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VILLAGE OF MOREAUVILLE

Financial Report

Year Ended June 30, 1999

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Release Date Nov 24 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Lionel J. Bordelon, Mayor
and Members of the Board of Alderman
Village of Moreauville, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Moreauville, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village'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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Moreauville, Louisiana, as of June 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.

In accordance with Government Auditing Standards, we have also issued a report dated August 18, 1999, on our consideration of the Village of Moreauville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 27 is 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 supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Village of Moreauville is or will become year 2000 compliant, that the Village's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village does business are or will be year 2000 compliant.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as "supplemental information" in the table of contents which includes the schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Moreauville, Louisiana. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Marksville, Louisiana
August 18, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

	Governmental Fund Types			Proprietary Fund Types			Account Groups			Totals	
	General	Special Revenue	Debt Service	Fund Type Enterprise	General Fixed Assets	General Long-Term Debt	1999		1998		
							(Memorandum Only)		(Memorandum Only)		
ASSETS AND OTHER DEBITS											
Cash -	\$ 7,482	\$12,896	\$80,112	\$ 32,666	\$ -	\$ -	\$ 133,156	\$ 160,589			
Demand deposits	166,507	60,000	-	222,445	-	-	448,952	294,037			
Time deposits											
Receivables, net of allowances for uncollectibles -											
Taxes	7,342	-	-	-	-	-	7,342	7,906			
Customer accounts	-	7,489	-	37,531	-	-	45,020	43,174			
Accrued interest	1,025	332	-	1,117	-	-	2,474	2,271			
Other	12,984	-	-	-	-	-	12,984	12,281			
Due from other funds	11,516	10,000	-	48,686	-	-	70,202	67,960			
Due from other governmental units	4,247	-	-	-	-	-	4,247	4,042			
Inventory, at cost	-	-	-	18,312	-	-	18,312	20,354			
Prepaid insurance	9,345	-	-	9,579	-	-	18,924	19,103			
Restricted assets -											
Cash and time deposits	-	-	-	80,156	-	-	80,156	76,638			
Accrued interest	-	-	-	161	-	-	161	422			
Fixed assets, net of accumulated depreciation	-	-	-	2,881,217	554,517	-	3,435,734	3,516,222			
Amount available in debt service funds	-	-	-	-	-	80,112	80,112	74,849			
Amount to be provided for debt retirement	-	-	-	-	-	37,720	37,720	61,879			
TOTAL ASSETS AND OTHER DEBITS	\$220,448	\$90,717	\$80,112	\$3,331,870	\$554,517	\$117,832	\$4,395,496	\$4,361,727			

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)
June 30, 1999

	Governmental Fund Types			Proprietary Fund Type			Account Groups			Totals	
	General	Special Revenue	Debt Service	Enterprise	General Fixed Assets	Long-Term Debt	(Memorandum Only)		1999	1998	
							1999	1998			
LIABILITIES, EQUITY AND OTHER CREDITS											
LIABILITIES:											
Accounts payable	\$ 6,827	\$ -	\$ -	\$ 13,789	\$ -	\$ -	\$ -	\$ 20,616	\$ 18,861		
Payable from restricted assets -											
Accrued interest	-	-	-	683	-	-	-	683	707		
Revenue bonds	-	-	-	3,000	-	-	-	3,000	3,000		
Deposits	-	-	-	33,788	-	-	-	33,788	32,245		
Due to other funds	29,871	8,508	-	31,823	-	-	-	70,202	67,960		
Due to other governmental agencies	-	5,441	-	-	-	-	-	5,441	-		
Compensated absences	-	-	-	491	-	-	-	2,648	4,808		
Capital leases payable	-	-	-	-	-	-	-	5,675	12,750		
Bonds payable	-	-	-	83,000	-	-	-	193,000	208,000		
Total liabilities	<u>36,698</u>	<u>13,949</u>	<u>-</u>	<u>166,574</u>	<u>-</u>	<u>117,832</u>	<u>-</u>	<u>335,053</u>	<u>348,331</u>		
FUND EQUITY AND OTHER CREDITS											
Contributed capital	-	-	-	2,439,967	-	-	-	2,439,967	2,511,797		
Investment in general fixed assets	-	-	-	-	554,517	-	-	554,517	537,894		
Retained earnings -											
Reserved for revenue bond and interest retirement and revenue bond contingencies	-	-	-	39,458	-	-	-	39,458	37,503		
Unreserved	-	-	-	685,871	-	-	-	685,871	656,861		
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>725,329</u>	<u>694,364</u>		
Fund balances -											
Reserved for debt service	-	-	80,112	-	-	-	-	80,112	74,849		
Designated	9,345	-	-	-	-	-	-	9,345	9,713		
Unreserved, undesignated	174,405	76,768	-	-	-	-	-	251,173	184,779		
Total fund balances	<u>183,750</u>	<u>76,768</u>	<u>80,112</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>340,630</u>	<u>269,341</u>		
Total fund equity	<u>183,750</u>	<u>76,768</u>	<u>80,112</u>	<u>3,165,296</u>	<u>554,517</u>	<u>-</u>	<u>-</u>	<u>4,060,443</u>	<u>4,013,396</u>		
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	<u>\$220,448</u>	<u>\$90,717</u>	<u>\$80,112</u>	<u>\$3,331,870</u>	<u>\$554,517</u>	<u>\$117,832</u>	<u>\$4,395,496</u>	<u>\$4,361,727</u>			

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

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

	General	Special Revenue	Debt Service	Totals (Memorandum Only)	
				1999	1998
Revenues:					
Taxes	\$ 60,236	\$ 44,179	\$ -	\$104,415	\$ 88,315
Licenses and permits	22,732	-	-	22,732	20,896
Intergovernmental	15,763	-	-	15,763	76,074
Fines	15,851	-	-	15,851	18,208
Miscellaneous	80,691	2,292	2,448	85,431	78,602
Total revenues	<u>195,273</u>	<u>46,471</u>	<u>2,448</u>	<u>244,192</u>	<u>282,095</u>
Expenditures:					
Current -					
General government	59,042	853	-	59,895	58,543
Public safety -					
Police	47,678	-	-	47,678	39,095
Fire	25,079	-	-	25,079	10,749
Streets and sidewalks	27,492	-	-	27,492	43,886
Recreation	5,891	-	-	5,891	11,172
Capital outlay	3,026	-	-	3,026	38,346
Debt service	7,823	-	18,203	26,026	26,701
Total expenditures	<u>176,031</u>	<u>853</u>	<u>18,203</u>	<u>195,087</u>	<u>228,492</u>
Excess (deficiency) of revenues over expenditures	<u>19,242</u>	<u>45,618</u>	<u>(15,755)</u>	<u>49,105</u>	<u>53,603</u>
Other financing sources (uses):					
Operating transfers in	42,184	-	21,018	63,202	49,628
Operating transfers out	-	(41,018)	-	(41,018)	(37,628)
Total other financing sources (uses)	<u>42,184</u>	<u>(41,018)</u>	<u>21,018</u>	<u>22,184</u>	<u>12,000</u>
Excess of revenues and other sources over expenditures and other uses	61,426	4,600	5,263	71,289	65,603
Fund balances, beginning	<u>122,324</u>	<u>72,168</u>	<u>74,849</u>	<u>269,341</u>	<u>203,738</u>
Fund balances, ending	<u>\$183,750</u>	<u>\$ 76,768</u>	<u>\$ 80,112</u>	<u>\$340,630</u>	<u>\$269,341</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

