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TOWN OF MELVILLE, LOUISIANA

Financial Report

Year Ended September 30, 1999

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Release Date FEB 7 6 2000

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INDEPENDENT AUDITORS' REPORT

The Honorable Willie C. Haynes, III, Mayor
and Members of the Board of Aldermen
Town of Melville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Melville, 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 Town of Melville, Louisiana'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 and the provisions of Office of Management and Budget (OMB) Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplemental information presented on page 28 is not a required part of the general purpose financial statements, but is supplemental information required by the Governmental 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 supplemental 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 Melville is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will become year 2000 compliant.

The supplemental information on pages 29-77 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Melville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, 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.

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In accordance with Government Auditing Standards, we have also issued a report dated December 14, 1999 on our consideration of the Town of Melville's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
December 14, 1999

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

TOWN OF MELVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
September 30, 1999

	Governmental Fund Types			Proprietary Fund Type		Account Groups			Totals (Memorandum Only)
	General Fund	Special Revenue	Debt Service	Enterprise	General		Long-Term Debt		
					Fixed Assets	General			
ASSETS AND OTHER DEBITS									
Cash	\$ 41,132	\$ 46,605	\$ 27,395	\$ 891	\$ -	\$ -	\$ -	\$ 116,023	\$ 68,627
Interest-bearing deposits	-	16,967	14,992	22,488	-	-	-	54,447	67,112
Receivables -									
Taxes	1,246	-	1,448	-	-	-	-	2,694	1,440
Accounts (net)	-	-	-	31,402	-	-	-	31,402	28,231
Accrued interest	-	13	-	439	-	-	-	452	497
Due from other funds	24,585	296	-	4,716	-	-	-	29,597	28,604
Due from other governmental units	1,878	-	-	3,570	-	-	-	5,448	47,418
Other	-	-	-	6,239	-	-	-	6,239	6,087
Restricted assets:									
Interest-bearing deposits	-	-	-	272,387	-	-	-	272,387	254,412
Land	-	-	-	-	92,159	-	-	92,159	92,159
Buildings	-	-	-	-	430,692	-	-	430,692	430,692
Equipment	-	-	-	-	188,196	-	-	188,196	188,196
Utility property, plant and equipment	-	-	-	5,904,153	-	-	-	5,904,153	5,462,952
Accumulated depreciation	-	-	-	(1,718,088)	-	-	-	(1,718,088)	(1,589,467)
Amount available in debt service funds	-	-	-	-	-	43,539	-	43,539	41,412
Amount to be provided for retirement of general long term debt	-	-	-	-	-	-	360,636	360,636	393,913
Total assets and other debits	\$ 68,841	\$ 63,881	\$ 43,835	\$ 4,528,197	\$ 711,047	\$ 404,175	\$ 5,819,976	\$ 5,522,285	

(continued)

TOWN OF MELVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)
September 30, 1999

	Governmental Fund Types			Proprietary Fund Type Enterprise	Account Groups		Totals (Memorandum Only)		
	General Fund	Special Revenue	Debt Service		General Fixed Assets	General Long-Term Debt		1999	1998
LIABILITIES, EQUITY AND OTHER CREDITS									
Liabilities:									
Bank overdraft	\$ -	\$ -	\$ -	\$ 15,072	\$ -	\$ 15,072	\$ -		
Accounts payable	15,453	-	-	7,681	-	23,134	11,966		
Contracts payable	-	-	-	3,570	-	3,570	45,155		
Retainage payable	-	-	-	-	-	-	7,995		
Other accrued liabilities	2,336	1,418	-	4,973	-	8,727	6,551		
Due to other funds	-	24,045	296	5,256	-	29,597	28,604		
Payable from restricted assets -									
Revenue bonds payable	-	-	-	42,000	-	42,000	39,000		
Accrued interest payable	-	-	-	21,442	-	21,442	22,600		
Customers' deposits	-	-	-	33,983	-	33,983	32,335		
General obligation bonds payable	-	-	-	-	404,175	404,175	435,325		
Revenue bonds payable	-	-	-	1,108,000	-	1,108,000	1,150,000		
Total liabilities	17,789	25,463	296	1,241,977	404,175	1,689,700	1,779,531		
Equity and other credits:									
Contributed capital (net of accumulated amortization)	-	-	-	2,862,953	-	2,862,953	2,507,011		
Investment in general fixed assets	-	-	-	-	711,047	711,047	711,047		
Retained earnings -									
Reserved for revenue bond retirement	-	-	-	174,962	-	174,962	160,477		
Unreserved	-	-	-	248,305	-	248,305	248,062		
Total retained earnings	-	-	-	423,267	-	423,267	408,539		
Fund balances -									
Reserved for debt service	-	-	43,539	-	-	43,539	41,412		
Unreserved-undesignated	51,052	38,418	-	-	-	89,470	74,745		
Total fund balances	51,052	38,418	43,539	-	-	133,009	116,157		
Total equity and other credits	51,052	38,418	43,539	3,286,220	711,047	4,130,276	3,742,754		
Total liabilities, equity and other credits	\$68,841	\$63,881	\$43,835	\$4,528,197	\$711,047	\$5,819,976	\$5,522,285		

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
All Governmental Fund Types
Year Ended September 30, 1999

	General Fund	Special Revenue	Debt Service	Totals (Memorandum Only)	
				1999	1998
Revenues:					
Taxes	\$ 20,255	\$ 134,736	\$ 16,100	\$ 171,091	\$ 155,952
Licenses and permits	25,848	-	-	25,848	21,108
Intergovernmental	87,840	-	-	87,840	64,773
Fines and forfeits	10,030	-	-	10,030	10,057
Miscellaneous	25,335	5,415	442	31,192	35,280
Total revenues	<u>169,308</u>	<u>140,151</u>	<u>16,542</u>	<u>326,001</u>	<u>287,170</u>
Expenditures:					
Current -					
General government	104,677	10,894	-	115,571	98,913
Public safety:					
Police	65,705	40,306	-	106,011	88,017
Rescue unit and fire	-	16,328	-	16,328	13,469
Highways and streets	41,502	2,882	-	44,384	37,473
Culture and recreation	274	2,604	-	2,878	9,584
Debt service -					
Principal retirement	-	-	31,150	31,150	31,238
Interest and fiscal charges	-	-	23,403	23,403	25,481
Capital outlay	-	-	-	-	23,843
Total expenditures	<u>212,158</u>	<u>73,014</u>	<u>54,553</u>	<u>339,725</u>	<u>328,018</u>
Excess (deficiency) of revenues over expenditures	<u>(42,850)</u>	<u>67,137</u>	<u>(38,011)</u>	<u>(13,724)</u>	<u>(40,848)</u>
Other financing sources (uses):					
Operating transfers in	50,073	59,021	43,338	152,432	141,696
Operating transfers out	-	(118,656)	(3,200)	(121,856)	(95,753)
Total other financing sources (uses)	<u>50,073</u>	<u>(59,635)</u>	<u>40,138</u>	<u>30,576</u>	<u>45,943</u>
Excess of revenues and other sources over expenditures other uses	7,223	7,502	2,127	16,852	5,095
Fund balances, beginning	<u>43,829</u>	<u>30,916</u>	<u>41,412</u>	<u>116,157</u>	<u>111,062</u>
Fund balances, ending	<u>\$ 51,052</u>	<u>\$ 38,418</u>	<u>\$ 43,539</u>	<u>\$ 133,009</u>	<u>\$ 116,157</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - All Governmental Fund Types
Year Ended September 30, 1999

	General Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:			
Taxes	\$ 19,000	\$ 20,255	\$ 1,255
Licenses and permits	26,000	25,848	(152)
Intergovernmental	71,477	87,840	16,363
Fines and forfeits	9,500	10,030	530
Miscellaneous	26,400	25,335	(1,065)
Total revenues	<u>152,377</u>	<u>169,308</u>	<u>16,931</u>
Expenditures:			
Current -			
General government	107,032	104,677	2,355
Public safety:			
Police	67,700	65,705	1,995
Rescue unit and fire	-	-	-
Highways and streets	36,800	41,502	(4,702)
Culture and recreation	500	274	226
Debt service -			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Capital outlay	-	-	-
Total expenditures	<u>212,032</u>	<u>212,158</u>	<u>(126)</u>
Excess (deficiency) of revenues over expenditures	<u>(59,655)</u>	<u>(42,850)</u>	<u>16,805</u>
Other financing sources (uses):			
Operating transfers in	60,000	50,073	(9,927)
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>60,000</u>	<u>50,073</u>	<u>(9,927)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	345	7,223	6,878
Fund balances, beginning	<u>43,829</u>	<u>43,829</u>	<u>-</u>
Fund balances, ending	<u>\$ 44,174</u>	<u>\$ 51,052</u>	<u>\$ 6,878</u>

The accompanying notes are an integral part of this statement.

