will not be paid upon separation of service.

As of June 30, 1999, employee leave benefits were determined to be immaterial and are therefore not recorded as a liability.

K. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term debt account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

L. 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 amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Reserves

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

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

M. 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.

N. 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 those 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.

O. Bad Debts

The Town uses the direct charge-off method of accounting for uncollectible ad valorem taxes and water system receivables. Although this method is not in accordance with generally accepted accounting principles, the overall effect on the financial statements is immaterial.

P. Capitalized Interest

The Town capitalizes net interest costs and interest earned as part of the cost of constructing various water and sewer projects when material.

Q. Statement of Cash Flows

For the purposes of the Statement of Cash Flows, the Water and Sewer Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

R. Postretirement Benefits

The Town provides no postretirement benefits to its employees.

(Continued)

Town of Sibley
 Sibley, Louisiana
 Notes to Financial Statements
 June 30, 1999
 (Continued)

S. Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and reported revenues and expenses. Actual results could differ from those estimates.

(2) Ad Valorem Taxes

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

The Town bills and collects its own property taxes, using the assessed values determined by the tax assessor of Webster Parish.

The distribution of the Town's levy (tax rate per \$1,000 assessed value) were as follows:

	Tax Roll <u>1998</u>
General Fund	7.23
Debt Service	<u>9.42</u>
	<u>16.65</u>

(3) Cash and Cash Equivalents

At June 30, 1999 the Town had cash and cash equivalents (book balances) totaling \$328,356, of which \$62,035 is shown as a restricted asset.

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 June 30, 1999, the Town had \$334,789 in deposits (collected bank balances). These deposits are secured from risk by \$114,612 of federal deposit insurance and \$220,177 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

(4) Dedication of Proceeds – Sales and Use Tax

On April 1, 1980, the electors of the Town authorized a 1% sales and use tax, proceeds of which may be used for any lawful corporate purpose of the Town, including making capital improvements (after paying the reasonable and necessary expenses of collecting and administering the tax). Town officials have designated 50% of the tax proceeds for General Fund operations and 50% for capital improvements.

On October 24, 1987, the electors of the Town authorized an additional 1% sales and use tax, proceeds of which were dedicated as follows: 50% of income for fire department purchase and maintenance; 25% for streets and street construction, repair and maintenance; and 25% for capital construction, general fund or general administrative expenses. The effective date of this additional 1% sales tax was January 1, 1988.

(5) Interfund Transactions

Interfund receivables and payables consist of the following at June 30, 1999:

	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
General Fund	\$ 16,902	\$ 1,943
Debt Service	1,943	-
Special Revenue Funds		
Fire Department Fund	3,836	149
Sales Tax Fund	13,620	4,589
Enterprise Funds		
Water Fund	9,790	1,000
Sewer Fund	1,936	40,346
	<u>\$ 48,027</u>	<u>\$ 48,027</u>

(6) Volunteer Fire Department

A group of volunteers operated the fire department separately from the Town until February 22, 1988, at which time they transferred the balance in the Volunteer Fire Department regular checking account to the Town. The 2% fire insurance tax rebate and donations from the Webster Parish Police Jury were accounted for by the Volunteer Fire Department until that time.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

The Town has purchased most of the fire fighting equipment, which is included in the General Fixed Assets account group. Operating transfers are made from the Town's Sales Tax Fund to the fire department.

Private donations and fund-raising activities are not accounted for in the financial statements in this report. Such non-public revenues are maintained separately by the Volunteer Fire Department.