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

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 53,000	\$ 60,236	\$ 7,236	\$ 43,000	\$ 44,179	\$1,179
Licenses and permits	14,400	22,732	8,332	-	-	-
Intergovernmental	15,490	15,763	273	-	-	-
Fines	16,900	15,851	(1,049)	-	-	-
Miscellaneous	57,310	80,691	23,381	2,800	2,292	(508)
Total revenues	<u>157,100</u>	<u>195,273</u>	<u>38,173</u>	<u>45,800</u>	<u>46,471</u>	<u>671</u>
Expenditures:						
Current -						
General government	56,761	59,042	(2,281)	1,250	853	397
Public safety -						
Police	50,152	47,678	2,474	-	-	-
Fire	31,200	25,079	6,121	-	-	-
Streets and sidewalks	52,460	27,492	24,968	-	-	-
Recreation	21,400	5,891	15,509	-	-	-
Capital outlay	16,000	3,026	12,974	3,532	-	3,532
Debt service	7,811	7,823	(12)	-	-	-
Total expenditures	<u>235,784</u>	<u>176,031</u>	<u>59,753</u>	<u>4,782</u>	<u>853</u>	<u>3,929</u>
Excess (deficiency) of revenues over expenditures	<u>(78,684)</u>	<u>19,242</u>	<u>97,926</u>	<u>41,018</u>	<u>45,618</u>	<u>4,600</u>
Other financing sources (uses):						
Operating transfers in	83,254	42,184	(41,070)	-	-	-
Operating transfers out	-	-	-	(41,018)	(41,018)	-
Total other financing sources (uses)	<u>83,254</u>	<u>42,184</u>	<u>(41,070)</u>	<u>(41,018)</u>	<u>(41,018)</u>	<u>-</u>
Excess of revenues and other sources over expenditures and other uses	4,570	61,426	56,856	-	4,600	4,600
Fund balances, beginning	<u>122,324</u>	<u>122,324</u>	<u>-</u>	<u>72,168</u>	<u>72,168</u>	<u>-</u>
Fund balances, ending	<u>\$126,894</u>	<u>\$183,750</u>	<u>\$ 56,856</u>	<u>\$ 72,168</u>	<u>\$ 76,768</u>	<u>\$4,600</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings
 All Proprietary Fund Types
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services	\$414,008	\$458,344
Operating expenses:		
Gas purchases	115,888	148,864
Salaries and related benefits	82,433	80,033
Depreciation	108,087	96,724
Maintenance and repairs	36,672	40,993
Supplies	13,578	12,014
Contractual services	4,353	4,540
Other	78,919	90,091
Total operating expenses	<u>439,930</u>	<u>473,259</u>
Operating loss	<u>(25,922)</u>	<u>(14,915)</u>
Nonoperating revenues (expenses):		
Interest	11,354	11,224
Other	237	108
Interest and fiscal charges	(4,351)	(4,516)
Total nonoperating revenues (expenses)	<u>7,240</u>	<u>6,816</u>
Loss before operating transfers	(18,682)	(8,099)
Operating transfers out	<u>(22,184)</u>	<u>(12,000)</u>
Net loss	(40,866)	(20,099)
Add: Depreciation on fixed assets acquired by grants, entitlements and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	<u>71,831</u>	<u>71,831</u>
Increase in retained earnings	30,965	51,732
Retained earnings, beginning	<u>694,364</u>	<u>642,632</u>
Retained earnings, ending	<u>\$725,329</u>	<u>\$694,364</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Combined Statement of Cash Flows
All Proprietary Fund Types
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	<u>\$ (25,922)</u>	<u>\$ (14,915)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation	108,087	96,724
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,510	(2,567)
(Increase) decrease in inventory	2,042	(2,765)
(Increase) decrease in prepaid insurance	(188)	1,670
Increase (decrease) in accounts payable	(621)	347
Increase (decrease) in compensated absences	<u>(2,339)</u>	<u>(1,295)</u>
Total adjustments	<u>108,491</u>	<u>92,114</u>
Net cash provided by operating activities	<u>82,569</u>	<u>77,199</u>
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	(30,968)	(8,036)
Other	<u>237</u>	<u>108</u>
Net cash used by noncapital financing activities	<u>(30,731)</u>	<u>(7,928)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(10,976)	(643,338)
Interest and fiscal charges paid	(4,375)	(4,540)
Principal paid on bonds	(3,000)	(3,000)
Proceeds from grant	-	600,000
Net increase in meter deposits	<u>1,543</u>	<u>307</u>
Net cash used by capital and related financing activities	<u>(16,808)</u>	<u>(50,571)</u>
Cash flows from investing activities:		
Net increase in investments	(75,000)	(5,000)
Interest received on interest-bearing deposits	<u>11,693</u>	<u>12,265</u>
Net cash provided (used) by investing activities	<u>(63,307)</u>	<u>7,265</u>
Net increase (decrease) in cash and cash equivalents	(28,277)	25,965
Cash and cash equivalents, beginning of year	<u>106,834</u>	<u>80,869</u>
Cash and cash equivalents, end of year	<u>\$ 78,557</u>	<u>\$ 106,834</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Village of Moreauville was incorporated in 1904 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning and zoning, and general administrative services.

The accounting and reporting policies of the Village of Moreauville 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 and practices.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village is 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, the volunteer fire department, as a governmental organization, is not part of the Village and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Village does provide facilities and some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Village for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Fund Accounting

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

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

Governmental Funds -

General Fund

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

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of a 1% sales and use tax that is legally restricted to expenditures for specific purposes.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Funds -

Enterprise Funds

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 Gas and Water System Fund, and the Sewer System Fund comprise the Village's Enterprise Funds.

C. Fixed Assets and Long-term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources".

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group rather than in governmental funds. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been recorded by the Village, therefore, the purpose of stewardship for these items is satisfied without recording of these assets. No depreciation has been provided on general fixed assets,

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. At June 30, 1999 all fixed assets were recorded based upon historical cost.

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

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expense) in net total assets.

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method. The estimated useful lives are as follows:

	<u>Water System</u>	<u>Sewer System</u>
Pumps, motors, compressors	10 years	10 years
Lines and other system installations	30 - 50 years	30 - 50 years
Vehicles and movable equipment	5-8 years	5-8 years

Major portions of the sewer system were contributed by federal grants. The cost of these systems donated by the federal grants is included in Property Plant and Equipment. Depreciation on this cost is a reduction of Contributed Capital as amortization and an increase in retained earnings.

D. Basis of Accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property Taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Penalties and Interest, Corporation Court Fines and Miscellaneous Revenues are recorded when received in cash because they are generally not measurable until actually received. Sales Taxes, Franchise Taxes, Intergovernmental Revenue, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include (1) principal and interest on general long-term debt which is recognized when due; and (2) accumulated unpaid vacation and sick pay which are not accrued.

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

E. Budgets and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

1. The Mayor meets with the Council and Village Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
3. Once adopted the budget is made available for public inspection and a budget summary is published in the Village's designated official journal.
4. The Village doesn't formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are prepared for the general fund and special revenue funds utilizing generally accepted accounting principles.
7. The Village does not formally adopt a budget for the Debt Service Fund.

F. Inventories

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories are stated at cost using the first in, first out method of pricing. Inventories are adjusted at year-end.

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

G. Investments

Investments are stated at cost or amortized cost. Discounts and premiums on the purchase of investments, if any, are amortized over the life of the investment remaining from the date of purchase to the date of maturity. All investments consist of time deposits.

H. Restricted Assets

These assets consist of cash and short-term investments restricted for Gas and Water System and Sewer System Funds debt service and contingencies.

I. Definition of Cash and Cash Equivalents Used in the Statement of Cash Flows

For the purpose of the Statement of Cash Flows presented in the enterprise funds, cash and cash equivalents are defined as follows:

Cash and highly liquid investments that are both:

1. Readily convertible to known amounts of cash.
2. So near maturity that they present insignificant risk of changes in value because of change in interest rates.