Special Revenue Funds			Debt Service Funds		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$129,000	\$134,736	\$ 5,736	\$ 16,000	\$ 16,100	\$ 100
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
5,800	5,415	(385)	500	442	(58)
<u>134,800</u>	<u>140,151</u>	<u>5,351</u>	<u>16,500</u>	<u>16,542</u>	<u>42</u>
11,900	10,894	1,006	-	-	-
41,600	40,306	1,294	-	-	-
15,150	16,328	(1,178)	-	-	-
4,000	2,882	1,118	-	-	-
3,000	2,604	396	-	-	-
-	-	-	30,000	31,150	(1,150)
-	-	-	24,575	23,403	1,172
-	-	-	-	-	-
<u>75,650</u>	<u>73,014</u>	<u>2,636</u>	<u>54,575</u>	<u>54,553</u>	<u>22</u>
<u>59,150</u>	<u>67,137</u>	<u>7,987</u>	<u>(38,075)</u>	<u>(38,011)</u>	<u>64</u>
46,000	59,021	13,021	43,500	43,338	(162)
(105,000)	(118,656)	(13,656)	-	(3,200)	(3,200)
<u>(59,000)</u>	<u>(59,635)</u>	<u>(635)</u>	<u>43,500</u>	<u>40,138</u>	<u>(3,362)</u>
150	7,502	7,352	5,425	2,127	(3,298)
<u>30,916</u>	<u>30,916</u>	<u>-</u>	<u>41,412</u>	<u>41,412</u>	<u>-</u>
<u>\$ 31,066</u>	<u>\$ 38,418</u>	<u>\$ 7,352</u>	<u>\$ 46,837</u>	<u>\$ 43,539</u>	<u>\$ (3,298)</u>

TOWN OF MELVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -
Proprietary Fund Type
Years Ended September 30, 1999 and 1998

	Totals	
	1999	1998
Operating revenues:		
Charges for services -		
Gas sales	\$ 130,142	\$ 157,072
Water sales	88,548	85,683
Sewer sales	93,079	93,839
Delinquent charges	1,388	9,764
Miscellaneous -		
Slemco franchise	50,719	51,469
Other	1,344	3,770
Total operating revenues	<u>365,220</u>	<u>401,597</u>
Operating expenses:		
Gas department expenses	103,861	121,159
Water department expenses	68,344	57,415
Sewer department expenses	50,450	41,498
Gas department depreciation	43,460	43,650
Water department depreciation	15,589	15,935
Sewer department depreciation	69,572	69,700
Total operating expenses	<u>351,276</u>	<u>349,357</u>
Operating income	<u>13,944</u>	<u>52,240</u>
Nonoperating revenues (expenses):		
Interest income	7,672	14,260
Interest expense	(68,821)	(69,888)
Total nonoperating revenues (expenses)	<u>(61,149)</u>	<u>(55,628)</u>
Loss before operating transfers	<u>(47,205)</u>	<u>(3,388)</u>
Operating transfers in (out):		
Operating transfers in	95,044	29,374
Operating transfers out	(125,620)	(75,317)
Total operating transfers in (out)	<u>(30,576)</u>	<u>(45,943)</u>
Net loss	<u>(77,781)</u>	<u>(49,331)</u>
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>92,509</u>	<u>90,920</u>
Increase in retained earnings	14,728	41,589
Retained earnings, beginning	<u>408,539</u>	<u>366,950</u>
Retained earnings, ending	<u>\$ 423,267</u>	<u>\$ 408,539</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Comparative Statement of Cash Flows -
Proprietary Fund Type
Years Ended September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 13,944	\$ 52,240
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Depreciation	128,621	129,285
Changes in current assets and liabilities:		
Increase in accounts receivable	(3,171)	(3,700)
Increase in due from other funds	(4,176)	-
Decrease in due from other governmental units	41,585	-
Increase in other receivable	(152)	(289)
Increase (decrease) in cash overdraft	15,072	(4)
Increase in accounts payable	1,681	339
(Decrease) increase in contracts payable	(41,585)	45,155
(Decrease) increase in retainage payable	(7,995)	7,995
Decrease in due to other funds	(9,965)	-
Increase in other accrued liabilities	1,165	1,038
Increase in customers' deposits	1,648	480
Total adjustments	<u>122,728</u>	<u>180,299</u>
Net cash provided by operating activities	<u>136,672</u>	<u>232,539</u>
Cash flows from noncapital financing activities:		
Transfer from 1982 Sales Tax Fund	3,927	11,374
Transfer from debt service funds	3,200	-
Transfer from 1989 Sales Tax Fund	-	18,000
Transfer to 1989 Sales Tax Fund	(2,206)	-
Transfer to General Fund	(26,324)	(74,317)
Transfer to 1982 Sales Tax fund	(9,173)	(1,000)
Net cash used for noncapital financing activities	<u>(30,576)</u>	<u>(45,943)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds	(69,979)	(71,006)
Principal paid on revenue bonds	(42,000)	(38,000)
Purchase of property, plant and equipment	(485,611)	(131,381)
Proceeds from water grant	493,606	78,231
Net cash used for capital and related financing activities	<u>(103,984)</u>	<u>(162,156)</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	(40,965)	(47,571)
Proceeds from the maturities of interest-bearing deposits	41,488	46,413
Interest received on interest-bearing deposits	7,698	14,234
Net cash provided by investing activities	<u>8,221</u>	<u>13,076</u>
Net increase in cash and cash equivalents	10,333	37,516
Cash, cash equivalents and restricted cash, beginning of period	<u>260,136</u>	<u>222,620</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 270,469</u>	<u>\$ 260,136</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
 Comparative Statement of Cash Flows -
 Proprietary Fund Type (Continued)
 Years Ended September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 12,046	\$ 249
Interest-bearing deposits - <i>unrestricted</i>	17,760	10,418
Interest-bearing deposits - <i>restricted</i>	254,412	234,877
Less: <i>certificates of deposit with a maturity over three months</i>	<u>(24,082)</u>	<u>(22,924)</u>
Total cash and cash equivalents	<u>260,136</u>	<u>222,620</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	891	12,046
Interest-bearing deposits - <i>unrestricted</i>	22,488	17,760
Interest-bearing deposits - <i>restricted</i>	272,387	254,412
Less: <i>certificates of deposit with a maturity over three months</i>	<u>(25,297)</u>	<u>(24,082)</u>
Total cash and cash equivalents	<u>270,469</u>	<u>260,136</u>
Net increase	<u>\$ 10,333</u>	<u>\$ 37,516</u>

The accompanying notes are an integral part of this statement.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Melville was incorporated in 1911 under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Melville 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 industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

Based on the foregoing criteria, there are no component unit governmental organizations that are included as part of the Town.

B. Fund Accounting

The accounts of the Town of Melville are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The Town has the following fund types and account groups:

Governmental Fund Types -

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

TOWN OF MELVILLE, LOUISIANA
Notes to Financial Statements (Continued)

Debt Service Funds

Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Proprietary Fund Type -

Enterprise Fund

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided 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. The Town applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its enterprise fund. The Town's enterprise fund is the Utility Fund.

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

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

All of the Town's governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become *measurable and available as net current assets*.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Sales taxes are considered "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year budgeted, that is, in the year in which such taxes are billed to taxpayers. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on interest-bearing deposits. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month, were determined immaterial and are not recorded at year end.

D. Budgets and Budgetary Accounting

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

1. The Town Clerk prepares a proposed operating budget for the fiscal year and submits it to the Mayor and Board of Aldermen not later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after 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 a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers 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 the fiscal year.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as finally amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

G. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Restricted Assets

The Utility Fund, based on certain bond covenants, is required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt.

I. Fixed Assets

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

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset's life are not included in the general fixed assets account group or capitalized in the proprietary fund.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

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

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas and water lines	30 years
Gas and water equipment	7-10 years
Office equipment and furniture	5-10 years
Sewer and sewer lines	50 years

J. Long-Term Debt

Long-term obligations of the Town are reported in the General Long-Term Debt Account Group. Long-term liabilities for certain revenue bonds are reported in the Utility Fund.

K. Bad Debts

Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables was made due to immateriality at September 30, 1999 and 1998.

L. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of employment. Sick leave is accumulated at one day per month up to a maximum of ten days per year and thirty days in total. Employees are not paid for accumulated sick leave at the time of separation from employment with the Town. Five days of annual leave are earned on the anniversary date of employment for each full-time, permanent employee with less than five full years of service with the municipality. Ten days of annual leave are earned by such employees after five full years of service. Employees may not carry over or accumulate annual leave from one anniversary date to another. Amounts of vested or accumulated compensated absences at September 30, 1999 and 1998 are not recorded as liabilities due to immateriality.

M. Capitalization of Interest Expense

It is the policy of the Town to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. There was no interest capitalized at September 30, 1999 and 1998 due to immateriality.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

N. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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. Comparative Data

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

P. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed as an extension of formal budgetary integration in the funds.

Q. Prior Year Reclassification

Certain previously reported amounts have been reclassified to enhance comparability with 1999 report classifications.