(7) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land	\$ 14,007	\$ -	\$ -	\$ 14,007
Buildings	117,877	-	-	117,877
Improvements other than buildings	18,691	-	-	18,691
Equipment	<u>289,451</u>	<u>18,388</u>	<u>-</u>	<u>307,839</u>
 Total general fixed assets	 <u>\$ 440,026</u>	 <u>\$ 18,388</u>	 <u>\$ -</u>	 <u>\$ 458,414</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999 follows:

Water Utility		
Land		\$ 1,299
Wells		67,363
Storage tanks		52,286
Water treatment plant		114,321
Distribution system		824,958
Other equipment		59,669
 Sewerage Utility		
Land		23,189
Sewer system		1,445,406
Sewer system Phase III		<u>534,475</u>
 Total		 3,122,966
Less accumulated depreciation		<u>(804,959)</u>
 Net		 <u>\$ 2,318,007</u>

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

(8) Changes in Long-Term Debt

The following is a summary of bond transactions of the Town of Sibley for the year ended June 30, 1999:

	<u>Governmental Fund Types</u>		<u>Proprietary</u>	<u>Total</u>
	<u>General</u>	<u>Note</u>	<u>Fund Type</u>	
	<u>Obligation</u>	<u>Payable</u>	<u>Revenue</u>	
Bonds and notes payable at July 1, 1998	\$ 117,000	\$ 41,970	\$ 507,344	\$ 666,314
Less payments year ended June 30, 1999	(7,000)	(7,726)	(1,365)	(16,091)
Bonds and notes payable at June 30, 1999	<u>\$ 110,000</u>	<u>\$ 34,244</u>	<u>\$ 505,979</u>	<u>\$ 650,223</u>

Bonds payable at June 30, 1999 are comprised of the following individual issues:

General obligation bonds –

\$158,000 Sewer System Bonds dated 8/1/88; due in annual installments of \$3,000 – \$15,000 through April 1, 2028; interest at 8.2% – 12%. The debt redemption is paid from the Debt Service Fund. At June 30, 1999, \$19,351 is available to service the General Obligation Bonds.

\$ 110,000

Note Payable –

Note payable to a bank, with interest at 7%, payable in 60 monthly installments of \$868.43 including interest, due March 20, 2003, secured by all funds and accounts of the Town.

\$ 34,244

Revenue bonds –

\$312,000 Sewer System Revenue Bonds dated May 1, 1991; due in forty (40) consecutive annual payments of \$22,183 which includes principal and interest; interest rate at 6 1/2%

\$ 298,101

\$220,000 Sewer System Revenue Bonds (Bond R-1, #92-02, \$200,000; Bond R-2, #92-03, \$20,000) dated 2/3/94; due in forty (40) consecutive annual payments, with the first payment (May '94) being for interest only, and, there after the payments shall be equal in amount and consist of fully amortized installments of principal and interest, interest at 5 1/8%

207,878

Total revenue bonds payable

\$ 505,979

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

The Sewer Revenue Bonds constitute special obligations of the Town solely secured by a lien on and pledge of the net revenues of the water and sewer system.

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$65,581 for the General Obligations Bonds, \$4,816 for the note payable, and \$650,879 for the Revenue Bonds, are as follows:

Year Ending June 30	General Obligation	Note Payable	Revenue	Total
2000	\$ 17,483	\$ 10,421	\$ 35,330	\$ 63,234
2001	16,819	10,421	35,330	62,570
2002	17,147	10,421	35,330	62,898
2003	17,382	7,797	35,330	60,509
2004	17,532	-	35,330	52,862
2005 & after	89,218	-	980,208	1,069,426
	<u>\$ 175,581</u>	<u>\$ 39,060</u>	<u>\$ 1,156,858</u>	<u>\$ 1,371,499</u>

(9) Restricted Assets – Proprietary Fund Type

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

	Enterprise Fund		Total
	Sewer	Water	
Customer deposits	\$ -	\$ 27,927	\$ 27,927
Bond and interest sinking fund	10,353	-	10,353
Bond reserve fund	11,913	-	11,913
Contingency fund	11,842	-	11,842
	<u>\$ 34,108</u>	<u>\$ 27,927</u>	<u>\$ 62,035</u>

Enterprise Fund – Sewer

Under the terms of the bond agreement-resolution, on outstanding Sewer Revenue Bonds dated May 1, 1991 and February 3, 1994, income and revenues derived from the operating of the Town's Sewer 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:

Revenue Fund – All income and revenues derived or to be derived from the operation of the Sewer System shall be deposited promptly into the Revenue Fund. Current expenses of operating and maintaining the system shall be paid from the Revenue Fund.