J. Accumulated Unpaid Vacation, Sick-pay, and Other Employee Benefits

Various days of vacation and sick leave per year may be accumulated by each employee. The number of days accumulated per year depends upon holiday and weekend time worked by the employees. The Village accrues a liability for compensated absences which meet the following criteria:

1. The Village's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

In accordance with the above criteria the Village has a liability of \$2,648 for vacation and sick pay which has been earned but not taken by Village employees.

K. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

L. Reserves

The Village records reserves to indicate that a portion of fund equity is legally segregated for a specific future use.

M. Comparative Data

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

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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

(2) Cash and Time Deposits

At June 30, 1999 the bank balance of the Village's deposits was \$664,716 and the book balance was \$662,264. Of the bank balance, \$248,513 was covered by FDIC insurance and \$416,203 was covered by collateral held at Commercial National Bank in Shreveport. All funds were collateralized and insured. The market value of collateral held was \$523,037. The carrying amount of the time deposits approximates market.

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 2 of each year. Taxes are levied by the Village in October. Billed taxes become delinquent on March 1 of the following year. Revenues from property taxes are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish.

For the year ended June 30, 1999, taxes of 4.91 mills were levied on property with assessed valuations totaling \$2,090,427 and were dedicated for general corporate purposes.

Total taxes levied were \$10,264 with uncollected taxes at June 30, 1999 of \$18.

(4) Interfund Receivables, Payables

Individual fund interfund receivables and payables balances at June 30, 1999, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$11,516	\$29,871
Sales tax fund	10,000	8,508
Enterprise funds		
Gas and water sewer	29,871	28,815
Sewer	18,815	3,008
Total	<u>\$70,202</u>	<u>\$70,202</u>

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

(5) Intergovernmental Revenues

Intergovernmental receivables and revenues are comprised of the following:

	<u>Receivable</u>	<u>Revenue</u>
General Fund:		
Tobacco taxes	\$ 1,242	\$ 4,969
Grass cutting	2,395	4,789
Red River Delta	-	3,127
Beer taxes	610	2,878
Total	<u>\$ 4,247</u>	<u>\$15,763</u>

(6) Restricted Assets – Proprietary Fund Types

Restricted assets consisted of cash, short-term time deposits and accrued interest receivable in the following accounts at June 30, 1999:

	<u>Gas and Water System</u>	<u>Sewer System</u>	<u>Total</u>
Customer Deposit Fund	\$37,176	\$ -	\$37,176
Revenue Bond Fund	-	9,934	9,934
Revenue Bond Reserve Fund	-	10,986	10,986
Depreciation and Contingency Fund	8,275	13,946	22,221
	<u>\$45,451</u>	<u>\$34,866</u>	<u>\$80,317</u>

(7) Fixed Assets

Summary of changes in General Fixed Assets follows:

	<u>Balance 7/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land and buildings	\$173,299	\$ -	\$ -	\$173,299
Other improvements	144,900	1,000	-	145,900
Furnishing and equipment	66,684	4,052	-	70,736
Vehicles	153,011	11,571	-	164,582
	<u>\$537,894</u>	<u>\$16,623</u>	<u>\$ -</u>	<u>\$554,517</u>

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

A summary of changes in proprietary fund type property, plant and equipment is as follows:

	Balance 7/1/98	Additions	Deletions	Balance 6/30/99
Gas and water system	\$ 1,643,889	\$ 7,865	\$ -	\$ 1,651,754
Sewer system	2,834,649	3,111	-	2,837,760
Total	4,478,538	10,976	-	4,489,514
Less accumulated depreciation	(1,500,210)	(108,087)	-	(1,608,297)
	<u>\$ 2,978,328</u>	<u>\$ (97,111)</u>	<u>\$ -</u>	<u>\$ 2,881,217</u>

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

	Enterprise	
	Gas and Water	Sewer
Gas distribution system	\$ 413,618	\$ -
Water plant and distribution system	1,108,053	-
Sewer distribution system	-	2,837,760
Furniture and fixtures	15,219	-
Trucks and other equipment	111,723	-
Waterwell site	2,100	-
Rights of way	1,041	-
	<u>1,651,754</u>	<u>2,837,760</u>
Less accumulated depreciation	(684,794)	(923,503)
	<u>\$ 966,960</u>	<u>\$ 1,914,257</u>

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

(8) Changes in Long-term Debt

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

	General Long-term Debt	Sewer Revenue Bonds	Total
Bonds payable - June 30, 1998	\$ 122,000	\$ 89,000	\$ 211,000
Bonds retired	<u>(12,000)</u>	<u>(3,000)</u>	<u>(15,000)</u>
Bonds payable - June 30, 1999	<u>\$ 110,000</u>	<u>\$ 86,000</u>	<u>\$ 196,000</u>

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

\$249,000, of public improvement bonds dated November 3, 1980, due in annual serial installments of \$1,000 to \$18,000 through May, 2005; interest at 5 percent	<u>\$ 110,000</u>
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The public improvement bonds described above were issued in connection with the construction of the wastewater collection and treatment system. These obligations are not "general" obligations but "special" obligations of the Village. The \$249,000 issue is secured by a pledge of sales tax revenues of the Village.

Sewer Revenue Bonds:

\$120,000 of sewer revenue bonds dated November 3, 1980, due in annual serial installments of \$1,000 to \$6,000 through May, 2021; interest at 5 percent	<u>\$86,000</u>
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VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$73,300 are as follows:

<u>Year Ending June 30,</u>	<u>General Obligation Bonds 1980 Series</u>	
	<u>Principal</u>	<u>Interest</u>
2000	\$ 13,000	\$ 5,175
2001	14,000	4,500
2002	15,000	3,775
2003	16,000	3,000
2004	17,000	2,175
2005-2006	35,000	1,775
	<u>\$110,000</u>	<u>\$ 20,400</u>

<u>Year Ending June 30,</u>	<u>Revenue Bonds 1980 Sewer</u>	
	<u>Principal</u>	<u>Interest</u>
2000	\$ 3,000	\$ 4,225
2001	3,000	4,075
2002	3,000	3,925
2003	3,000	3,775
2004	3,000	3,625
2005-2009	17,000	15,775
2010-2014	20,000	11,000
2014-2019	22,000	5,900
2020-2021	12,000	600
	<u>\$86,000</u>	<u>\$ 52,900</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Village is in compliance with all significant limitations and restrictions.

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

A. Dedication of Proceeds and Flow of Funds – 1% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Village of Moreauville (1999 collections \$44,179; 1999 collections \$46,022) are dedicated to the following purposes:

1. Specifically, for the retirement of Public Improvement Sales Tax Bonds to be issued for the purpose of paying part of the cost of constructing sewers and sewerage disposal works; title to which shall be in the public.
2. Specifically, for the purpose of paying the cost of constructing sewers and sewerage disposal works, and maintaining and operating the same; title to which shall be in the public.
3. Generally, for the constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, any work of permanent public improvement, including equipment and furnishing therefor, title to which shall be in the public.

The proceeds of the sales tax shall be allocated as follows:

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited in a fund called the "Public Improvement Bond Series 1980 Sales Tax Sinking Fund".
2. Each month, an amount equal to 10% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the "Public Improvement Bond Series 1980 Sales Tax Reserve Fund".
3. Also, each month, funds of \$74.00 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the sewer system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond funds.

VILLAGE OF MOREAUVILLE
Notes to Financial Statements (Continued)

B. Flow of Funds: Restrictions on Use – Sewer Revenues

The revenues derived from the sewer user fees shall be allocated as follows:

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited into a fund called the “Revenue Bond and Interest Sinking Fund”.
2. Each month, an amount equal to 5% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the “Revenue Bond Reserve Fund”.
3. Also each month, funds of \$74.00 shall be transferred into a separate bank account entitled “Depreciation and Contingency Fund”. Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the sewer system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond fund.