(2) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At September 30, 1999, the Town had cash and interest-bearing deposits (book balances) totaling \$442,857, as follows:

Demand deposits	\$116,023
Money market accounts	285,870
Time deposits	40,964
Total	<u>\$442,857</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 bank. 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. Deposit balances (bank balances) at September 30, 1999 are secured as follows:

Bank balances	<u>\$447,620</u>
Federal deposit insurance	200,000
Pledged securities (Category 3)	<u>247,620</u>
 Total federal insurance and pledged securities	 <u>\$447,620</u>

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

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessor of St. Landry Parish. Property tax revenues are recognized when levied to the extent that they result in current receivables.

For the year ended September 30, 1999, taxes of 16.60 mills were levied on property with assessed valuations totaling \$1,884,940 and were dedicated as follows:

General corporate purposes	7.67 mills
Debt service	8.93 mills

Total taxes levied were \$30,545. Uncollected ad valorem taxes at September 30, 1999 amounted to \$2,694.

TOWN OF MELVILLE, LOUISIANA
Notes to Financial Statements (Continued)

(4) Interfund Receivables, Payables

Interfund receivables and payables at September 30, 1999 are as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$24,585	\$ -
Special Revenue Funds -		
1982 Sales Tax Fund	296	24,045
Debt Service Fund -		
Sales Tax Bonds 08/14/91	-	296
Utility Fund	<u>4,716</u>	<u>5,256</u>
Totals	<u><u>\$29,597</u></u>	<u><u>\$29,597</u></u>

(5) Due from Other Governmental Units

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

Amount due from the State of Louisiana Office of Finance and Support Services for reimbursement of LCBG Water System Improvements project expenditures during fiscal year ending September 30, 1999	\$ 3,570
Amount due from State of Louisiana for beer tax revenue earned during fiscal year ending September 30, 1999.	<u>1,878</u>
	<u><u>\$ 5,448</u></u>

TOWN OF MELVILLE, LOUISIANA
Notes to Financial Statements (Continued)

(6) Restricted Assets – Proprietary Fund Type

Restricted assets consisted of the following at September 30:

	1999	1998
Gas bond and interest sinking fund	\$ 69,186	\$ 67,513
Sewer bond and interest sinking fund	21,511	20,699
Gas bond reserve fund	40,181	37,260
Sewer bond reserve fund	34,202	30,210
Gas bond depreciation and contingency fund	40,023	37,105
Sewer bond depreciation and contingency fund	33,301	29,290
Customers' deposit	33,983	32,335
Totals	\$272,387	\$254,412

(7) Changes in Fixed Assets

A summary of changes in general fixed assets follows

	Balance 10/01/98	Additions	Deletions	Balance 09/30/99
Land	\$ 92,159	\$ -	\$ -	\$ 92,159
Buildings	430,692	-	-	430,692
Equipment	188,196	-	-	188,196
Total general fixed assets	\$711,047	\$ -	\$ -	\$711,047

TOWN OF MELVILLE, LOUISIANA
Notes to Financial Statements (Continued)

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

Land	\$ 303
Gas system and improvements	1,362,827
Water system and improvements	1,004,238
Sewer system and improvements	3,450,035
Equipment and furniture	<u>86,750</u>
	5,904,153
Less: Accumulated depreciation	<u>(1,718,088)</u>
 Net property, plant and equipment	 <u>\$ 4,186,065</u>

(8) Changes in General Long-Term Debt

The following is a summary of general long-term debt activity of the Town of Melville for the year ended September 30, 1999:

	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
General long-term debt payable, October 1, 1998	\$435,325	\$1,189,000	\$1,624,325
Additions	-	-	-
Reductions	<u>(31,150)</u>	<u>(39,000)</u>	<u>(70,150)</u>
 General long-term debt payable, September 30, 1999	 <u>\$ 404,175</u>	 <u>\$ 1,150,000</u>	 <u>\$ 1,554,175</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Long-term debt payable at September 30, 1999 is comprised of the following individual issues:

General obligation bonds:

\$155,000 General Obligation Bonds,
Series 1992, dated 8/14/91; due in
annual installments of \$13,378 through
2011; interest at 5.875 percent,
payable from ad valorem taxes

\$ 109,194

\$450,000 Sales Tax Bonds, Series
1992, dated 8/14/91; due in annual
installments of \$41,175 through
2009; interest at 5.875 percent, payable
from sales tax revenues

294,981

\$ 404,175

Revenue bonds:

\$592,000 Municipal Gas System
bonds dated 12/20/82; due in
annual installments of \$25,000 - \$40,000
through 7/25/23; interest at 5.0
percent and 7.12 percent

\$ 302,000

\$985,000 Municipal Sewer System
bonds dated 7/25/83; due in annual
installments of \$13,000 - \$65,000
through 7/25/23; interest at 5.0
percent and 7.12 percent

848,000

\$1,150,000

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of September 30, 1999, including interest payments of \$1,061,237, are as follows:

<u>Year Ending September 30,</u>	<u>General Obligation Bonds</u>	<u>Revenue Bonds</u>	<u>Total</u>
2000	54,553	109,679	164,232
2001	54,553	109,451	164,004
2002	54,553	110,103	164,656
2003	54,553	110,582	165,135
2004	54,553	110,241	164,794
2005-2009	272,765	465,556	738,321
2010-2014	26,757	334,696	361,453
2015-2019	-	341,238	341,238
2020-2024	-	351,579	351,579
	<u>\$ 572,287</u>	<u>\$2,043,125</u>	<u>\$2,615,412</u>

(9) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond agreements on outstanding Farmers Home Administration (FHA) Municipal Gas System revenue bonds dated December 20, 1982, and outstanding FHA Municipal Sewer System revenue bonds dated July 25, 1983, all revenues derived from operation of the Utility System will be pledged and dedicated to the retirement of said bonds upon completion of the gas and sewer projects and are to be set aside into the following funds:

On each bond issue, each month there will be set aside into a revenue bond and interest sinking fund account an amount consisting of 1/12 of the next installment of principal and interest on the outstanding bonds. Such payments must be made on or before the 20th day of each month to assure the prompt payment of the principal and interest installments as they become due and may be used only for such payments.

Commencing with the first month in which the gas and sewer projects have been completed, 5% of the amount to be paid into the sinking fund account each month must be deposited into a reserve account until the gas reserve fund has a balance of \$43,700 and the sewer reserve fund has a balance of \$71,245.

Also, commencing with the first month in which the gas and sewer projects have been completed, \$179 shall be deposited each month into a gas depreciation and contingency fund, and \$284 shall be deposited each month into a sewer depreciation and contingency fund.

TOWN OF MELVILLE, LOUISIANA
Notes to Financial Statements (Continued)

(10) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

- A. Proceeds of a 1 percent sales and use tax originally approved by the voters of the Town on September 11, 1982, renewed on November 15, 1998 for ten years and levied by the Town of Melville (1999 collections \$60,631; 1998 collections \$54,339) are dedicated to the following purposes:

Providing fire protection to the Town (including operation and maintenance of a rescue unit for the fire department); providing for the operation, maintenance and improvement of the natural gas distribution system and water system of the Town; and paying general operating expenses of the Town.

- B. Proceeds of a 1.2 percent sales and use tax approved by voters of the Town on November 18, 1990 and levied by the Town of Melville for a period of twenty years from the date of the first levy of the tax (1999 collections \$74,105; 1998 collections \$66,414) are dedicated to the following purposes:

Constructing, improving, and maintaining public streets and bridges within the Town and maintaining and operating sewers and sewerage disposal facilities of the Town.

(11) Retirement Commitments

All employees of the Town of Melville participate in the Social Security system. The Town and its employees contribute a percentage of each employee's salary to the system (7.65 percent contributed by the Town and 7.65 percent by the employee). The Town's contribution during the year ended September 30, 1999 amounted to \$13,353.

(12) Natural Gas Contract

Under contract dated January 1, 1992, the Town of Melville is required to purchase its natural gas from Cypress Gas Pipeline Company. During fiscal year ended September 30, 1999, the Town's natural gas purchases amounted to \$39,940, which included \$2,930 owed at September 30, 1999 for gas purchased in the month of September 1999.

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(13) Segment Information - Enterprise Fund

The Town of Melville maintains three utility departments within its enterprise fund which provide gas, water, and sewer services. Segment information for the year ended September 30, 1999 was as follows:

	<u>Gas Department</u>	<u>Water Department</u>	<u>Sewer Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	<u>\$164,236</u>	<u>\$107,905</u>	<u>\$ 93,079</u>	<u>\$ 365,220</u>
Operating expenses:				
Depreciation	43,460	15,589	69,572	128,621
Other	<u>103,861</u>	<u>68,344</u>	<u>50,450</u>	<u>222,655</u>
Total operating expenses	<u>147,321</u>	<u>83,933</u>	<u>120,022</u>	<u>351,276</u>
Operating income (loss)	<u>\$ 16,915</u>	<u>\$ 23,972</u>	<u>\$(26,943)</u>	<u>\$ 13,944</u>

(14) Litigation and Claims

At September 30, 1999, the Town was not involved in any lawsuits or litigation claiming damages.

