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**VILLAGE OF LISBON
Lisbon, Louisiana
General Purpose Financial Statements
With Accountant's Compilation Report
As of and For the Year Ended
December 31, 1999
With Supplemental Information Schedules**

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

MAR 08 2000

Release Date _____

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

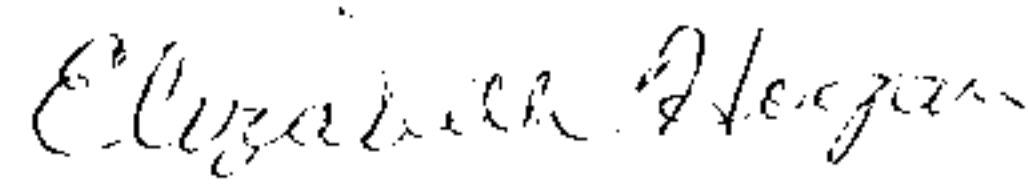
369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

VILLAGE OF LISBON
Lisbon, Louisiana
ANNUAL SWORN FINANCIAL STATEMENTS
AND CERTIFICATION OF REVENUES \$50,000 OR LESS
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

A F F I D A V I T

Personally came and appeared before the undersigned authority, Elizabeth Hogan, who, duly sworn, deposes and says, that the financial statements herewith given present fairly the financial position of the Village of Lisbon as of December 31, 1999, and the results of operations for the year then ended, in accordance with basis of accounting described within the accompanying financial statements.

In addition, Elizabeth Hogan, who, duly sworn, deposes and says that the Village of Lisbon received \$50,000 or less in revenues and other sources for the fiscal year ending December 31, 1999, and, accordingly, is not required to have an audit for the previously mentioned fiscal year-end.



Clerk - Village of Lisbon
Elizabeth Hogan

Sworn to and subscribed before me, this 28 day of February, 2000.


NOTARY PUBLIC

Agency: Village of Lisbon
Address: Post Office Box 248
Lisbon, Louisiana 71048
Telephone: (318) 927-3641

VILLAGE OF LISBON
Lisbon, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
As of and For the Year Ended
December 31, 1999
With Supplemental Information Schedules

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VILLAGE OF LISBON
Lisbon, Louisiana
Contents, December 31, 1999

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

Accountant's Compilation Report

MAYOR AND BOARD
OF ALDERMEN
VILLAGE OF LISBON
Lisbon, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Lisbon as of December 31, 1999, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management of the Village of Lisbon. I have not audited or reviewed the accompanying general purpose financial statements and schedules and, accordingly, do not express an opinion or any other form of assurance on them.

Carleen Dumas

Calhoun, Louisiana
February 14, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

VILLAGE OF LISBON
Lisbon, Louisiana
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1999

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPRIETARY FUND TYPE - WATER SYSTEM ENTERPRISE FUND	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$45,203	\$39,982		\$85,185
Receivables:				
Franchise taxes	484			484
Tobacco taxes	216			216
Water sales		2,546		2,546
Property, plant and equipment (net of accumulated depreciation)		39,038	\$88,442	127,480
Other assets		10		10
	<u>\$45,903</u>	<u>\$81,576</u>	<u>\$88,442</u>	<u>\$215,921</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$24	\$187		\$211
Bonds payable		33,000		33,000
Customer deposits		6,750		6,750
Total Liabilities	<u>24</u>	<u>39,937</u>	<u>NONE</u>	<u>39,961</u>
Fund Equity:				
Investment in general fixed assets			\$88,442	88,442
Contributed capital		3,857		3,857
Retained earnings - unreserved - undesignated		37,782		37,782
Fund balance - unreserved - undesignated	\$45,879			45,879
Total Fund Equity	<u>45,879</u>	<u>41,639</u>	<u>88,442</u>	<u>175,960</u>
	<u>\$45,903</u>	<u>\$81,576</u>	<u>\$88,442</u>	<u>\$215,921</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures, and
Changes in Fund Balance - Budget
(GAAP Basis) and Actual
For the Year Ended December 31, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
REVENUES			
Franchise taxes	\$2,500	\$2,224	(\$276)
Licenses and permits	3,100	3,155	55
Intergovernmental - state funds	895	895	
Use of money and property:			
Interest earnings	200	1,501	1,301
Rent	1,200	1,200	
Royalties	25	58	33
Other revenue	200	172	(28)
Total revenues	<u>8,120</u>	<u>9,205</u>	<u>1,085</u>
EXPENDITURES			
General government:			
Current:			
Personal services	1,385	1,092	293
Operating services	8,600	7,166	1,434
Supplies	500		500
Other expenditures	2,850	520	2,330
Capital outlay	1,000		1,000
Total expenditures	<u>14,335</u>	<u>8,778</u>	<u>5,557</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(6,215)	427	6,642
FUND BALANCES AT BEGINNING OF YEAR	<u>44,763</u>	<u>45,452</u>	<u>689</u>
FUND BALANCES AT END OF YEAR	<u>\$38,548</u>	<u>\$45,879</u>	<u>\$7,331</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana
PROPRIETARY FUND TYPE -
WATER SYSTEM ENTERPRISE FUND