C. Flow of Funds: Restrictions on Use – Utilities Revenues

Under the terms of the bond indenture on outstanding Utilities Revenue Refunding Bonds dated March 1, 1965, all net revenues earned or derived from the operations of the Utilities System are pledged to the payment of principal and interest on the bonds. So long as any of the bonds remain outstanding, all revenue shall be deposited in a fund known as the “Public Utility Revenue Fund”, and shall be used as follows:

Out of the Revenue Fund there shall be paid all reasonable expenses of administration, operations, and maintenance of the system.

Each month there will be set aside into a fund called the “Revenue Bond Sinking Fund” an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds.

Next, there shall be transferred monthly from the Revenue Fund into a “Public Utility Revenue Bond Reserve Fund” a sum at least equal to 20% of the amount required to be paid monthly into the Bond Sinking Fund. Payments into said fund are to continue until such time as there has been accumulated the sum of \$24,000. Such amount may be used solely for the purpose of paying the principal of and interest on bonds whenever and to the extent necessary to prevent default.

Funds will also be set aside into a “Depreciation and Contingencies Fund” at a rate of \$200 per month until the amount of \$10,000 is on deposit in the fund.

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

Money in this fund may be used to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the System. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds. The balance in this fund shall never be reduced below a minimum of \$3,000.

(9) Retirement Commitments

As of June 30, 1999 all employees of the Village are members of the Social Security System. Social Security paid during the fiscal year ended June 30, 1999 was \$11,393 on qualified payroll of \$148,940. The Village pays approximately \$40 a month per employee into an Individual Retirement Account (IRA) of their choice. There are five (5) employees covered for a total deduction of \$2,400. Of the \$2,400, \$1,440 are included in the General Fund expenditures and \$960 is included in the Enterprise Fund expenses. The Village may terminate this arrangement at any time and is not liable beyond the contributions made. The employee has control over his/her own plan investment.

(10) Contingent Liabilities

At June 30, 1999, the Village was not involved in litigation.

(11) Amortization of Contributed Capital

External contributions of capital relating to the acquisition of plant and equipment for the enterprise funds are being amortized over periods equal to the lives of assets acquired with such contributions of capital. Amortizations amounted to \$18,742 and \$53,089 in the Gas and Water Utility Fund and the Sewer Fund, respectively, during the year ended June 30, 1999.

(12) Compensation Paid Board Members

The Village paid the mayor and aldermen the following per diem:

		<u>Term Expires</u>
Lionel Bordelon, Jr.	\$ 5,100	December 31, 2002
Oscar Goody, Jr.	1,956	December 31, 2002
Todd Coco	1,956	December 31, 2002
Eric Gormsen	1,956	December 31, 2002
	<u>\$10,968</u>	

VILLAGE OF MOREAUVILLE

Notes to Financial Statements (Continued)

(13) Segment Information for Enterprise Funds

The Village maintains two enterprise funds. Segment information for the year ended June 30, 1999 follows:

	Gas & Water Water Fund	Sewer Sewer Fund	Totals
Operating revenues	349,307	64,701	414,008
Depreciation	47,865	60,222	108,087
Operating income (loss)	9,225	(35,147)	(25,922)
Net income (loss)	(4,156)	(36,710)	(40,866)
Current capital contributions	-	-	-
Plant, property & equipment net additions	7,865	3,111	10,976
Net working capital	264,555	102,524	367,079
Total assets	1,305,380	2,026,490	3,331,870
Long-term liabilities payable from operating revenue	-	83,000	83,000
Total equity	1,231,515	1,933,781	3,165,296

14) Capital Lease Payable

The Village entered into a lease to purchase a 1996 Ford Crown Victoria Police Sedan for a term of 36 months with interest of 7.7% and monthly payments of \$651. The payout schedule for the year 2000 is principal of \$5,675 and interest of \$184. The cost of the automobile included in General Fixed Assets is \$20,999.

SUPPLEMENTARY INFORMATION

VILLAGE OF MOREAUVILLE, 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 Village'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 Village 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 Village operations and have identified such systems as being financial reporting and utility billing.

Both the financial reporting and utility billing systems have been assessed. The Village has converted both systems to year 2000 compliant software applications. Testing and validation should not be necessary, as the software vendors have assured that the applications are year 2000 compatible.

There are no remaining contracted amounts committed to this project as of June 30, 1999.

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 Village is or will be year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that the parties with whom the Village does business will be year 2000 ready. The Village is utilizing external resources to identify and test the systems for year 2000 compliance.

**FINANCIAL STATEMENTS 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.

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash -		
Demand deposits	\$ 7,482	\$ 3,653
Time deposits	166,507	106,592
Receivables -		
Taxes:		
Utility franchises	7,324	7,906
Ad valorem	18	-
Accrued interest	1,025	667
Other	12,984	13,008
Due from other funds	11,516	12,281
Due from other governmental units	4,247	4,042
Prepaid insurance	<u>9,345</u>	<u>9,713</u>
 Total assets	 <u><u>\$220,448</u></u>	 <u><u>\$157,862</u></u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 6,827	\$ 4,451
Due to other funds	<u>29,871</u>	<u>31,087</u>
Total liabilities	<u>36,698</u>	<u>35,538</u>
 Fund balance:		
Designated	9,345	9,713
Unreserved, undesignated	<u>174,405</u>	<u>112,611</u>
Total fund balance	<u>183,750</u>	<u>122,324</u>
 Total liabilities and fund balance	 <u><u>\$220,448</u></u>	 <u><u>\$157,862</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		
Revenues:				
Taxes	\$ 53,000	\$ 60,236	\$ 7,236	\$ 42,293
Licenses and permits	14,400	22,732	8,332	20,896
Intergovernmental	15,490	15,763	273	22,397
Fines	16,900	15,851	(1,049)	18,208
Miscellaneous	57,310	80,691	23,381	73,197
Total revenues	<u>157,100</u>	<u>195,273</u>	<u>38,173</u>	<u>176,991</u>
Expenditures:				
Current -				
General government	56,761	59,042	(2,281)	57,333
Public safety -				
Police	50,152	47,678	2,474	39,095
Fire	31,200	25,079	6,121	10,749
Streets and sidewalks	52,460	27,492	24,968	43,886
Recreation -				
Tennis courts	4,350	754	3,596	3,740
Community center	17,050	5,137	11,913	7,432
Capital outlay	16,000	3,026	12,974	13,763
Debt service	7,811	7,823	(12)	7,835
Total expenditures	<u>235,784</u>	<u>176,031</u>	<u>59,753</u>	<u>183,833</u>
Excess (deficiency) of revenues over expenditures	<u>(78,684)</u>	<u>19,242</u>	<u>97,926</u>	<u>(6,842)</u>
Other financing sources:				
Operating transfers in	<u>83,254</u>	<u>42,184</u>	<u>(41,070)</u>	<u>28,500</u>
Excess of revenues and other sources over expenditures	4,570	61,426	56,856	21,658
Fund balance, beginning	<u>122,324</u>	<u>122,324</u>	-	<u>100,666</u>
Fund balance, ending	<u>\$126,894</u>	<u>\$183,750</u>	<u>\$ 56,856</u>	<u>\$122,324</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		
Taxes:				
Ad valorem	\$ 9,000	\$ 10,264	\$ 1,264	\$ 9,939
Sales tax	15,000	16,559	1,559	-
Franchise	29,000	33,413	4,413	32,354
Total taxes	<u>53,000</u>	<u>60,236</u>	<u>7,236</u>	<u>42,293</u>
Licenses and permits:				
Occupational	<u>14,400</u>	<u>22,732</u>	<u>8,332</u>	<u>20,896</u>
Intergovernmental:				
Tobacco taxes	5,000	4,969	(31)	4,969
Beer taxes	2,000	2,878	878	1,945
Video poker	-	-	-	694
Grass cutting	4,790	4,789	(1)	4,789
Grant proceeds	3,700	3,127	(573)	10,000
Total intergovernmental	<u>15,490</u>	<u>15,763</u>	<u>273</u>	<u>22,397</u>
Fines	<u>16,900</u>	<u>15,851</u>	<u>(1,049)</u>	<u>18,208</u>
Miscellaneous:				
Casino funds	42,000	60,917	18,917	54,401
Interest	3,000	7,281	4,281	4,524
Rental	4,000	5,805	1,805	5,105
Street light income	5,000	5,032	32	4,960
Miscellaneous	3,310	1,656	(1,654)	4,207
Total miscellaneous	<u>57,310</u>	<u>80,691</u>	<u>23,381</u>	<u>73,197</u>
Total revenues	<u><u>\$157,100</u></u>	<u><u>\$195,273</u></u>	<u><u>\$38,173</u></u>	<u><u>\$176,991</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		
Current:				
General government -				
Salaries and per diem	\$ 42,607	\$ 44,902	\$(2,295)	\$ 42,717
Payroll taxes	3,404	3,358	46	3,340
Insurance	2,300	2,048	252	2,444
Office supplies and expenses	2,500	2,247	253	1,939
Legal and other professional fees	1,500	1,840	(340)	1,300
Other	2,050	2,264	(214)	3,210
Benefits	2,400	2,383	17	2,383
Total general government	<u>56,761</u>	<u>59,042</u>	<u>(2,281)</u>	<u>57,333</u>
Public safety -				
Police:				
Salaries	28,071	27,584	487	22,786
Payroll taxes	1,511	1,814	(303)	1,516
Automobile expense	3,500	3,902	(402)	2,829
Insurance	6,000	5,339	661	5,966
Benefits	720	574	146	645
Supplies	7,000	4,092	2,908	1,632
Other	3,350	4,373	(1,023)	3,721
Total police	<u>50,152</u>	<u>47,678</u>	<u>2,474</u>	<u>39,095</u>
Fire:				
Insurance	6,500	5,617	883	5,080
Supplies	17,200	17,917	(717)	2,363
Appropriation to MVFD	5,000	-	5,000	2,200
Truck expenses	2,500	1,545	955	1,106
Total fire	<u>31,200</u>	<u>25,079</u>	<u>6,121</u>	<u>10,749</u>