(15) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:

	<u>Municipality</u>	<u>Federal/State Grants</u>	<u>Total</u>
Total contributed capital	\$ 72,451	\$ 3,802,744	\$ 3,875,195
Less: Accumulated amortization	<u>-</u>	<u>(1,012,242)</u>	<u>(1,012,242)</u>
Net contributed capital	<u>\$ 72,451</u>	<u>\$ 2,790,502</u>	<u>\$ 2,862,953</u>

TOWN OF MELVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(16) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended September 30, 1999 follows:

James Fontenot	\$ 744
Willie C. Haynes III	1,488
Aldermen:	
Christopher Barker	825
Tony Foret	525
Velma Hendrix	525
Joseph Martin	525
Larry Ponthieux	225
Sharon Sanders	300
Laura Mouille	675
Clara Moore	300
Denies Oliney	<u>300</u>
	<u>\$ 6,432</u>

SUPPLEMENTAL INFORMATION

TOWN OF MELVILLE, LOUISIANA

Impact of Year 2000 on Computer Programs (Unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Town of Melville's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including among other things, a temporary inability to process transactions or engage in similar normal business activities.

The Town of Melville has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Town of Melville's operations and have identified such systems as being financial reporting and payroll.

- The financial reporting and payroll systems have been assessed, remediated, and tested and validated.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town of Melville is or will be Year 2000 ready, that the Town of Melville's remediation efforts will be successful in whole or in part, or that parties with whom the Town of Melville does business will be year 2000 ready. The Town of Melville is utilizing external resources to identify and test the systems for Year 2000 compliance.

SCHEDULES OF INDIVIDUAL FUNDS

AND

ACCOUNT GROUPS

GENERAL FUND

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

TOWN OF MELVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash	\$41,132	\$25,247
Receivables -		
Ad valorem taxes	1,246	665
Due from other funds	24,585	21,102
Due from other governmental units	<u>1,878</u>	<u>2,263</u>
Total assets	<u>\$68,841</u>	<u>\$49,277</u>
 LIABILITIES AND FUND BALANCES		
Liabilities		
Accounts payable	\$15,453	\$ 3,752
Other accrued liabilities	<u>2,336</u>	<u>1,696</u>
Total liabilities	17,789	5,448
 Fund Balances		
Unreserved - undesignated	<u>51,052</u>	<u>43,829</u>
Total liabilities and fund balances	<u>\$68,841</u>	<u>\$49,277</u>

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 19,000	\$ 20,255	\$ 1,255	\$ 19,090
Licenses and permits	26,000	25,848	(152)	21,108
Intergovernmental	71,477	87,840	16,363	64,773
Fines and forfeits	9,500	10,030	530	10,057
Miscellaneous	26,400	25,335	(1,065)	28,881
Total revenues	<u>152,377</u>	<u>169,308</u>	<u>16,931</u>	<u>143,909</u>
Expenditures:				
Current -				
General government	107,032	104,677	2,355	89,274
Public safety:				
Police	67,700	65,705	1,995	52,900
Highways and streets	36,800	41,502	(4,702)	35,627
Culture and recreation	500	274	226	5,930
Debt service	-	-	-	2,166
Capital outlay	-	-	-	23,843
Total expenditures	<u>212,032</u>	<u>212,158</u>	<u>(126)</u>	<u>209,740</u>
Deficiency of revenues over expenditures	<u>(59,655)</u>	<u>(42,850)</u>	<u>16,805</u>	<u>(65,831)</u>
Other financing sources (uses):				
Operating transfers in	60,000	50,073	(9,927)	89,317
Operating transfers out	-	-	-	(7,103)
Total other financing sources (uses)	<u>60,000</u>	<u>50,073</u>	<u>(9,927)</u>	<u>82,214</u>
Excess of revenues and other sources over expenditures and other uses	345	7,223	6,878	16,383
Fund balances, beginning	<u>43,829</u>	<u>43,829</u>	<u>-</u>	<u>27,446</u>
Fund balances, ending	<u>\$ 44,174</u>	<u>\$ 51,052</u>	<u>\$ 6,878</u>	<u>\$ 43,829</u>

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Revenues - Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts for the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Taxes:				
Ad valorem tax	\$ 13,500	\$ 14,445	\$ 945	\$ 13,398
Franchise fees:				
Cable TV	5,500	5,810	310	5,692
Total taxes	<u>19,000</u>	<u>20,255</u>	<u>1,255</u>	<u>19,090</u>
Licenses and permits:				
Occupational	<u>26,000</u>	<u>25,848</u>	<u>(152)</u>	<u>21,108</u>
Intergovernmental:				
U.S. Department of Agriculture -				
Rural Development Grant	-	-	-	15,000
Food Stamp Administrative Grant	-	-	-	2,767
U.S. Department of Justice -				
COPS-Universal Hiring Grant	16,400	14,018	(2,382)	-
State of Louisiana -				
Tobacco taxes	8,126	8,126	-	8,126
Beer taxes	1,800	1,637	(163)	1,892
Video poker	7,500	9,902	2,402	6,749
DOTD grant	11,151	23,651	12,500	23,651
Rural Development Grant	-	4,401	4,401	5,000
Grant - civic center	25,000	25,000	-	-
St. Landry Parish Housing Authority	1,500	1,105	(395)	1,588
Total intergovernmental	<u>71,477</u>	<u>87,840</u>	<u>16,363</u>	<u>64,773</u>
Fines and forfeits	<u>9,500</u>	<u>10,030</u>	<u>530</u>	<u>10,057</u>
Miscellaneous:				
Rent on buildings	15,000	14,189	(811)	17,318
Donations	600	600	-	1,364
Other	10,800	10,546	(254)	10,199
Total miscellaneous	<u>26,400</u>	<u>25,335</u>	<u>(1,065)</u>	<u>28,881</u>
Total revenues	<u>\$152,377</u>	<u>\$169,308</u>	<u>\$16,931</u>	<u>\$143,909</u>

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
General government:				
Salaries - Mayor and Aldermen	\$ 6,732	\$ 6,432	\$ 300	\$ 6,732
Other salaries and wages	31,750	31,019	731	28,115
Payroll taxes	3,200	3,978	(778)	2,425
Insurance	8,000	6,037	1,963	4,245
Dues	2,000	797	1,203	2,393
Office expenditures	4,850	4,326	524	4,446
Professional fees	18,500	23,823	(5,323)	11,143
Utilities	1,900	1,719	181	-
Telephone	4,100	3,552	548	2,805
Repairs and maintenance	4,500	1,738	2,762	2,284
Supplies	9,500	9,512	(12)	8,906
Community activities	1,500	1,009	491	2,226
Miscellaneous	10,500	10,735	(235)	13,554
Total general government	<u>107,032</u>	<u>104,677</u>	<u>2,355</u>	<u>89,274</u>
Public safety:				
Police department -				
Salaries	29,000	28,513	487	25,474
Payroll taxes	2,900	3,412	(512)	2,080
Insurance	12,000	14,788	(2,788)	10,401
Auto expenditures	8,200	9,593	(1,393)	9,577
Maintenance and supplies	14,800	9,124	5,676	4,229
Prisoners' meals	800	275	525	1,139
Total public safety	<u>67,700</u>	<u>65,705</u>	<u>1,995</u>	<u>52,900</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Highways and streets:				
Salaries	14,500	14,257	243	12,737
Insurance	500	554	(54)	389
Repairs and maintenance	13,500	17,230	(3,730)	19,394
Equipment maintenance	5,300	7,832	(2,532)	1,588
Miscellaneous	3,000	1,629	1,371	1,519
Total highways and streets	<u>36,800</u>	<u>41,502</u>	<u>(4,702)</u>	<u>35,627</u>
Culture and recreation:				
Supplies	500	214	286	5,930
Miscellaneous	-	60	(60)	-
Total culture and recreation	<u>500</u>	<u>274</u>	<u>226</u>	<u>5,930</u>
Debt service:				
Principal	-	-	-	2,028
Interest	-	-	-	138
Total debt service	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,166</u>
Capital outlay:				
General government - Senior citizens center	-	-	-	23,843
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,843</u>
Total expenditures	<u><u>\$212,032</u></u>	<u><u>\$212,158</u></u>	<u><u>\$ (126)</u></u>	<u><u>\$209,740</u></u>

SPECIAL REVENUE FUNDS

1982 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 1 % sales and use tax. These taxes are dedicated to the purposes of providing fire protection to the Town; providing for the operation, maintenance and improvements to the natural gas distribution system and water system of the Town; and paying general operating expenses for the Town.

1989 Sales Tax Fund

To account for the receipt and use of proceeds of the Town's 1.2 % sales and use tax. These taxes are dedicated to the purposes of constructing, improving and maintaining public streets and bridges within the Town and maintaining and operating sewers and sewerage disposal facilities of the Town.