Revenue Bond and Interest Sinking Fund – Each month, there shall be transferred from the Revenue Fund an amount equal to 1/12th of the principal and interest of the next maturing installment on the outstanding bonds into this fund.

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

Revenue Bond Reserve Fund – There shall be transferred from the Revenue Fund into this fund an amount equal to 5% of the payments into the Revenue Bond and Interest Sinking Fund until such time as there has been accumulated \$35,330. Such amounts may be used only for the payment of principal and interest on the outstanding bonds as to which there would otherwise be a default.

Contingency Fund – Funds will be transferred into this fund for the purpose of caring for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system. Also, funds may be used for the purpose of payment of bonds for which there is not sufficient money in the Bond and Interest Sinking Fund. The monthly transfer amount will be \$93 until completion and acceptance of the present sewer improvement program, then \$150 until the bonds have been paid in full at the year 2033.

The changes in the assets restricted for the Sewer Revenue Bond debt service for year ended June 30, 1999 were as follows:

	<u>Revenue Bond Reserve Fund</u>	<u>Revenue Bond and Interest Sinking Fund</u>	<u>Contingency Fund</u>	<u>Total</u>
Cash, July 1, 1998	\$ 9,841	\$ 9,498	\$ 9,772	\$ 29,111
Receipts, year ended June 30, 1999				
Transfers in	<u>2,072</u>	<u>36,186</u>	<u>2,070</u>	<u>40,328</u>
Disbursements, year ended June 30, 1999	<u>-</u>	<u>(35,331)</u>	<u>-</u>	<u>(35,331)</u>
Cash, June 30, 1999	<u>\$ 11,913</u>	<u>\$ 10,353</u>	<u>\$ 11,842</u>	<u>\$ 34,108</u>

(Continued)

Town of Sibley
Sibley, Louisiana
Notes to Financial Statements
June 30, 1999
(Continued)

(10) Customers' Deposits

Deposits held for customers that are currently active on the water system total \$27,927 at June 30, 1999.

(11) Federal Programs

On May 1, 1991, Sewer Revenue Bonds issued by the Town totaling \$312,000 (CFDA 10.418) were purchased by FmHA. On February 3, 1994, additional sewer revenue bonds issued by the Town totaling \$220,000 (Bond R-1, #92-02, \$200,000; Bond R-2, #92-03, \$20,000) were purchased by FmHA. These amounts are included in revenue bonds payable on the accompanying balance sheet.

Also included in the audit were the federal expenditures for a LCDBG program for street improvements Contract No. 107-700159 totaling \$225,001.

(12) Retained Earnings – Proprietary Fund Type

The retained earnings of the Proprietary Fund at June 30, 1999 as shown on the Combined Balance Sheet is comprised of the following retained earnings of the two enterprise funds:

<u>Enterprise Funds</u>	<u>Retained Earnings (Deficit)</u> <u>Amount</u>
Water	\$ 100,983
Sewer	(352,076)
<i>Total Retained Earnings (deficit) at June 30, 1999</i>	<u>\$ (251,093)</u>

(13) Changes in Contributed Capital

The following is a summary of changes in contributed capital:

	<u>Enterprise Funds</u>		
	<u>Water</u>	<u>Sewer</u>	<u>Total</u>
Balance July 1, 1998	\$ 690,569	\$ 1,259,155	\$ 1,949,724
Additions:			
State of Louisiana – LCDBG	–	225,001	225,001
Depreciation transferred from retained earnings	–	(8,908)	(8,908)
Balance June 30, 1999	<u>\$ 690,569</u>	<u>\$ 1,475,248</u>	<u>\$ 2,165,817</u>

Supporting Schedules

Special Revenue Funds

Volunteer Fire Department

To account for the receipt and expenditure of public funds received by the Town for operations and maintenance of the volunteer fire department. Revenue consists of 1/2% sales and use tax transferred from the sales tax fund, appropriations from the Webster Parish Police Jury and other miscellaneous revenue.

Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 2% sales and use tax. One percent is dedicated as follows: 50% to the fire department, 25% for streets, and 25% for capital construction, general fund, or general administrative expenses. One percent is designated as follows: 50% for capital improvements and 50% for general operations.

Town of Sibley
Sibley, Louisiana
Special Revenue Funds
Combining Balance Sheet
June 30, 1999

	Volunteer Fire Department	Sales Tax	Total
Assets			
Cash	\$ 27,464	\$ 75,744	\$ 103,208
Due from other funds	3,836	13,620	17,456
Total assets	\$ 31,300	\$ 89,364	\$ 120,664
Liabilities and Fund Balances			
Liabilities:			
Due to other funds	149	4,589	4,738
Total liabilities	149	4,589	4,738
Fund balances:			
Unreserved, undesignated	31,151	84,775	115,926
Total liabilities and fund balances	\$ 31,300	\$ 89,364	\$ 120,664

Town of Sibley
Sibley, Louisiana
Special Revenue Funds
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
For the Year Ended June 30, 1999

	Volunteer Fire Department	Sales Tax	Total
Revenues:			
Taxes - sales tax	\$	\$ 123,093	\$ 123,093
Intergovernmental	15,555		15,555
Other income	7,947		7,947
Interest income	521	1,508	2,029
Total revenues	24,023	124,601	148,624
Expenditures:			
Public safety - fire	15,954		15,954
Highways and streets		15,457	15,457
Capital outlay	14,955	3,433	18,388
Debt service:			
Principal retirement	7,726		7,726
Interest and fiscal changes	2,710		2,710
Total expenditures	41,345	18,890	60,235
Excess of revenues over (under) expenditures	(17,322)	105,711	88,389
Other financing sources, (uses):			
Operating transfers in	30,129		30,129
Operating transfers out		(75,323)	(75,323)
Total other financing sources (uses)	30,129	(75,323)	(45,194)
Excess of revenues and other sources over expenditures and other uses	12,807	30,388	43,195
Fund balance at June 30, 1998	18,344	54,387	72,731
Fund balance at June 30, 1999	\$ 31,151	\$ 84,775	\$ 115,926

Proprietary Fund Types

Enterprise Funds

Water System

To account for the provision of water services to residents of the Town. Essentially 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.

Sewer System

To account for the provision of sewer services to residents of the Town. Essentially 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.

Town of Sibley
Sibley, Louisiana
Combining Balance Sheet
All Proprietary Fund Types
June 30, 1999

	Enterprise		Total
	Water	Sewer	
Assets			
Current assets			
Cash	\$ 57,181	\$ 27,147	\$ 84,328
Accounts receivable	10,908	10,405	21,313
Due from other funds	9,790	1,936	11,726
Total current assets	<u>77,879</u>	<u>39,488</u>	<u>117,367</u>
Restricted assets:			
Cash:			
Revenue bond and interest sinking fund		10,353	10,353
Revenue bond reserve fund		11,913	11,913
Revenue bond contingency fund		11,842	11,842
Customers' deposits	27,927		27,927
Total restricted assets	<u>27,927</u>	<u>34,108</u>	<u>62,035</u>
Property, plant and equipment			
Land	1,299	23,189	24,488
Plant and equipment	1,118,596	1,979,882	3,098,478
	<u>1,119,895</u>	<u>2,003,071</u>	<u>3,122,966</u>
Less accumulated depreciation	<u>(401,239)</u>	<u>(403,720)</u>	<u>(804,959)</u>
Net property, plant and equipment	<u>718,656</u>	<u>1,599,351</u>	<u>2,318,007</u>
Total assets	<u>\$ 824,462</u>	<u>\$ 1,672,947</u>	<u>\$ 2,497,409</u>

(Continued)

Town of Sibley
Sibley, Louisiana
Combining Balance Sheet
All Proprietary Fund Types
June 30, 1999
(Continued)