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for their Ended June 30, 1998

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		
Streets and sidewalks -				
Street lights and power	10,500	9,325	1,175	11,085
Truck and tractor expenses	1,000	750	250	293
Street drainage and maintenance	40,250	16,594	23,656	31,377
Insurance	710	709	1	1,131
Other	-	114	(114)	-
Total streets and sidewalks	<u>52,460</u>	<u>27,492</u>	<u>24,968</u>	<u>43,886</u>
Recreation -				
Tennis courts:				
Materials and supplies	3,950	521	3,429	3,503
Utilities	400	233	167	237
Total tennis courts	<u>4,350</u>	<u>754</u>	<u>3,596</u>	<u>3,740</u>
Community center:				
Materials and supplies	1,900	173	1,727	3,519
Insurance	600	637	(37)	544
Other	14,550	4,327	10,223	3,369
Total community center	<u>17,050</u>	<u>5,137</u>	<u>11,913</u>	<u>7,432</u>
Capital outlay:				
Streets and sidewalks	15,000	3,026	11,974	13,288
Community center	1,000	-	1,000	475
Total capital outlay	<u>16,000</u>	<u>3,026</u>	<u>12,974</u>	<u>13,763</u>
Debt service:				
Principal retirement	7,076	7,076	-	6,553
Interest and fiscal charges	735	747	(12)	1,282
Total debt service	<u>7,811</u>	<u>7,823</u>	<u>(12)</u>	<u>7,835</u>
Total expenditures	<u>\$235,784</u>	<u>\$176,031</u>	<u>\$59,753</u>	<u>\$183,833</u>

SPECIAL REVENUE FUND

Sales Tax Fund -

To account for the receipt and use of proceeds of the Villages' 1% sales and use tax. These taxes are dedicated to the following purposes: constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, and equipment and furnishings therefore, title to which shall be in the public. To account for the receipt and use of proceeds of the Village.

To account for the receipt and use of proceeds of the Villages' 1/2% sales and use tax. These taxes are dedicated to the following purposes: operating, maintaining and purchase of supplies for the police, fire, and streets departments. The 1/2% sales tax is allocated 1/8% police, 1/8% fire, and 1/4% street.

VILLAGE OF MOREAUVILLE, LOUISIANA
Special Revenue Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash -		
Demand deposits	\$12,896	\$17,626
Time deposits	60,000	40,000
Receivables, net of allowance for uncollectables -		
Customer accounts	7,489	4,133
Accrued interest	332	409
Due from other funds	<u>10,000</u>	<u>10,000</u>
 Total assets	 <u><u>\$90,717</u></u>	 <u><u>\$72,168</u></u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Due to other funds	\$ 8,508	\$ -
Due to other governmental agencies	<u>5,441</u>	<u>-</u>
Total liabilities	<u>13,949</u>	<u>-</u>
 Fund balance:		
Unreserved, undesignated	<u>76,768</u>	<u>72,168</u>
 Total liabilities and fund balance	 <u><u>\$90,717</u></u>	 <u><u>\$72,168</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Special Revenue Fund

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

	1999		Variance Favorable (Unfavorable)	1998
	Budget	Actual		
Revenues:				
Taxes	\$ 43,000	\$ 44,179	\$ 1,179	\$ 46,022
Interest	2,800	2,292	(508)	3,066
Total revenues	<u>45,800</u>	<u>46,471</u>	<u>671</u>	<u>49,088</u>
Expenditures:				
Current -				
General government:				
Legal and other professional fees	400	400	-	600
Office expense and other	850	453	397	610
Capital outlay	<u>3,532</u>	<u>-</u>	<u>3,532</u>	<u>24,460</u>
Total expenditures	<u>4,782</u>	<u>853</u>	<u>3,929</u>	<u>25,670</u>
Excess of revenues over expenditures	<u>41,018</u>	<u>45,618</u>	<u>4,600</u>	<u>23,418</u>
Other financing uses:				
Operating transfers out -				
Debt service fund	(21,018)	(21,018)	-	(21,128)
General fund	<u>(20,000)</u>	<u>(20,000)</u>	<u>-</u>	<u>(16,500)</u>
Total other financing uses	<u>(41,018)</u>	<u>(41,018)</u>	<u>-</u>	<u>(37,628)</u>
Excess of revenues over expenditures and other uses	-	4,600	4,600	(14,210)
Fund balance, beginning	<u>72,168</u>	<u>72,168</u>	<u>-</u>	<u>86,378</u>
Fund balance, ending	<u>\$ 72,168</u>	<u>\$ 76,768</u>	<u>\$ 4,600</u>	<u>\$ 72,168</u>

DEBT SERVICE FUND

Public Improvement Bonds 11/03/80 -

To accumulate monies for payment of the 1980 \$249,000 Public Improvement bonds, which are serial bonds due in annual installments, plus interest, through 2006. Debt Service is financed by dedication of the Villages 1% sales and use tax.