TOWN OF MELVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
September 30, 1999
With Comparative Totals for September 30, 1998

	1982 Sales Tax	1989 Sales Tax	Totals	
	<u> </u>	<u> </u>	<u>1999</u>	<u>1998</u>
ASSETS				
Cash	\$46,605	\$ -	\$46,605	\$13,308
Interest-bearing deposits	-	16,967	16,967	33,651
Accrued interest	-	13	13	9
Due from other funds	<u>296</u>	<u>-</u>	<u>296</u>	<u>296</u>
 Total assets	 <u>\$46,901</u>	 <u>\$16,980</u>	 <u>\$63,881</u>	 <u>\$47,264</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ 2,214
Other accrued liabilities	1,418	-	1,418	1,047
Due to other funds	<u>24,045</u>	<u>-</u>	<u>24,045</u>	<u>13,087</u>
Total liabilities	<u>25,463</u>	<u>-</u>	<u>25,463</u>	<u>16,348</u>
 Fund balances:				
Unreserved, undesignated	<u>21,438</u>	<u>16,980</u>	<u>38,418</u>	<u>30,916</u>
Total fund balances	<u>21,438</u>	<u>16,980</u>	<u>38,418</u>	<u>30,916</u>
 Total liabilities and fund balances	 <u>\$46,901</u>	 <u>\$16,980</u>	 <u>\$63,881</u>	 <u>\$47,264</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 1999
With Comparative Totals For the Year Ended September 30, 1998

	1982 Sales Tax	1989 Sales Tax	Totals	
	<u> </u>	<u> </u>	<u>1999</u>	<u>1998</u>
Revenues:				
Taxes	\$ 60,631	\$ 74,105	\$134,736	\$120,753
Miscellaneous -				
Interest	-	980	980	5,939
Other	4,435	-	4,435	-
Total revenues	<u>65,066</u>	<u>75,085</u>	<u>140,151</u>	<u>126,692</u>
Expenditures:				
Current -				
General government	10,111	783	10,894	9,639
Public safety:				
Police	40,306	-	40,306	35,117
Rescue unit and fire	16,328	-	16,328	13,469
Highways and streets	2,882	-	2,882	1,846
Culture and recreation	2,604	-	2,604	3,654
Total expenditures	<u>72,231</u>	<u>783</u>	<u>73,014</u>	<u>63,725</u>
Excess (deficiency) of revenues over expenditures	<u>(7,165)</u>	<u>74,302</u>	<u>67,137</u>	<u>62,967</u>
Other financing sources (uses):				
Operating transfers in	55,418	3,603	59,021	8,037
Operating transfers out	<u>(27,674)</u>	<u>(90,982)</u>	<u>(118,656)</u>	<u>(88,650)</u>
Total other financing sources (uses)	<u>27,744</u>	<u>(87,379)</u>	<u>(59,635)</u>	<u>(80,613)</u>
Deficiency of revenues and other sources over expenditures and other uses	20,579	(13,077)	7,502	(17,646)
Fund balances, beginning	<u>859</u>	<u>30,057</u>	<u>30,916</u>	<u>48,562</u>
Fund balances, ending	<u>\$ 21,438</u>	<u>\$ 16,980</u>	<u>\$ 38,418</u>	<u>\$ 30,916</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1982 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 58,000	\$ 60,631	\$ 2,631	\$ 54,339
Miscellaneous -				
Interest	-	-	-	5,196
Other	5,000	4,435	(565)	-
Total revenues	<u>63,000</u>	<u>65,066</u>	<u>2,066</u>	<u>59,535</u>
Expenditures:				
Current -				
General government	11,100	10,111	989	8,966
Public safety:				
Police	41,600	40,306	1,294	35,117
Rescue unit and fire	15,150	16,328	(1,178)	13,469
Highways and streets	4,000	2,882	1,118	1,846
Culture and recreation	3,000	2,604	396	3,654
Total expenditures	<u>74,850</u>	<u>72,231</u>	<u>2,619</u>	<u>63,052</u>
Deficiency of revenues over expenditures	<u>(11,850)</u>	<u>(7,165)</u>	<u>4,685</u>	<u>(3,517)</u>
Other financing sources (uses):				
Operating transfers in	46,000	55,418	9,418	7,000
Operating transfers out	(20,000)	(27,674)	(7,674)	(12,411)
Total other financing sources (uses)	<u>26,000</u>	<u>27,744</u>	<u>1,744</u>	<u>(5,411)</u>
Deficiency of revenues and other sources over expenditures and other uses	14,150	20,579	6,429	(8,928)
Fund balances, beginning	<u>859</u>	<u>859</u>	<u>-</u>	<u>9,787</u>
Fund balances, ending	<u>\$ 15,009</u>	<u>\$ 21,438</u>	<u>\$ 6,429</u>	<u>\$ 859</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1982 Sales Tax Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
General government:				
Professional fees	\$ 5,500	\$ 6,032	\$ (532)	\$ 4,325
Office expenditures	-	371	(371)	427
Collection fees	600	606	(6)	543
Utilities	3,500	3,102	398	3,489
Miscellaneous	1,500	-	1,500	182
Total general government	<u>11,100</u>	<u>10,111</u>	<u>989</u>	<u>8,966</u>
Public safety:				
Police department -				
Salaries	34,000	33,381	619	29,824
Payroll taxes	3,400	3,613	(213)	2,202
Insurance	600	720	(120)	506
Maintenance and supplies	1,300	1,047	253	1,207
Auto expenditures	1,800	1,543	257	681
Miscellaneous	500	2	498	697
Total police	<u>41,600</u>	<u>40,306</u>	<u>1,294</u>	<u>35,117</u>
Rescue unit and fire department -				
Insurance	11,500	14,290	(2,790)	10,048
Auto expenditures	750	491	259	532
Maintenance and supplies	1,800	950	850	2,259
Utilities	600	561	39	630
Miscellaneous	500	36	464	-
Total rescue unit and fire department	<u>15,150</u>	<u>16,328</u>	<u>(1,178)</u>	<u>13,469</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1982 Sales Tax Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Highways and streets:				
Materials	\$ -	\$ 1,565	\$(1,565)	\$ 1,331
Maintenance of equipment	4,000	1,317	2,683	515
Total highways and streets	<u>4,000</u>	<u>2,882</u>	<u>1,118</u>	<u>1,846</u>
Culture and recreation:				
Utilities	3,000	2,541	459	2,858
Miscellaneous	-	63	(63)	796
Total culture and recreation	<u>3,000</u>	<u>2,604</u>	<u>396</u>	<u>3,654</u>
 Total expenditures	 <u>\$74,850</u>	 <u>\$72,231</u>	 <u>\$ 2,619</u>	 <u>\$63,052</u>

TOWN OF MELVILLE, LOUISIANA
Special Revenue Fund
1989 Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes - sales taxes	\$ 71,000	\$ 74,105	\$ 3,105	\$ 66,414
Miscellaneous - Interest	800	980	180	743
Total revenues	<u>71,800</u>	<u>75,085</u>	<u>3,285</u>	<u>67,157</u>
Expenditures:				
Current -				
General government				
Collection fees	750	741	9	664
Miscellaneous	50	42	8	9
Total expenditures	<u>800</u>	<u>783</u>	<u>17</u>	<u>673</u>
Excess of revenues over expenditures	<u>71,000</u>	<u>74,302</u>	<u>3,302</u>	<u>66,484</u>
Other financing sources (uses):				
Operating transfers in	-	3,603	3,603	1,037
Operating transfers out	(85,000)	(90,982)	(5,982)	(76,239)
Total other financing sources (uses)	<u>(85,000)</u>	<u>(87,379)</u>	<u>(2,379)</u>	<u>(75,202)</u>
Deficiency of revenues and other sources over expenditures and other uses	(14,000)	(13,077)	923	(8,718)
Fund balances, beginning	<u>30,057</u>	<u>30,057</u>	-	<u>38,775</u>
Fund balances, ending	<u>\$ 16,057</u>	<u>\$ 16,980</u>	<u>\$ 923</u>	<u>\$ 30,057</u>

DEBT SERVICE FUNDS

General Obligation Bonds 08/14/91 Fund

To accumulate monies for payment of the 1991 \$155,000 General Obligation Bonds. Debt service is financed by the levy of a specific ad valorem tax.

Sales Tax Bonds 08/14/91 Fund

To accumulate monies for the payment of the 1991 \$450,000 Sales Tax Bonds. Debt service is financed from the 1989 Sales Tax Fund revenues.