	Enterprise		Total
	Water	Sewer	
Liabilities and Fund Equity			
Liabilities:			
Current liabilities (payable from current assets) -			
Accounts payable	3,516	1,934	5,450
Payroll taxes payable	467	282	749
Due to other funds	1,000	40,346	41,346
Total current liabilities (payable from current assets)	<u>4,983</u>	<u>42,562</u>	<u>47,545</u>
Current liabilities (payable from restricted assets) -			
Revenue bonds payable		5,361	5,361
Accrued interest payable		1,234	1,234
Customers' deposits	27,927		27,927
Total current liabilities (payable from restricted assets)	<u>27,927</u>	<u>6,595</u>	<u>34,522</u>
Long-term liabilities -			
Revenue bonds payable		500,618	500,618
Total liabilities	<u>32,910</u>	<u>549,775</u>	<u>582,685</u>
Fund equity:			
Contributed capital -			
Municipality	48,436	19,681	68,117
Federal revenue sharing	30,821		30,821
Debt service fund	1,967	158,000	159,967
State of Louisiana	579,194	1,297,567	1,876,761
Fire department	219		219
Developer	29,932		29,932
Total contributed capital	<u>690,569</u>	<u>1,475,248</u>	<u>2,165,817</u>
Retained earnings -			
Reserved for revenue bond retirement		22,266	22,266
Unreserved	100,983	(374,342)	(273,359)
Total retained earnings (deficit)	<u>100,983</u>	<u>(352,076)</u>	<u>(251,093)</u>
Total fund equity	<u>791,552</u>	<u>1,123,172</u>	<u>1,914,724</u>
Total liabilities and fund equity	<u>\$ 824,462</u>	<u>\$ 1,672,947</u>	<u>\$ 2,497,409</u>

Town of Sibley
Sibley, Louisiana
Combining Schedule of Revenues, Expenses and Changes in Retained Earnings
All Proprietary Fund Types
For the Year Ended June 30, 1999

	Enterprise		Total
	Water	Sewer	
Operating revenues:			
Charges for service -			
Water sales	\$ 95,295	\$	\$ 95,295
Sewerage service charges		98,784	98,784
Other charges and fees	4,393	4,232	8,625
Total operating revenues	<u>99,688</u>	<u>103,016</u>	<u>202,704</u>
Operating expenses:			
Salaries	33,110	13,996	47,106
Payroll taxes	2,468	1,058	3,526
Employee benefits	2,529	2,529	5,058
Contract labor	505	312	817
Insurance - general	4,539	2,143	6,682
Lab fees		1,540	1,540
Maintenance and repairs	15,424	6,591	22,015
Miscellaneous expenses	3,197	688	3,885
Office expense	3,441	1,269	4,710
Materials and supplies	21,065	7,543	28,608
Uniforms	632	632	1,264
Utilities	10,713	14,659	25,372
Depreciation	31,445	57,159	88,604
Total operating expenses	<u>129,068</u>	<u>110,119</u>	<u>239,187</u>
Operating income (loss)	<u>(29,380)</u>	<u>(7,103)</u>	<u>(36,483)</u>
Non-operating revenues (expenses):			
Interest income	1,299	1,547	2,846
Interest expense		(29,591)	(29,591)
Total non-operating revenues (expenses)	<u>1,299</u>	<u>(28,044)</u>	<u>(26,745)</u>
Net income (loss)	<u>(28,081)</u>	<u>(35,147)</u>	<u>(63,228)</u>
Depreciation transferred from retained earnings		8,908	8,908
Increase in retained earnings	<u>(28,081)</u>	<u>(26,239)</u>	<u>(54,320)</u>
Retained earnings (deficit) at July 1, 1998	<u>129,064</u>	<u>(325,837)</u>	<u>(196,773)</u>
Retained earnings (deficit) at June 30, 1999	<u>\$ 100,983</u>	<u>\$ (352,076)</u>	<u>\$ (251,093)</u>