VILLAGE OF MOREAUVILLE, LOUISIANA
Debt Service Fund

Comparative Balance sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash -		
Demand deposits	<u>\$80,112</u>	<u>\$74,849</u>
LIABILITIES AND FUND BALANCE		
Liabilities	\$ -	\$ -
Fund balance:		
Reserved for debt service	<u>80,112</u>	<u>74,849</u>
Total liabilities and fund balance	<u>\$80,112</u>	<u>\$74,849</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Debt Service Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Interest	\$ 2,448	\$ 2,339
Expenditures:		
Debt service -		
Principal retirement	12,000	12,000
Interest	5,800	6,461
Fiscal charges	403	405
Total expenditures	<u>18,203</u>	<u>18,866</u>
Deficiency of revenues over expenditures	(15,755)	(16,527)
Other financing sources:		
Operating transfers in	<u>21,018</u>	<u>21,128</u>
Excess of revenues and other sources over expenditures	5,263	4,601
Fund balance, beginning	<u>74,849</u>	<u>70,248</u>
Fund balance, ending	<u><u>\$ 80,112</u></u>	<u><u>\$ 74,849</u></u>

ENTERPRISE FUNDS

Gas and Water Utility Fund -

To account for the provision of gas and water services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

Sewer Utility Fund -

To account for the provision of sewer services to the residents of the Village. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, billing and collections.

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Funds

Combining Balance Sheet
June 30, 1999

	<u>Gas and Water Utility</u>	<u>Sewer Utility</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Current assets:				
Cash -				
Demand deposits	\$ 22,806	\$ 9,860	\$ 32,666	\$ 64,461
Time deposits	175,445	47,000	222,445	147,445
Receivables, net of allowance for uncollectible amounts -				
Customer accounts	37,531	-	37,531	39,041
Accrued interest	1,029	88	1,117	1,195
Inventory, at cost	17,486	826	18,312	20,354
Due from other funds	29,871	18,815	48,686	44,952
Prepaid insurance	8,801	778	9,579	9,390
Total current assets	<u>292,969</u>	<u>77,367</u>	<u>370,336</u>	<u>326,838</u>
Restricted assets -				
Cash and time deposits	45,290	34,866	80,156	76,638
Accrued interest	161	-	161	422
Total restricted assets	<u>45,451</u>	<u>34,866</u>	<u>80,317</u>	<u>77,060</u>
Fixed assets, net of accumulated depreciation	<u>966,960</u>	<u>1,914,257</u>	<u>2,881,217</u>	<u>2,978,328</u>
Total assets	<u>\$1,305,380</u>	<u>\$2,026,490</u>	<u>\$3,331,870</u>	<u>\$3,382,226</u>

	Gas and Water Utility	Sewer Utility	Totals	
			1999	1998
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current liabilities (payable from current assets) -				
Accounts payable	\$ 11,016	\$ 2,773	\$ 13,789	\$ 14,410
Compensated absences	246	245	491	2,830
Due to other funds	28,815	3,008	31,823	36,873
Total current liabilities (payable from current assets)	<u>40,077</u>	<u>6,026</u>	<u>46,103</u>	<u>54,113</u>
Current liabilities (payable from restricted assets) -				
Accrued interest	-	683	683	707
Revenue bonds payable	-	3,000	3,000	3,000
Customer meter deposits	33,788	-	33,788	32,245
Total current liabilities (payable from restricted assets)	<u>33,788</u>	<u>3,683</u>	<u>37,471</u>	<u>35,952</u>
Long-term liabilities -				
Revenue bonds payable	-	83,000	83,000	86,000
Total liabilities	<u>73,865</u>	<u>92,709</u>	<u>166,574</u>	<u>176,065</u>
Fund equity:				
Contributed capital, net of accumulated amortization	<u>642,476</u>	<u>1,797,491</u>	<u>2,439,967</u>	<u>2,511,797</u>
Retained earnings -				
Reserved for revenue bond retirement	8,275	31,183	39,458	37,503
Unreserved	580,764	105,107	685,871	656,861
Total retained earnings	<u>589,039</u>	<u>136,290</u>	<u>725,329</u>	<u>694,364</u>
Total fund equity	<u>1,231,515</u>	<u>1,933,781</u>	<u>3,165,296</u>	<u>3,206,161</u>
Total liabilities and fund equity	<u>\$ 1,305,380</u>	<u>\$ 2,026,490</u>	<u>\$3,331,870</u>	<u>\$3,382,226</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	Gas and Water Utility	Sewer Utility	Totals	
			<u>1999</u>	<u>1998</u>
Operating revenues:				
Charges for services	<u>\$349,307</u>	<u>\$ 64,701</u>	<u>\$414,008</u>	<u>\$458,344</u>
Operating expenses:				
Gas purchases	115,888	-	115,888	148,864
Salaries and related benefits	70,796	11,637	82,433	80,033
Depreciation	47,865	60,222	108,087	96,724
Maintenance and repairs	26,446	10,226	36,672	40,993
Supplies	11,757	1,821	13,578	12,014
Contractual services	3,028	1,325	4,353	4,540
Other	64,302	14,617	78,919	90,091
Total operating expenses	<u>340,082</u>	<u>99,848</u>	<u>439,930</u>	<u>473,259</u>
Operating income (loss)	<u>9,225</u>	<u>(35,147)</u>	<u>(25,922)</u>	<u>(14,915)</u>
Nonoperating revenues (expenses):				
Interest	8,566	2,788	11,354	11,224
Other	237	-	237	108
Interest and fiscal charges	-	(4,351)	(4,351)	(4,516)
Total nonoperating revenues (expenses)	<u>8,803</u>	<u>(1,563)</u>	<u>7,240</u>	<u>6,816</u>
Income (loss) before operating transfers	18,028	(36,710)	(18,682)	(8,099)
Operating transfers out	<u>(22,184)</u>	<u>-</u>	<u>(22,184)</u>	<u>(12,000)</u>
Net loss	(4,156)	(36,710)	(40,866)	(20,099)
Add: Depreciation on fixed assets acquired by grants, entitlements and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	<u>18,742</u>	<u>53,089</u>	<u>71,831</u>	<u>71,831</u>
Increase in retained earnings	14,586	16,379	30,965	51,732
Retained earnings, beginning	<u>574,453</u>	<u>119,911</u>	<u>694,364</u>	<u>642,632</u>
Retained earnings, ending	<u>\$589,039</u>	<u>\$136,290</u>	<u>\$725,329</u>	<u>\$694,364</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Funds