TOWN OF MELVILLE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
September 30, 1999
With Comparative Totals for September 30, 1998

	General Obligation Bonds <u>08/14/91</u>	Sales Tax Bonds <u>08/14/91</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Cash	\$ -	\$27,395	\$27,395	\$18,026
Interest-bearing deposits	14,992	-	14,992	15,701
Receivables-				
Ad valorem	1,448	-	1,448	775
Due from other funds	-	-	-	<u>7,206</u>
 Total assets	 <u>\$16,440</u>	 <u>\$27,395</u>	 <u>\$43,835</u>	 <u>\$41,708</u>
 LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	\$ -	\$ 296	\$ 296	\$ 296
Fund balances:				
Reserved for debt service	<u>16,440</u>	<u>27,099</u>	<u>43,539</u>	<u>41,412</u>
 Total liabilities and fund balances	 <u>\$16,440</u>	 <u>\$27,395</u>	 <u>\$43,835</u>	 <u>\$41,708</u>

TOWN OF MELVILLE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended September 30, 1999
With Comparative Totals For the Year Ended September 30, 1998

	General Obligation Bonds 08/14/91	Sales Tax Bonds 08/14/91	Totals	
			1999	1998
Revenues:				
Taxes - ad valorem	\$16,100	\$ -	\$ 16,100	\$ 16,109
Miscellaneous - Interest	442	-	442	460
Total revenues	<u>16,542</u>	<u>-</u>	<u>16,542</u>	<u>16,569</u>
Expenditures:				
Debt service-				
Principal retirement	7,125	24,025	31,150	29,210
Interest and fiscal charges	6,253	17,150	23,403	25,343
Total expenditures	<u>13,378</u>	<u>41,175</u>	<u>54,553</u>	<u>54,553</u>
Excess (deficiency) of revenues over expenditures	<u>3,164</u>	<u>(41,175)</u>	<u>(38,011)</u>	<u>(37,984)</u>
Other financing sources (uses):				
Operating transfers in	-	43,338	43,338	44,342
Operating transfers out	(3,200)	-	(3,200)	-
Total other financing sources (uses)	<u>(3,200)</u>	<u>43,338</u>	<u>40,138</u>	<u>44,342</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(36)	2,163	2,127	6,358
Fund balances, beginning	<u>16,476</u>	<u>24,936</u>	<u>41,412</u>	<u>35,054</u>
Fund balances, ending	<u>\$16,440</u>	<u>\$ 27,099</u>	<u>\$ 43,539</u>	<u>\$ 41,412</u>

TOWN OF MELVILLE, LOUISIANA
 Debt Service Fund
 General Obligation Bonds 08/14/91 Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget (GAAP Basis) and Actual
 Year Ended September 30, 1999
 With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes - ad valorem	\$16,000	\$16,100	\$ 100	\$16,109
Miscellaneous -				
Interest	500	442	(58)	460
Total revenues	<u>16,500</u>	<u>16,542</u>	<u>42</u>	<u>16,569</u>
Expenditures:				
Debt service-				
Principal retirement	7,000	7,125	(125)	6,724
Interest and fiscal charges	6,400	6,253	147	6,654
Total expenditures	<u>13,400</u>	<u>13,378</u>	<u>22</u>	<u>13,378</u>
Excess of revenues over expenditures	<u>3,100</u>	<u>3,164</u>	<u>64</u>	<u>3,191</u>
Other financing use:				
Operating transfers out	<u>-</u>	<u>(3,200)</u>	<u>(3,200)</u>	<u>-</u>
Excess of revenues over expenditures and other use	3,100	(36)	(3,136)	3,191
Fund balances, beginning	<u>16,476</u>	<u>16,476</u>	<u>-</u>	<u>13,285</u>
Fund balances, ending	<u>\$19,576</u>	<u>\$16,440</u>	<u>\$ (3,136)</u>	<u>\$16,476</u>

TOWN OF MELVILLE, LOUISIANA
Debt Service Fund
Sales Tax Bonds 08/14/91 Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended September 30, 1999
With Comparative Actual Amounts For the Year Ended September 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues	\$ -	\$ -	\$ -	\$ -
Expenditures:				
Debt service-				
Principal retirement	23,000	24,025	(1,025)	22,486
Interest and fiscal charges	18,175	17,150	1,025	18,689
Total expenditures	<u>41,175</u>	<u>41,175</u>	<u>-</u>	<u>41,175</u>
Deficiency of revenues over expenditures	<u>(41,175)</u>	<u>(41,175)</u>	<u>-</u>	<u>(41,175)</u>
Other financing source:				
Operating transfers in	<u>43,500</u>	<u>43,338</u>	<u>(162)</u>	<u>43,239</u>
Excess of revenues and other source over expenditures	2,325	2,163	(162)	2,064
Fund balances, beginning	<u>24,936</u>	<u>24,936</u>	<u>-</u>	<u>22,872</u>
Fund balances, ending	<u>\$ 27,261</u>	<u>\$ 27,099</u>	<u>\$ (162)</u>	<u>\$ 24,936</u>

ENTERPRISE FUND

Utility Fund

To account for the provision of gas, water, and sewer services to residents of the Town. 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 collections.

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets:		
Cash	\$ 891	\$ 12,046
Interest-bearing deposits	22,488	17,760
Accounts receivable	31,402	28,231
Accrued interest receivable	439	488
Due from other funds	4,716	-
Due from other governmental units	3,570	45,155
Other receivable	6,239	6,087
Total current assets	<u>69,745</u>	<u>109,767</u>
Restricted assets:		
Interest-bearing deposits -		
Gas bond and interest sinking fund	69,186	67,513
Sewer bond and interest sinking fund	21,511	20,699
Gas bond reserve fund	40,181	37,260
Sewer bond reserve fund	34,202	30,210
Gas bond depreciation and contingency fund	40,023	37,105
Sewer bond depreciation and contingency fund	33,301	29,290
Customers' deposits	33,983	32,335
Total restricted assets	<u>272,387</u>	<u>254,412</u>
Plant and equipment, at cost	5,904,153	5,462,952
Less accumulated depreciation	<u>(1,718,088)</u>	<u>(1,589,467)</u>
Net plant and equipment	<u>4,186,065</u>	<u>3,873,485</u>
Total assets	<u>\$ 4,528,197</u>	<u>\$ 4,237,664</u>

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Current liabilities (payable from current assets)		
Cash overdraft	\$ 15,072	\$ -
Accounts payable	7,681	6,000
Contracts payable	3,570	45,155
Retainage payable	-	7,995
Due to other funds	5,256	15,221
Accrued liabilities	4,973	3,808
Total current liabilities payable from current assets	<u>36,552</u>	<u>78,179</u>
Current liabilities (payable from restricted assets)		
Revenue bonds payable	42,000	39,000
Accrued interest payable	21,442	22,600
Customer deposits	33,983	32,335
Total current liabilities payable from restricted assets	<u>97,425</u>	<u>93,935</u>
Total current liabilities	<u>133,977</u>	<u>172,114</u>
Long-term liabilities		
Revenue bonds payable (net of current portion)	<u>1,108,000</u>	<u>1,150,000</u>
Total liabilities	<u>1,241,977</u>	<u>1,322,114</u>
Fund equity		
Contributed capital -		
Municipality	72,451	72,451
Federal and state grants, net of accumulated amortization (1999 \$1,012,242; 1998 \$919,733)	<u>2,790,502</u>	<u>2,434,560</u>
	<u>2,862,953</u>	<u>2,507,011</u>
Retained earnings -		
Reserved for revenue bond retirement	174,962	160,477
Unreserved	248,305	248,062
Total retained earnings	<u>423,267</u>	<u>408,539</u>
Total fund equity	<u>3,286,220</u>	<u>2,915,550</u>
Total liabilities and fund equity	<u>\$4,528,197</u>	<u>\$4,237,664</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Gas sales	\$ 130,142	\$ 157,072
Water sales	88,548	85,683
Sewer sales	93,079	93,839
Delinquent charges	1,388	9,764
Miscellaneous -		
Slemco franchise	50,719	51,469
Other	1,344	3,770
Total operating revenues	<u>365,220</u>	<u>401,597</u>
Operating expenses:		
Gas department expenses	147,321	164,809
Water department expenses	83,933	73,350
Sewer department expenses	120,022	111,198
Total operating expenses	<u>351,276</u>	<u>349,357</u>
Operating income	<u>13,944</u>	<u>52,240</u>
Nonoperating revenues (expenses):		
Interest income	7,672	14,260
Interest expense	<u>(68,821)</u>	<u>(69,888)</u>
Total nonoperating revenues (expenses)	<u>(61,149)</u>	<u>(55,628)</u>
Loss before operating transfers	<u>(47,205)</u>	<u>(3,388)</u>
Operating transfers in (out):		
Operating transfers in	95,044	29,374
Operating transfers out	<u>(125,620)</u>	<u>(75,317)</u>
Total operating transfers in (out)	<u>(30,576)</u>	<u>(45,943)</u>
Net loss	(77,781)	(49,331)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>92,509</u>	<u>90,920</u>
Increase in retained earnings	14,728	41,589
Retained earnings, beginning	<u>408,539</u>	<u>366,950</u>
Retained earnings, ending	<u>\$ 423,267</u>	<u>\$ 408,539</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Gas department:		
Salaries	\$ 33,207	\$ 29,668
Payroll taxes	3,795	2,659
Natural gas purchases	39,940	65,075
Repairs and maintenance	3,931	9,567
Insurance	10,136	7,127
Office expense	657	126
Supplies	4,816	-
Professional fees	2,767	1,980
Telephone	77	-
Utilities	1,607	1,807
Depreciation	43,460	43,650
Bad debts	1,118	448
Auto expense	246	176
Miscellaneous	1,564	2,526
Total gas department	<u>\$147,321</u>	<u>\$164,809</u>
Water department;		
Salaries	\$ 19,125	\$ 17,087
Payroll taxes	2,263	1,724
Repairs and maintenance	5,492	1,293
Insurance	7,366	5,180
Office expense	759	-
Supplies	4,510	5,684
Professional fees	5,441	3,900
Telephone	4,060	3,206
Utilities	15,322	17,233
Depreciation	15,589	15,935
Bad debts	1,118	448
Auto expense	356	1,500
Miscellaneous	2,532	160
Total water department	<u>\$ 83,933</u>	<u>\$ 73,350</u>
Sewer department:		
Salaries	\$ 13,909	\$ 12,427
Payroll taxes	1,186	1,068
Repairs and maintenance	17,614	10,173
Insurance	1,495	1,052
Office expense	129	-
Supplies	466	-
Professional fees	1,337	1,000
Utilities	12,519	14,080
Depreciation	69,572	69,700
Bad debts	1,118	448
Miscellaneous	677	1,250
Total sewer department	<u>\$120,022</u>	<u>\$111,198</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ 13,944	\$ 52,240
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Depreciation	128,621	129,285
Changes in current assets and liabilities:		
Increase in accounts receivable	(3,171)	(3,700)
Increase in due from other funds	(4,176)	-
Decrease in due from other governmental units	41,585	-
Increase in other receivable	(152)	(289)
Increase (decrease) in cash overdraft	15,072	(4)
Increase in accounts payable	1,681	339
(Decrease) increase in contracts payable	(41,585)	45,155
(Decrease) increase in retainage payable	(7,995)	7,995
(Decrease) in due to other funds	(9,965)	-
Increase in other accrued liabilities	1,165	1,038
Increase in customers' deposits	1,648	480
Total adjustments	<u>122,728</u>	<u>180,299</u>
Net cash provided by operating activities	<u>136,672</u>	<u>232,539</u>
Cash flows from noncapital financing activities:		
Transfer from 1982 Sales Tax Fund	3,927	11,374
Transfer from debt service funds	3,200	-
Transfer from 1989 Sales Tax Fund	-	18,000
Transfer to 1989 Sales Tax Fund	(2,206)	-
Transfer to General Fund	(26,324)	(74,317)
Transfer to 1982 Sales Tax Fund	(9,173)	(1,000)
Net cash used for noncapital financing activities	<u>(30,576)</u>	<u>(45,943)</u>
Cash flows from capital and related financing activities:		
Interest paid on revenue bonds	(69,979)	(71,006)
Principal paid on revenue bonds	(42,000)	(38,000)
Purchase of property, plant and equipment	(485,611)	(131,381)
Proceeds from water grant	493,606	78,231
Net cash used by capital and related financing activities	<u>(103,984)</u>	<u>(162,156)</u>
Cash flows from investing activities:		
Purchase of interest-bearing deposits	(40,965)	(47,571)
Proceeds from the maturities of interest-bearing deposits	41,488	46,413
Interest received on interest-bearing deposits	7,698	14,234
Net cash provided by investing activities	<u>8,221</u>	<u>13,076</u>
Net increase in cash and cash equivalents	10,333	37,516
Cash, cash equivalents and restricted cash, beginning of period	<u>260,136</u>	<u>222,620</u>
Cash, cash equivalents and restricted cash, end of period	<u>\$ 270,469</u>	<u>\$ 260,136</u>

