

2450

STATE OF LOUISIANA
LEGISLATIVE JOURNAL

96 DEC 23 11 55

OFFICIAL
FILE COPY

DO NOT REMOVE

Please do not
remove this
copy and PLACE
BACK IN FILE

VILLAGE OF SUN, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

Year Ended June 30, 1996

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

Audience Date FEB 19 1997

TABLE OF CONTENTS

	Page No.
Independent Accountants' Report	3
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	5
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - All Governmental Fund Types	8
Proprietary Fund - Meterworks System Enterprise Fund:	
Statement of Revenues, Expenses, and Changes in Retained Earnings	7
Statement of Cash Flows	9
Notes to the Financial Statements	9
Combining Statements and Individual Fund Statements:	
Special Revenue Funds	
Combining Balance Sheet	21
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	22
Supplemental Information Schedules:	
Schedule of Compensation Paid Aldermen	24

Steven A. Skarda, C.P.A.
4800 Highway 27
Baton Rouge, LA 70821
Office: (504) 833-8273
Fax: (504) 833-8888

Brent A. Silva, C.P.A.
300 Hobby Road, Ste. 170
Covington, LA 70423
Office: (504) 893-8121
Fax: (504) 893-2028

INDEPENDENT ACCOUNTANTS' REPORT

Honorable Nathan T. Wood, Mayor
and Members of the Board of Aldermen
Village of Sun, Louisiana

We have compiled the accompanying general purpose financial statements that do not include a statement of revenues, expenditures and changes in fund balances-budget and actual, for the General Fund and Special Revenue Fund of the Village of Sun, Louisiana as of June 30, 1996, and for the year then ended, and the accompanying supplemental information which is presented only for supplementary analysis purposes, as stated in the table of contents, in accordance with 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 supplementary schedules information that is the representation of the management of the Village of Sun, Louisiana. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The Village did not prepare and legally adopt budgets for the General and Special Revenue Funds as mandated by Louisiana Revised Statutes 19:1101-1114. Accordingly there is no presentation of a statement of revenues, expenditures, and changes in fund balances-budget and actual for the General and Special Revenue Funds for the year ended June 30, 1996. Presentation of such statements for these governmental funds for which budgets are required to be legally adopted is required by generally accepted accounting principles.

If the omitted statement of revenues, expenditures, and changes in fund balances-budget and actual, for the general and special revenue fund for the year ended June 30, 1996 were included in the financial statements, they might influence the user's conclusions about the Village's financial position, and results of its operations. Accordingly, these financial statements are not intended for those who are not informed about such matters.

In accordance with standards established by the American Institute of Certified Public Accountants, we have also issued a report dated December 9, 1966 on applying agreed upon procedures for compliance with laws and regulations.

Shorpe & Sullivan, C.P.A.

December 9, 1966

VILLAGE OF SUN, LOUISIANA
 ALL FUND TYPES AND ACCOUNT CATEGORIES
 Combined Balance Sheet
 June 30, 1998

	COMBINED FUND TYPE	
	GENERAL	SPECIAL REVENUE
ASSETS		
Cash	\$ 10,870	\$ 10,000
Receivables		7,387
Restricted cash		27,778
Due from other funds	1,477	13,003
Buildings and equipment		
Utility plant and equipment		
Accumulated depreciation		
TOTAL ASSETS	\$ 12,347	\$ 58,168
LIABILITIES AND FUND EQUITY		
Current liabilities:		
Accounts payable	\$ 1,328	\$ 176
Due to other funds		4,769
Current liabilities (payable)		
From restricted accounts:		
Revenue bonds payable:		
Bonds payable		
Accrued interest payable		
Farmer's Home Administration		
notes payable		
Accrued interest payable		
Total current liabilities	1,328	4,883
Long-term liabilities:		
Revenue bonds payable		
Farmer's Home Administration		
note payable		
Total long-term liability	NONE	NONE
Total liabilities	1,328	4,883
Fund Equity:		
Investment in general fixed assets		
Retained earnings:		
Reserved for revenue bond retirement		
Reserved for Farmer's Home Administra-		
tion note payable retirement		
Reserved for depreciation and		
contingencies		
Unreserved (deficit)		

PROPRIETARY FUND TYPE - ENTERPRISE	ACCOUNT GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
\$ 18,218	0	\$ 50,888
8,078		19,888
27,829		55,888
376		34,774
	155,884	155,884
102,971		882,974
(108,832)		(108,832)
<u>\$ 129,826</u>	<u>\$ 155,884</u>	<u>\$ 267,051</u>
\$ 584	0	\$ 3,088
10,887		34,774
2,888		2,888
1,888		1,588
2,882		2,882
1,525		1,525
<u>18,888</u>	<u>NONE</u>	<u>25,719</u>
39,826		39,826
<u>37,812</u>	<u>NONE</u>	<u>37,812</u>
<u>77,338</u>	<u>NONE</u>	<u>77,338</u>
<u>28,546</u>	<u>NONE</u>	<u>102,887</u>
	155,884	155,884
9,912		9,912
8,728		5,728
7,886		7,886
1,454		1,454

The accompanying notes are an integral part of this statement.