Statement of Revenues, Expenses, and
Changes in Retained Earnings
For the Year Ended December 31, 1999

OPERATING REVENUES	
Water sales	<u>\$29,441</u>
OPERATING EXPENSES	
Salaries and related benefits	5,842
Utilities	3,982
Materials and supplies	2,738
Maintenance and repairs	2,507
Contract labor	3,953
Insurance	1,988
Office and administration	774
Depreciation	<u>2,857</u>
Total operating expenses	<u>24,641</u>
OPERATING INCOME	<u>4,800</u>
NON-OPERATING REVENUES (Expenses)	
Earnings on bank deposits	449
Other income	23
Interest expense	<u>(1,800)</u>
Net operating revenues (expenses)	<u>(1,328)</u>
NET INCOME	3,472
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>34,310</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$37,782</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana
PROPRIETARY FUND TYPE -
WATER SYSTEM ENTERPRISE FUND

Statement of Cash Flows
For the Year Ended December 31, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Income	<u>\$4,800</u>
Adjustments to Reconcile Operating Income to Net Cash	
Provided by Operating Activities:	
Depreciation	2,857
Increase in accounts receivable	(390)
Increase in customer deposits	375
Decrease in accounts payable	<u>(2,111)</u>
Total adjustments	<u>731</u>
Net cash provided by operating activities	<u>5,531</u>

CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES

Principal on revenue bonds	(3,000)
Interest on revenue bonds	(1,800)
Non-operating income	<u>23</u>
Net cash used by capital financing activities	<u>(4,777)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Interest earnings on bank deposits	<u>449</u>
------------------------------------	------------

NET INCREASE IN CASH

1,203

CASH AT BEGINNING OF YEAR38,779**CASH AT END OF YEAR**\$39,982

See accompanying notes and accountant's compilation report.

VILLAGE OF LISBON
Lisbon, Louisiana

Notes to the Financial Statements
As of and for the Year Ended December 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Lisbon was incorporated under the provisions of the Lawrason Act. The village is governed by the mayor-board of aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 2000. The village has two part-time employees and a chief of police.

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

As the governing authority of the village, for reporting purposes, the Village of Lisbon is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (the village), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

GASB Statement 14 established criteria for determining which, if any, component units should be considered part of the Village of Lisbon for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability, which includes:

1. Appointing a voting majority of an organization's governing body, and:
 - a. The ability of the village to impose its will on

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

that organization and/or

- b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the village.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the village has determined that there are no component units that should be considered as part of the village reporting entity.

C. FUND ACCOUNTING

The village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain government functions or activities.

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

Funds are classified into three categories; governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of legally restricted monies. Governmental funds of the village include the following:

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

General Fund

The General fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in the Water System Enterprise Fund.

Proprietary Funds

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

Water System Enterprise Fund

The Water System Enterprise Fund is used to account for operation of the village water system. The use of enterprise funds is appropriate where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to customers in the village on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

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

Revenues

Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds.

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

Interest income on time deposits is recorded when the interest has been earned and the amount is determinable.

Interest income on demand deposits is recorded in the month earned and credited to the account.

Substantially all other revenues are recorded when they become available to the village.

Based on the above criteria, franchise taxes and intergovernmental revenues have been treated as susceptible to accrual.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

The Water System Enterprise Fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of this fund are included on the balance sheet. The Water System Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred. Water sales are recognized in the period the service is provided to the customer. Salaries and other expenses are recognized when incurred.

E. BUDGET PRACTICES

The proposed budget for the General Fund, prepared on the modified accrual basis of accounting, is formally adopted by the mayor and board of aldermen at the December board meeting each year. The budget is established and controlled by the mayor and board of aldermen at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statement include the original adopted budget amounts and all budget amendments.