Combining Statement of Cash Flows
Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	Gas and Water Fund	Sewer Utility	Totals	
			1999	1998
Cash flows from operating activities:				
Operating income (loss)	\$ 9,225	\$ (35,147)	\$ (25,922)	\$ (14,915)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -				
Depreciation	47,865	60,222	108,087	96,724
Changes in current assets and liabilities:				
(Increase) decrease in accounts receivable	1,510	-	1,510	(2,567)
(Increase) decrease in inventory	2,317	(275)	2,042	(2,765)
(Increase) decrease in prepaid insurance	(184)	(4)	(188)	1,670
Increase (decrease) in accounts payable	(1,544)	923	(621)	347
Increase (decrease) in compensated absences	(2,494)	155	(2,339)	(1,295)
Total adjustments	<u>47,470</u>	<u>61,021</u>	<u>108,491</u>	<u>92,114</u>
Net cash provided by operating activities	<u>56,695</u>	<u>25,874</u>	<u>82,569</u>	<u>77,199</u>
Cash flows from noncapital financing activities:				
Operating transfers out to other funds	(15,977)	(14,991)	(30,968)	(8,036)
Other	237	-	237	108
Net cash used by noncapital financing activities	<u>(15,740)</u>	<u>(14,991)</u>	<u>(30,731)</u>	<u>(7,928)</u>
Cash flows from capital and related financing activities:				
Acquisition of capital assets	(7,865)	(3,111)	(10,976)	(643,338)
Interest and fiscal charges paid	-	(4,375)	(4,375)	(4,540)
Principal paid on bonds	-	(3,000)	(3,000)	(3,000)
Proceeds from grant	-	-	-	600,000
Net increase in meter deposits	1,543	-	1,543	307
Net cash used by capital and related financing activities	<u>(6,322)</u>	<u>(10,486)</u>	<u>(16,808)</u>	<u>(50,571)</u>
Cash flows from investing activities:				
Net increase in investments	(65,000)	(10,000)	(75,000)	(5,000)
Interest received on interest-bearing deposits	8,614	3,079	11,693	12,265
Net cash provided (used) by investing activities	<u>(56,386)</u>	<u>(6,921)</u>	<u>(63,307)</u>	<u>7,265</u>
Net increase (decrease) in cash and cash equivalents	(21,753)	(6,524)	(28,277)	25,965
Cash and cash equivalents, beginning of year	<u>55,584</u>	<u>51,250</u>	<u>106,834</u>	<u>80,869</u>
Cash and cash equivalents, end of year	<u>\$ 33,831</u>	<u>\$ 44,726</u>	<u>\$ 78,557</u>	<u>\$ 106,834</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Gas and Water Utility Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets:		
Cash -		
Demand deposits	\$ 22,806	\$ 46,101
Time deposits	175,445	110,445
Receivables -		
Customer accounts, less allowance for uncollectible amounts of \$2,100	37,531	39,041
Accrued interest	1,029	816
Inventory, at cost	17,486	19,803
Due from other funds	29,871	31,128
Prepaid insurance	8,801	8,617
Total current assets	<u>292,969</u>	<u>255,951</u>
Restricted assets:		
Depreciation and contingencies:		
Time deposits	8,265	8,265
Accrued interest	10	55
Customer meter deposits:		
Cash	11,025	9,483
Time deposits	26,000	26,000
Accrued interest	151	367
Total restricted assets	<u>45,451</u>	<u>44,170</u>
Fixed assets:		
Plant and equipment	1,651,754	1,643,889
Less: accumulated depreciation	<u>(684,794)</u>	<u>(636,929)</u>
Net fixed assets	<u>966,960</u>	<u>1,006,960</u>
Total assets	<u><u>\$1,305,380</u></u>	<u><u>\$1,307,081</u></u>

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
<i>Current liabilities (payable from current assets) -</i>		
Accounts payable	\$ 11,016	\$ 12,560
Compensated absences	246	2,740
Due to other funds	<u>28,815</u>	<u>23,865</u>
Total current liabilities (payable from current assets)	<u>40,077</u>	<u>39,165</u>
 <i>Current liabilities (payable from restricted assets) -</i>		
Customer meter deposits	<u>33,788</u>	<u>32,245</u>
 Total liabilities	 <u>73,865</u>	 <u>71,410</u>
 Fund equity:		
Contributed capital, net of accumulated amortization	<u>642,476</u>	<u>661,218</u>
 <i>Retained earnings -</i>		
Reserved for revenue bond retirement	8,275	8,320
Unreserved	<u>580,764</u>	<u>566,133</u>
Total retained earnings	<u>589,039</u>	<u>574,453</u>
 Total fund equity	 <u>1,231,515</u>	 <u>1,235,671</u>
 Total liabilities and fund equity	 <u><u>\$1,305,380</u></u>	 <u><u>\$1,307,081</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Gas and Water Utility Fund

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

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services-		
Gas	\$251,686	\$293,158
Water	87,202	86,742
Installations and other charges	10,419	13,454
Total operating revenues	<u>349,307</u>	<u>393,354</u>
Operating expenses:		
Gas purchased	115,888	148,864
Salaries and related benefits	70,796	69,470
Depreciation	47,865	36,851
Maintenance and repairs	26,446	30,572
Supplies	11,757	10,423
Contractual services	3,028	3,540
Other -		
Insurance	13,592	14,228
Benefits	2,866	3,052
Truck and tractor expenses	10,662	16,491
Office expense	8,174	7,011
Other supplies and expenses	6,998	7,352
Collection expenses	158	170
Utilities and telephone	12,069	14,208
Miscellaneous	9,783	10,078
Total operating expenses	<u>340,082</u>	<u>372,310</u>
Operating income	<u>9,225</u>	<u>21,044</u>
Nonoperating revenues:		
Interest	8,566	8,548
Other	237	108
Total nonoperating revenues	<u>8,803</u>	<u>8,656</u>
Income before operating transfers	18,028	29,700
Operating transfers out	<u>(22,184)</u>	<u>(12,000)</u>
Net income (loss)	(4,156)	17,700
Add: Depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	18,742	18,742
Retained earnings, beginning	<u>574,453</u>	<u>538,011</u>
Retained earnings, ending	<u>\$589,039</u>	<u>\$574,453</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Gas and Water Utility Fund

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

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	\$ <u>9,225</u>	\$ <u>21,044</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	47,865	36,851
Changes in current assets and liabilities:		
(Increase) decrease in accounts receivable	1,510	(2,567)
(Increase) decrease in inventory	2,317	(3,168)
(Increase) decrease in prepaid insurance	(184)	908
Decrease in accounts payable	(1,544)	(75)
Decrease in compensated absences	(2,494)	(1,256)
Total adjustments	<u>47,470</u>	<u>30,693</u>
Net cash provided by operating activities	<u>56,695</u>	<u>51,737</u>
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	(15,977)	(6,428)
Other	237	108
Net cash used by noncapital financing activities	<u>(15,740)</u>	<u>(6,320)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(7,865)	(637,586)
Proceeds from grant	-	600,000
Net increase in meter deposits	1,543	307
Net cash used by capital and related financing activities	<u>(6,322)</u>	<u>(37,279)</u>
Cash flows from investing activities:		
Net (increase) decrease in investments	(65,000)	5,000
Interest received on interest-bearing deposits	8,614	9,651
Net cash provided (used) by investing activities	<u>(56,386)</u>	<u>14,651</u>
Net increase (decrease) in cash and cash equivalents	(21,753)	22,789
Cash and cash equivalents, beginning of year	<u>55,584</u>	<u>32,795</u>
Cash and cash equivalents, end of year	<u>\$ 33,831</u>	<u>\$ 55,584</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Sewer Utility Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	1999	1998
ASSETS		
Current assets:		
Cash -		
Demand deposits	\$ 9,860	\$ 18,360
Time deposits	47,000	37,000
Receivables, net of allowance for uncollectible amounts -		
Accrued interest	88	379
Inventory, at cost	826	551
Due from other funds	18,815	13,824
Prepaid insurance	778	773
Total current assets	77,367	70,887
Restricted assets:		
Cash	34,866	32,890
Fixed assets:		
Plant and equipment	2,837,760	2,834,649
Less: accumulated depreciation	(923,503)	(863,281)
Net fixed assets	1,914,257	1,971,368
Total assets	\$2,026,490	\$2,075,145

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 2,773	\$ 1,850
Compensated absences	245	90
Due to other funds	3,008	13,008
Total current liabilities (payable from current assets)	<u>6,026</u>	<u>14,948</u>
Current liabilities (payable from restricted assets) -		
Accrued interest	683	707
Revenue bonds payable	3,000	3,000
Total current liabilities (payable from restricted assets)	<u>3,683</u>	<u>3,707</u>
Long-term liabilities -		
Revenue bonds payable	<u>83,000</u>	<u>86,000</u>
Total liabilities	<u>92,709</u>	<u>104,655</u>
Fund equity:		
Contributed capital, net of accumulated amortization	<u>1,797,491</u>	<u>1,850,579</u>
Retained earnings -		
Reserved for revenue bond retirement	31,183	29,183
Unreserved	105,107	90,728
Total retained earnings	<u>136,290</u>	<u>119,911</u>
Total fund equity	<u>1,933,781</u>	<u>1,970,490</u>
Total liabilities and fund equity	<u>\$2,026,490</u>	<u>\$2,075,145</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Sewer Utility Fund