(continued)

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended September 30, 1999 and 1998

	1999	1998
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 12,046	\$ 249
Interest-bearing deposits - unrestricted	17,760	10,418
Interest-bearing deposits - restricted	254,412	234,877
Less: certificates of deposit with a maturity over three months	<u>(24,082)</u>	<u>(22,924)</u>
Total cash and cash equivalents	<u>260,136</u>	<u>222,620</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	891	12,046
Interest-bearing deposits - unrestricted	22,488	17,760
Interest-bearing deposits - restricted	272,387	254,412
Less: certificates of deposit with a maturity over three months	<u>(25,297)</u>	<u>(24,082)</u>
Total cash and cash equivalents	<u>270,469</u>	<u>260,136</u>
Net increase	<u>\$ 10,333</u>	<u>\$ 37,516</u>

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service
Year Ended September 30, 1999

	Gas Bond and Interest Sinking Fund	Sewer Bond and Interest Sinking Fund	Gas Bond Reserve Fund	Sewer Bond Reserve Fund	Gas Bond Depreciation and Contingency Fund	Sewer Bond Depreciation and Contingency Fund	Total
Interest-bearing deposits, October 1, 1998	\$ 67,513	\$20,699	\$37,260	\$30,210	\$37,105	\$29,290	\$222,077
Cash receipts:							
Transfers from operating account	42,983	66,608	-	-	-	-	109,591
Interest income	1,090	783	2,921	3,992	2,918	4,011	15,715
Total cash receipts	44,073	67,391	2,921	3,992	2,918	4,011	125,306
Total interest-bearing deposits available	111,586	88,090	40,181	34,202	40,023	33,301	347,383
Cash disbursements:							
Payment of bonds principal and interest	42,400	66,579	-	-	-	-	108,979
Interest-bearing deposits, September 30, 1999	\$ 69,186	\$21,511	\$40,181	\$34,202	\$40,023	\$33,301	\$238,404

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF MELVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
September 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets, at cost:		
Land	\$ 92,159	\$ 92,159
Buildings	430,692	430,692
Equipment	<u>188,196</u>	<u>188,196</u>
Total general fixed assets	<u>\$711,047</u>	<u>\$711,047</u>
Investment in general fixed assets		
Property acquired from -		
General obligation bonds	\$124,489	\$124,489
Federal grants and revenue sharing funds	229,534	229,534
General Fund revenues	196,871	196,871
Sales tax revenues	48,852	48,852
Utility Fund revenues	26,358	26,358
Donations	20,000	20,000
State grant revenues	<u>64,943</u>	<u>64,943</u>
Total investment in general fixed assets	<u>\$711,047</u>	<u>\$711,047</u>

TOWN OF MELVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended September 30, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$92,159	\$430,692	\$188,196	\$711,047
Additions:	-	-	-	-
Deletions:	-	-	-	-
General fixed assets, end of year	<u>\$92,159</u>	<u>\$430,692</u>	<u>\$188,196</u>	<u>\$711,047</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal amount on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF MELVILLE, LOUISIANA

Statement of General Long-Term Debt
 September 30, 1999
 With Comparative Totals for September 30, 1998

	General Obligation Bonds 08/14/91	Sales Tax Bonds 08/14/91	Totals 1999	Totals 1998
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT				
Amount available in debt service funds for debt retirement	\$ 16,440	\$ 27,099	\$ 43,539	\$ 41,412
Amount to be provided for retirement of general long-term debt:				
From ad valorem taxes	92,754	-	92,754	99,842
From sales tax revenues	-	267,882	267,882	294,071
	<u>\$109,194</u>	<u>\$294,981</u>	<u>\$404,175</u>	<u>\$435,325</u>
Total amount available and to be provided				
GENERAL LONG-TERM DEBT PAYABLE				
Bonds payable	<u>\$109,194</u>	<u>\$294,981</u>	<u>\$404,175</u>	<u>\$435,325</u>
Total general long-term debt payable	<u>\$109,194</u>	<u>\$294,981</u>	<u>\$404,175</u>	<u>\$435,325</u>

**COMPLIANCE, INTERNAL CONTROL
AND
OTHER GRANT INFORMATION**

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

The Honorable Willie C. Haynes, III, Mayor
and members of the Board of Aldermen
Town of Melville, Louisiana

We have audited the general purpose financial statements of the Town of Melville, Louisiana (the Town) as of and for the year ended September 30, 1999, and have issued our report thereon dated December 14, 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's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws and 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's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC).

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A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described in the accompanying schedule of current and prior year audit findings and corrective action plan at Item 99-1 (IC) is a material weakness. We noted other matters involving the internal control over financial reporting that we have reported to management of the Town of Melville in a separate letter dated December 14, 1999.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
December 14, 1999

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Willie C. Haynes, III, Mayor
and Members of the Board of Aldermen
Town of Melville, Louisiana

Compliance

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

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

Internal Control Over Compliance

The management of the Town of Melville 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 Melville'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.

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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.

We have audited the general purpose financial statements of the Town of Melville as of and for the year ended September 30, 1999, and have issued our report thereon dated December 14, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the Town of Melville. 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 whole.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
December 14, 1999

TOWN OF MELVILLE, LOUISIANA

Schedule of Expenditures of Federal Awards
 Years Ended September 30, 1999 and 1998

Federal Grantor/Pass-Through Grantor/Program Name	CFDA Number	Expenditures	
		1999	1998
United States Department of Housing and Urban Development: Local Community Development Block Grant 1997* Passed through State of Louisiana Division of Administration	14.228	\$448,881	\$122,836
United States Department of Justice: Community Policing Grant - Universal Hiring	16.710	14,018	-
Total		<u>\$462,899</u>	<u>\$122,836</u>

* Indicates major program.

TOWN OF MELVILLE, LOUISIANA

Notes to Schedule of Expenditures of Federal Awards
Year Ended September 30, 1999

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Town of Melville (the Town). The Town's reporting entity is defined in Note 1 to the general-purpose financial statements for the year ended September 30, 1999. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 of the Town's general purpose financial statements for the year ended September 30, 1999.