Town of Sibley
Sibley, Louisiana
Combining Schedule of Cash Flows
All Proprietary Fund Types
For the Year Ended June 30, 1999

	Enterprise		
	Water	Sewer	Total
Cash flows from operating activities:			
Operating net income (loss)	\$ (29,380)	\$ (7,103)	\$ (36,483)
Adjustments to reconcile operating income to net cash provided by (used) by operating activities:			
Depreciation	31,446	57,158	88,604
(Increase) decrease in accounts receivable	877	(1,807)	(930)
Increase (decrease) in accounts payable	1,570	1,934	3,504
Increase (decrease) in payroll taxes payable	153	12	165
Increase (decrease) in interest payable		(4,374)	(4,374)
Increase (decrease) in customer's deposits	4,539		4,539
Net cash provided by operating activities	<u>9,205</u>	<u>45,820</u>	<u>55,025</u>
Cash flows from capital and related financing activities:			
Construction of capital assets		(225,001)	(225,001)
Federal and state grants received		225,001	225,001
Principal paid on revenue bonds		(1,365)	(1,365)
Interest paid on revenue bonds		(29,591)	(29,591)
Net cash used for capital and related financing activities		<u>(30,956)</u>	<u>(30,956)</u>
Cash flows from investing activities:			
Interest income	<u>1,299</u>	<u>1,547</u>	<u>2,846</u>
Net increase in cash and cash equivalents	10,504	16,411	26,915
Cash and cash equivalents at July 1, 1998	<u>74,604</u>	<u>44,844</u>	<u>119,448</u>
Cash and cash equivalents at June 30, 1999	<u>\$ 85,108</u>	<u>\$ 61,255</u>	<u>\$ 146,363</u>

Construction Project

The following schedules are presented for analysis by the State of Louisiana on construction projects for sewer improvements.

LCDBG Sewer Improvements

To detail revenues and expenditures related to the financing and construction of sewer improvements for the residents of the Town of Sibley. The project was financed by a Louisiana Community Development Block Grant (LCDBG) administered by the Louisiana Division of Administration Contract No. 107-700159.

Town of Sibley
Sibley, Louisiana
Schedule of Revenues and Expenditures
Construction Projects
LCDBG Contract No. 107 - 700159
For the Year Ended June 30, 1999

	<u>LCDBG Street Improvements</u>
Revenues:	
Proceeds from LCDBG Grant	\$ 225,001
Expenditures:	
Administrative costs	3,863
Construction costs	<u>221,138</u>
Total expenditures	<u>225,001</u>
Excess of revenues over (under) expenditures	<u><u>\$</u></u>

Schedule 7

Town of Sibley
 Sibley, Louisiana
 Schedule of Insurance in Force
 As of June 30, 1999

<u>Insurer</u>	<u>Expiration Date</u>	<u>Description</u>	<u>Coverage</u>	<u>Amount</u>
Louisiana Municipal Risk Management Agency	07-08-00	Automobile Liability Bodily injury, property damage		\$ 500,000
	07-04-00	Commercial General Liability Bodily injury, property damage Fire legal liability		500,000 50,000
	09-13-99	Workmen's compensation		100/500/100
	07-04-00	Law enforcement officers' comprehensive liability Personal		500,000
American Fire and Indemnity	07-08-00	Commercial property Buildings Business personal property		219,000 20,000
Western Surety Co.	08-27-03	Notary bond- Clerk		5,000
Audubon Insurance Group	07-08-00	Automobile Physical Damage		103,000

Town of Sibley
Sibley, Louisiana
Schedule of Compensation Paid to Board Members
For the Year Ended June 30, 1999

Mayor - Larry Merritt	\$ 5,190
Alderman:	
Marvin Wayne Bolton	1,450
Leon Snyder	1,450
Richard Dick Moss	1,450
Richard Davis	1,450
Andy Fish	1,450
	<hr/>
	\$ 12,440
	<hr/> <hr/>

Town of Sibley
Sibley, Louisiana
Schedule of Expenditures of Federal Awards
For the Year Ended June 30, 1999

Federal Grantor / Pass-Through Grantor / Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Expenditures
U.S. Department of Housing and Urban Development Passed through the Louisiana Division of Administration Louisiana Community Development Block Grant Program	14.219	107-700159	\$ 225,001
U.S. Department of Agriculture – USDA Rural Development – Direct Program – Water and Waste Disposal Systems for Rural Communities	10.760	–	505,979

Note 1: The accompanying schedule of expenditures of federal awards is prepared on the accrual basis of accounting.