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

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services	\$ 64,701	\$ 64,990
Operating expenses:		
Salaries and benefits	11,637	10,563
Depreciation	60,222	59,873
Maintenance and repairs	10,226	10,421
Small tools and supplies	1,821	1,591
Contractual services	1,325	1,000
Other -		
Telephone and utilities	10,861	10,953
Insurance	1,602	2,371
Testing and sludge removal	1,540	2,040
Gas and oil	427	605
Other	187	1,532
Total operating expenses	<u>99,848</u>	<u>100,949</u>
Operating loss	<u>(35,147)</u>	<u>(35,959)</u>
Nonoperating revenues (expenses):		
Interest income	2,788	2,676
Interest expense	<u>(4,351)</u>	<u>(4,516)</u>
Net nonoperating expense	<u>(1,563)</u>	<u>(1,840)</u>
Net loss	(36,710)	(37,799)
Add: Depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	53,089	53,089
Retained earnings, beginning	<u>119,911</u>	<u>104,621</u>
Retained earnings, ending	<u>\$136,290</u>	<u>\$119,911</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Sewer Utility Fund

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

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	<u>\$ (35,147)</u>	<u>\$ (35,959)</u>
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	60,222	59,873
Changes in current assets and liabilities:		
(Increase) decrease in inventory	(275)	403
(Increase) decrease in prepaid insurance	(4)	762
Increase in accounts payable	923	422
Increase (decrease) in compensated absences	155	(39)
Total adjustments	<u>61,021</u>	<u>61,421</u>
Net cash provided by operating activities	<u>25,874</u>	<u>25,462</u>
Cash flows from noncapital financing activities:		
Operating transfers out to other funds	<u>(14,991)</u>	<u>(1,608)</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(3,111)	(5,752)
Principal paid on bonds	(3,000)	(3,000)
Interest and fiscal charges paid	(4,375)	(4,540)
Net cash used by capital and related financing activities	<u>(10,486)</u>	<u>(13,292)</u>
Cash flows from investing activities:		
Net increase in investments	(10,000)	(10,000)
Interest received on interest-bearing deposits	3,079	2,614
Net cash used by investing activities	<u>(6,921)</u>	<u>(7,386)</u>
Net increase (decrease) in cash and cash equivalents	(6,524)	3,176
Cash and cash equivalents, beginning of year	<u>51,250</u>	<u>48,074</u>
Cash and cash equivalents, end of year	<u><u>\$ 44,726</u></u>	<u><u>\$ 51,250</u></u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

VILLAGE OF MOREAUVILLE, LOUISIANA

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

	General Fixed Assets <u>June 30, 1998</u>	<u>Additions</u>	<u>Deductions</u>	General Fixed Assets <u>June 30, 1999</u>
Land and buildings	\$173,299	\$ -	\$ -	\$173,299
Other improvements	144,900	1,000	-	145,900
Vehicles	153,011	11,571	-	164,582
Furnishing and equipment	66,684	4,052	-	70,736
	<u>\$537,894</u>	<u>\$16,623</u>	<u>\$ -</u>	<u>\$554,517</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Statement of General Long-Term Debt
 June 30, 1999
 With Comparative Actual Amounts for June 30, 1998

	<u>1999</u>	<u>1998</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount available in debt service funds for retirement	\$ 80,112	\$ 74,849
Amount to be provided for retirement of long-term debt	<u>37,720</u>	<u>61,879</u>
	<u>\$117,832</u>	<u>\$136,728</u>
GENERAL LONG-TERM DEBT PAYABLE		
Public improvement bonds payable (issued 11/03/80)	110,000	122,000
Capital leases payable	5,675	12,750
Compensated absences	<u>2,157</u>	<u>1,978</u>
	<u>\$117,832</u>	<u>\$136,728</u>

**INTERNAL CONTROL
AND COMPLIANCE**

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Lionel J. Bordelon, Jr., Mayor
and Members of the Board of Aldermen
Village of Moreauville, Louisiana

We have audited the general purpose financial statements of the Village of Moreauville, Louisiana, as of and for the year ended June 30, 1999 and have issued our report thereon dated August 18, 1999. In our report, our opinion was qualified because insufficient audit evidence exists to support the Village of Moreauville's disclosures with respect to the year 2000 issue due to the unprecedented nature and its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Moreauville, Louisiana'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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Moreauville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-1 and 98-2.

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 item 98-1 of the reportable conditions described above is a material weakness.

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

Marksville, Louisiana
August 18, 1999

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF MOREAUVILLE, LOUISIANA
Enterprise Fund
Gas and Water Utility Fund

Schedule of Cash Receipts and Disbursements
Restricted Accounts Required by Revenue Bond Ordinance
Year Ended June 30, 1999

	<u>Depreciation and Contingency Fund</u>
Cash and interest bearing deposits - beginning of year	<u>\$8,265</u>
Cash receipts	
Transfers from operating account	-
Interest received	<u>501</u>
Total cash receipts	<u>501</u>
Total cash and interest bearing deposits available	<u>8,766</u>
Cash disbursements	
Transfer to paying agent	<u>501</u>
Cash and interest bearing deposits - end of year	<u><u>\$8,265</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA
 Enterprise Fund
 Sewer Utility Fund

Schedule of Cash Receipts and Disbursements
 Restricted Accounts Required by Revenue Bond Ordinance
 Year Ended June 30, 1999

	Interest and Sinking Fund	Reserve Account	Depreciation and Contingencies Fund	Total
Cash and interest bearing deposits - beginning of year	<u>\$ 9,934</u>	<u>\$10,298</u>	<u>\$12,658</u>	<u>\$32,890</u>
Cash receipts				
Transfers from operating account	7,375	369	888	8,632
Interest received	-	319	400	719
Total cash receipts	<u>7,375</u>	<u>688</u>	<u>1,288</u>	<u>9,351</u>
Total cash and interest bearing deposits available	<u>17,309</u>	<u>10,986</u>	<u>13,946</u>	<u>42,241</u>
Cash disbursements				
Transfer to paying agent	<u>(7,375)</u>	<u>-</u>	<u>-</u>	<u>(7,375)</u>
Cash and interest bearing deposits - end of year	<u><u>\$ 9,934</u></u>	<u><u>\$10,986</u></u>	<u><u>\$13,946</u></u>	<u><u>\$34,866</u></u>

VILLAGE OF MOREAUVILLE
Enterprise Funds
Utility Funds

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1999

Records maintained by the City indicated the following number of customers were being served during the months of June, 1999 :

<u>Department</u>	<u>1999</u>
Water:	
Commercial	30
Residential	<u>498</u>
Total	<u>528</u>
Sewerage:	
Commercial	30
Residential	<u>397</u>
Total	<u>427</u>

VILLAGE OF MOREAUVILLE

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

<u>Description of Coverage</u>	<u>Asset Covered</u>	<u>Ins. Co.</u>	<u>Policy Number</u>	<u>Expiration Date</u>
Workmen's Comp	Employees	Risk Management	WC-0210	1/1/00
Fire	Water Plant	Prejean	CFP533298	1/16/00
	Community Center	LB Coco	CFP537543	9/30/99
	City Hall	LB Coco	CFP537543	9/30/99
General Liability	N/A	Risk Management	LMC-272	4/1/00
Physical Damage	Police Car	Prejean	APD801716	5/4/00
Inland Marine	Town Equipment	Prejean	IMC300926	10/20/99
Blanket Bond	Clerk	Cenla Ins. Exchange	181-984-37	3/3/00

VILLAGE OF MOREAUVILLE, LOUISIANA

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

<u>Ref. No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of finding</u>	<u>Corrective Action Taken</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
PRIOR YEAR (06/30/98)						
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.	Dorothy Juneau, Assistant Town Clerk	N/A
98-2 (IC)	6/30/98	A complete physical inventory was not taken, with perpetual inventory records maintained at the water plant.	No	A complete inventory will be taken during the winter months and perpetual records updated.	Dorothy Juneau, Assistant Town Clerk	December 1999