(3) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

TOWN OF MELVILLE, LOUISIANA

Schedule of Findings and Questioned Costs
Year Ended September 30, 1999

Part I. Summary of Auditor's Results:

1. An unqualified opinion was issued on the financial statements.
2. A reportable condition in internal control was disclosed by the audit of the financial statements. The reportable condition was considered to be a material weakness.
3. No instances of noncompliance were disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over the major program were disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:
United States Department Housing and Urban Development: Local Community Development Block Grant 1997.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings Which are Required to be Reported in Accordance With Generally Accepted Governmental Auditing Standards:

A. Compliance Finding -

There were no findings to report under this section.

B. Internal Control Finding -

99-1 Inadequate Segregation of Duties

Condition: Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.

Recommendation: Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.

Response: No response is considered necessary.

TOWN OF MELVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)

Year Ended September 30, 1999

C. Management Letter Findings -

99-2 Reduction of deficit

Condition: Due to lack of proper monitoring of cost the utility fund sewer department has a deficit for the prior and current year ends.

Recommendation: Consideration should be given to reducing costs in the sewer department in order to eliminate operating at a deficit in this department.

Response: The Town concurs with this recommendation. Procedures will be implemented to more closely monitor these costs.

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

There were no findings to report under this section.

TOWN OF MELVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended September 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
CURRENT YEAR (9/30/99)						
<u>Internal Control:</u>						
99-1 (IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Teri Speyrer, Town Clerk	N/A
<u>Management Letter:</u>						
99-2 (ML)	1998	Consideration should be given to reducing costs in the sewer department in order to eliminate operating at a deficit in this department.	Partial	Town officials should continue to closely monitor sewer department expenses in order to eliminate operating this department at a deficit.	Teri Speyrer, Town Clerk	09/30/00

TOWN OF MELVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
Year Ended September 30, 1999

Ref. No.	Fiscal Year Finding Initially Occurred	Description of finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
PRIOR YEAR (9/30/98)						
<u>Internal Control:</u>						
98-1 (IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Teri Speyrer, Town Clerk	N/A
<u>Management Letter:</u>						
98-1 (ML)	1998	Collection efforts should be increased to ensure all ad valorem taxes due to the town are collected in a timely manner.	Yes	An attorney was hired who will be responsible for adjudicating property on which taxes are not paid.	Teri Speyrer, Town Clerk	9/30/99
98-2 (ML)	1998	Consideration should be given to reducing costs in the sewer and water departments in order to eliminate operating at a deficit in these departments.	Partial	Town officials should continue to closely monitor sewer department expenses in order to eliminate operating this department at a deficit.	Teri Speyrer, Town Clerk	9/30/99

OTHER SUPPLEMENTAL INFORMATION

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 1999 and 1998

Records maintained by the Town indicated the following number of customers were being served during the month of September 1999 and 1998:

<u>Department</u>	<u>1999</u>	<u>1998</u>
Gas (metered)	536	590
Water	583	590
Sewer	541	553

TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
September 30, 1999 and 1998

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TOWN OF MELVILLE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Revenues and Expenses
Years Ended September 30, 1999 and 1998

	Totals	
	1999	1998
Operating revenues:		
Charges for services -		
Customers	\$ 311,769	\$ 336,594
Other charges	1,388	9,764
Miscellaneous -		
Slemco franchise	50,719	51,469
Other	1,344	3,770
Total operating revenues	365,220	401,597
Operating expenses:		
Salaries	66,241	59,182
Payroll taxes	7,244	5,451
Natural gas purchases	39,940	65,075
Repairs and maintenance	27,037	21,033
Insurance	18,997	13,359
Office expense	1,545	126
Supplies	9,792	5,684
Professional fees	9,545	6,880
Telephone	4,137	3,206
Utilities	29,448	33,120
Depreciation	128,621	129,285
Bad debts	3,354	1,344
Auto expense	602	1,676
Miscellaneous	4,773	3,936
Total operating expenses	351,276	349,357
Operating income (loss)	13,944	52,240
Nonoperating revenues (expenses):		
Interest income	7,672	14,260
Interest expense	(68,821)	(69,888)
Total nonoperating revenues (expenses)	(61,149)	(55,628)
Loss before operating transfers	(47,205)	(3,388)
Operating transfers in (out):		
Operating transfers in	95,044	29,374
Operating transfers out	(125,620)	(75,317)
Total operating transfers in (out)	(30,576)	(45,943)
Net loss	(77,781)	(49,331)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	92,509	90,920
Increase in retained earnings	14,728	41,589
Retained earnings, beginning	408,539	366,950
Retained earnings, ending	\$ 423,267	\$ 408,539

Gas		Water		Sewer	
1999	1998	1999	1998	1999	1998
\$ 130,142	\$ 157,072	\$ 88,548	\$ 85,683	\$ 93,079	\$ 93,839
1,388	6,317	-	3,447	-	-
32,460	33,302	18,259	18,167	-	-
246	3,770	1,098	-	-	-
<u>164,236</u>	<u>200,461</u>	<u>107,905</u>	<u>107,297</u>	<u>93,079</u>	<u>93,839</u>
33,207	29,668	19,125	17,087	13,909	12,427
3,795	2,659	2,263	1,724	1,186	1,068
39,940	65,075	-	-	-	-
3,931	9,567	5,492	1,293	17,614	10,173
10,136	7,127	7,366	5,180	1,495	1,052
657	126	759	-	129	-
4,816	-	4,510	5,684	466	-
2,767	1,980	5,441	3,900	1,337	1,000
77	-	4,060	3,206	-	-
1,607	1,807	15,322	17,233	12,519	14,080
43,460	43,650	15,589	15,935	69,572	69,700
1,118	448	1,118	448	1,118	448
246	176	356	1,500	-	-
1,564	2,526	2,532	160	677	1,250
<u>147,321</u>	<u>164,809</u>	<u>83,933</u>	<u>73,350</u>	<u>120,022</u>	<u>111,198</u>
<u>\$ 16,915</u>	<u>\$ 35,652</u>	<u>\$ 23,972</u>	<u>\$ 33,947</u>	<u>\$ (26,943)</u>	<u>\$ (17,359)</u>

TOWN OF MELVILLE, LOUISIANA

Schedule of Interest-Bearing Deposits - All Funds
September 30, 1999

	<u>Term</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
Special Revenue Fund:				
1989 Sales Tax Fund				
Insured money market	N/A	N/A	Various	\$ 1,300
Certificate of deposit	181 days	3/23/00	4.30%	<u>15,667</u>
Total - Special Revenue Fund				<u>16,967</u>
Debt Service Fund:				
Insured money market -				
General Obligation Bond 08/14/91 Fund	N/A	N/A	Various	<u>14,992</u>
Utility Fund:				
Insured money markets -				
Operating - unrestricted	N/A	N/A	Various	12,788
Meter deposits	N/A	N/A	Various	18,386
Gas Revenue Bond and Interest Sinking Fund	N/A	N/A	Various	69,186
Sewer Revenue Bond and Interest Sinking Fund	N/A	N/A	Various	21,511
Gas Reserve Fund	N/A	N/A	Various	40,181
Sewer Reserve Fund	N/A	N/A	Various	34,202
Gas Depreciation and Contingency Fund	N/A	N/A	Various	40,023
Sewer Depreciation and Contingency Fund	N/A	N/A	Various	33,301
Certificate of deposit -				
Meter deposits	182 days	11/02/00	4.30%	<u>25,297</u>
Total - Utility Fund				<u>294,875</u>
Total - all funds				<u>\$326,834</u>

TOWN OF MELVILLE, LOUISIANA

Schedule of Insurance in Force
(Unaudited)
September 30, 1999

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	\$ 100,000
Surety Bonds -	
Treasurer	201,000
Town clerk	201,000
Assistant clerk	181,000
Mayor	181,000
Fire, Extended Coverage, Blanket Policy: All Town buildings and contents	1,171,500
Comprehensive Liability and Collision: Fire trucks, police car, rescue unit, and utility vehicle	350,000
Commercial General Liability Policy	500,000
Public Officials Errors and Omissions	100,000
Law Enforcement Officers Liability Coverage	100,000

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MANAGEMENT LETTER

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The Honorable Willie C. Haynes, III, Mayor
and Members of the Board of Aldermen
Town of Melville, Louisiana

We have completed our audit of the financial statements of the Town of Melville, Louisiana, as of and for the year ended September 30, 1999. The following suggestion for your information and consideration relative to improving the internal controls and financial practices of the Town was also included in our management letter for the prior year, but is mentioned again for reemphasis:

- 1) Although much improvement was made regarding Utility Fund profitability, town officials should continue to closely monitor sewer department expenses in order to eliminate operating this department at a deficit.

We would like to express our appreciation to you and your office staff for the courtesies and assistance rendered to us during the performance of our audit. Should you have any questions or need assistance in implementing our recommendations, please feel free to contact us.

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC
Certified Public Accountants

Lafayette, Louisiana
December 14, 1999

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