Note 2: The Town had the following loan balances outstanding at June 30, 1999. These loan balances outstanding are also included in the federal expenditures presented in the schedule.

On May 1, 1991, Sewer Revenue Bonds issued by the Town totaling 312,000, with a remaining balance of \$298,100 at June 30, 1999, were purchased by USDA Rural Development.

On February 3, 1994, Sewer Revenue Bonds issued by the Town totaling \$220,000 (Bond R-1, #92-02, \$200,000; Bond R-2, #92-03, \$20,000), with a remaining balance of \$207,879 at June 30, 1999, were purchased by the USDA Rural Development.

Town of Sibley
Sibley, Louisiana
Supplementary Information Schedule
Year 200 Disclosure
(Unaudited)
June 30, 1999

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The Town has completed an inventory of computer systems that may be affected by the year 2000 issue that are critical to conducting operations of the Town's office. Management of the Town has identified the following system requiring 2000 remediation: certain computer equipment and software. Management of the Town has contacted outside vendors for remediation, testing and validation. The approximate cost for updating is an insignificant amount. The anticipated installation date is before December 31, 1999.

COOK & MOREHART

Certified Public Accountants

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SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Town of Sibley
Sibley, Louisiana

We have audited the general purpose financial statements of the Town of Sibley as of and for the year ended June 30, 1999, and have issued our report thereon dated December 3, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Sibley's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over 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 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Cook & Morehart". The signature is written in black ink and is positioned above the printed name.

Cook & Morehart
Certified Public Accountants
December 3, 1999

COOK & MOREHART

Certified Public Accountants

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Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133

Town of Sibley
Sibley, Louisiana

Compliance

We have audited the compliance of the Town of Sibley with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 1999. The Town of Sibley's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of Sibley's management. Our responsibility is to express an opinion on the Town of Sibley's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of Sibley's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of Sibley's compliance with those requirements.

In our opinion, the Town of Sibley complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

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

requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

This report is intended solely for the information and use of management, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Cook & Morehart
Certified Public Accountants
December 3, 1999

Town of Sibley
Sibley, Louisiana

Summary Schedule of Prior Audit Findings

There were no findings or questioned costs for the prior audit period ended June 30, 1998.

Schedule of Findings and Questioned Costs
For the Year Ended June 30, 1999

A. Summary of Audit Results

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Sibley.
2. No reportable conditions are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.
3. No instances of noncompliance material to the financial statements of the Town of Sibley were disclosed during the audit.
4. No reportable conditions are reported in the Report on Compliance With Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the Town of Sibley expresses an unqualified opinion.
6. There are no audit findings relative to the major federal award program for the Town of Sibley reported in Part C of this schedule.
7. The program tested as a major program was the Farmers Home Administration Water and Waste Disposal Systems for Rural Communities CFDA #10.760.
8. The threshold for distinguishing Types A and B programs was \$300,000.
9. The Town of Sibley qualified as a low-risk auditee.

B. Findings – Financial Statements Audit: None

C. Findings and Questioned Costs – Major Federal Award Programs Audit: None

Town of Sibley
Sibley, Louisiana
Summary Schedule of Audit Findings for the Louisiana Legislative Auditor
June 30, 1999

Summary Schedule of Prior Audit Findings

There were no findings or management letter comments for the prior audit for the year ended June 30, 1998.

Corrective Action Plan for the Current Year Audit Findings

There were no findings or management letter comments for the audit period ended June 30, 1999.