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

F. CASH

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks organized under the laws of the State of Louisiana and the laws of any other state in the union, or the laws of the United States.

G. UNCOLLECTIBLE ALLOWANCE

The statements contain no provision for uncollectible accounts. The village is of the opinion that such allowance would be immaterial in relation to the financial statements.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed asset account group. Public domain or infrastructures are not capitalized. All purchased fixed assets are valued at cost where historical records are available and at estimated cost where no historical records are available. Approximately 94 per cent of fixed assets are valued at actual cost, while the remaining 6 per cent are valued at estimated cost based on the actual cost of like items. Donated fixed assets are valued at their estimated fair market value on the date received. No depreciation has been provided on general fixed assets.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Depreciation is computed using the straight-line method over a 40 year estimated useful life for the water system and a five year estimated useful life for equipment.

I. LONG-TERM DEBT

Long-term debt expected to be financed from proprietary fund operations are accounted for within the fund.

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

J. CONTRIBUTED CAPITAL

Grants, entitlements, or shared revenues that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired from such contributions.

K. ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**L. TOTAL COLUMN ON THE
COMBINED BALANCE SHEET**

The total column on the combined balance sheet is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present financial position nor results of operations 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

At December 31, 1999, the village has cash (book balances) totaling \$85,185, as follows:

Demand deposits:	
Non-interest bearing	\$7,267
Interest bearing	<u>77,918</u>
Total	<u>\$85,185</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Cash (bank balances) at

VILLAGE OF LISBON

Lisbon, Louisiana

Notes to the financial statements (Continued)

December 31, 1999, are \$172,358, and are fully secured from risk by federal deposit insurance.

3. FIXED ASSETS

The following schedule presents changes in general fixed assets for the year ended December 31, 1999:

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, January 1, 1999	\$1,000	\$77,500	\$9,942	\$88,442
Additions	NONE	NONE	NONE	NONE
Retirements	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>
Balance, December 31, 1999	<u>\$1,000</u>	<u>\$77,500</u>	<u>\$9,942</u>	<u>\$88,442</u>

A summary of plant and equipment used in the Water System Enterprise Fund follows:

Water system	\$100,588
Equipment	1,713
Accumulated depreciation	<u>(63,263)</u>
Plant and equipment, net	<u>\$39,038</u>

4. BONDS PAYABLE

On July 14, 1969, the village issued water revenue bonds in the amount of \$74,000 to construct the village water system. The bonds bear interest at the rate of five per cent per annum and are due January 1 of each year. Principal and interest payments are made solely from revenues derived from operation of the water system.

The following is a summary of changes in bonds payable for the year ended December 31, 1999:

Bonds payable at January 1, 1999	\$36,000
Retirements	<u>(3,000)</u>
Bonds payable at December 31, 1999	<u>\$33,000</u>

The annual requirements to retire the bonds, including interest payments of \$9,600, are as follows:

VILLAGE OF LISBON
Lisbon, Louisiana
Notes to the financial statements (Continued)

<u>Year</u>	
2000	\$4,650
2001	4,500
2002	4,350
2003	4,200
2004	4,050
2005-2009	<u>20,850</u>
Total	<u>\$42,600</u>

5. LITIGATION AND CLAIMS

The village is not involved in any litigation at December 31, 1999, nor is it aware of any unasserted claims. The village maintains commercial insurance to provide protection against losses resulting from the damage or destruction of property or liability claims against the village.

SUPPLEMENTAL INFORMATION SCHEDULES

VILLAGE OF LISBON
Lisbon, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULES
As of and For the Year Ended December 31, 1999

COMPENSATION PAID MAYOR AND ALDERMEN

The schedule of per diem paid the mayor and aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the mayor and aldermen is included in personal services expenditures of the General Fund. In accordance with Louisiana Revised Statute 33:405, the mayor and aldermen receive \$200 each year.

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 2).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 3.

VILLAGE OF LISBON
Lisbon, Louisiana

Schedule of Per Diem Paid Mayor and Aldermen
For the Year Ended December 31, 1999

Wayne Tanner, Mayor	\$200
Shelley Malsam	200
Marilyn Myers	200
Sonny Greeson	<u>200</u>
Total	<u>\$800</u>

VILLAGE OF LISBON
Lisbon, Louisiana

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

<u>Reference Number</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken</u>
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There were no prior year findings.

VILLAGE OF LISBON
Lisbon, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended December 31, 1999

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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There were no current year findings.