VILLAGE OF SUE, LOUISIANA
 ALL FUND TYPES AND ACCOUNTS GROUPS (CONT'D)
 Combined Balance Sheet
 June 30, 1998

	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUE</u>
Fund balances:		
Reserved for water system operations and maintenance		\$7,738
Unreserved - undesignated	_30,738	_35,823
Total Fund Equity And Other Credits	_30,738	_38,061
 TOTAL LIABILITIES, FUND EQUITY, AND OTHER CREDITS	 <u>\$ 30,738</u>	 <u>\$ 38,061</u>

PROPRIETARY FUND TYPE - RETIREMENT	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (MEMORANDUM ONLY)
		27,778
		<u>58,342</u>
<u>24,188</u>	<u>352,884</u>	<u>384,124</u>
<u>\$ 24,188</u>	<u>\$ 352,884</u>	<u>\$ 384,124</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF DEN, LOUISIANA
 ALL GOVERNMENTAL FUND TYPES
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances
 For the Year Ended June 30, 2000

	GENERAL	SPECIAL REVENUE	TOTAL (MEMORANDUM ONLY)
REVENUES			
Taxes	\$ 25,674	\$ 38,295	\$ 63,969
licenses	9,408		9,408
fines and forfeitures	1,035		1,035
Miscellaneous	8,303	7,251	15,554
Total revenues	<u>42,420</u>	<u>45,546</u>	<u>87,966</u>
EXPENDITURES			
General government	17,188	14,408	31,596
Public safety	13,398		13,398
Recreation	1,743		1,743
Waterworks operation and maintenance		4,365	4,365
Total expenditures	<u>32,329</u>	<u>18,773</u>	<u>51,102</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	9,474	26,774	36,248
FUND BALANCES AT BEGINNING OF YEAR	<u>21,845</u>	<u>34,887</u>	<u>56,732</u>
FUND BALANCES AT END OF YEAR	<u>\$ 31,319</u>	<u>\$ 61,661</u>	<u>\$ 92,980</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
 PROPRIETARY FUND - WATERWORKS SYSTEM ENTERPRISE FUND
 Statement of Revenues, Expenses and
 Changes in Retained Earnings
 For the Year Ended June 30, 1996

OPERATING REVENUES	
Water and service charges	\$ 22,890
OPERATING EXPENSES	
Billing and collecting expenses	697
Water operations and maintenance	4,949
INSURANCE	1,847
Utilities	3,469
Salaries	8,318
Depreciation	4,929
Other	3,223
Total operating expenses	<u>28,232</u>
OPERATING INCOME	<u>4,658</u>
NONOPERATING REVENUES (EXPENSES)	
Interest earnings	628
Interest expense	(3,911)
Total nonoperating expense, net	<u>(3,283)</u>
NET PROFIT	1,375
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>22,896</u>
RETAINED EARNINGS AT END OF YEAR	<u>\$ 24,271</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
 PROPRIETARY FUND - WATERWORKS SYSTEM IMPROVEMENT FUND
 Statement of Cash Flows
 For the Year Ended June 30, 1998

	UNRESTRICTED CASH	RESTRICTED CASH
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from customers	\$ 44,395	\$
Cash paid to suppliers for goods and services	(25,221)	_____
Net cash provided by operating activities	____19,174	_____
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfers from unrestricted accounts to restricted accounts	(9,500)	9,500
Principal paid on long-term commitments	_____	(6,879)
Interest paid on long-term commitments	_____	(3,521)
Net cash provided by (used in) capital and related financing activities	____(9,880)	____249
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on bank accounts	_____	522
NET INCREASE IN CASH	8,794	878
CASH AT BEGINNING OF YEAR	1,488	20,341
CASH AT END OF YEAR	<u>\$ 10,282</u>	<u>\$ 21,219</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

ORGANIZATION

The Village of Sun, Louisiana was incorporated October 6, 1928, under the provisions of the Act of the Louisiana Revised Statutes (1928-R.S.) 23:321-443. The Village operates under a Mayor-Board of Aldermen form of government. The General Purpose Financial Statements of the Village include all funds, account groups, and activities, that are within the oversight responsibility of the Village of Sun. Certain units of local government, over which the Village of Sun exercises no oversight responsibility, such as the St. Tammany Parish Police Jury, St. Tammany Parish School Board, independently elected parish officials, and municipalities within the Parish, are excluded from the accompanying financial statements. These units of government are considered separate reporting entities and issue financial statements separate from that of the Village of Sun.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Sun 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. These criteria include:

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

B. REPORTING ENTITY (CONTINUED)

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the municipality to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are financially dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if facts of the organization is not included because of the nature or significance of the relationship.

considered in the determination of component units of the reporting entity were the St. Tammany Parish Police Jury, Sheriff, Clerk of Court, Assessor, School Board, District Attorney, and the Judges for the 3rd Judicial District. It was determined that these governmental entities are not component units of the Village of Sun reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Sun, Louisiana.

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 relating to certain government functions or activities.

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

Funds of the Village of Sun are classified into two categories: governmental and proprietary. Each category, in turn, is divided into separate "fund types."

VILLAGE OF GUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

C. FUND ACCOUNTING (CONTINUED)

General Fund

The General Fund is the principal fund of the Village and accounts for all financial resources, except those required to be accounted for in other funds. General operating expenditures are paid from this fund.

Special Revenue Funds

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

Proprietary Fund - Enterprise

An enterprise fund is used to account for operations that are financed and operated in a manner similar to a private business enterprise, 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. The wastewater system of the Village of Gun is funded primarily through user fees collected from approximately 200 customers of the system.

D. BAISIS 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 are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

The modified accrual basis of accounting is used by all governmental fund types. Under this method, revenues are recognized when measurable to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due.

VILLAGE OF SUN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

D. BASIC OF ACCOUNTING (CONTINUED)

These revenues susceptible to accrual are interest and licenses. Sales taxes collected and held by the Tax Collector on behalf the Village of Sun also are recognized as revenues. Substantially all other revenues are recorded when received.

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. The proprietary fund for the Village of Sun includes:

Enterprise Fund

This fund accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

E. CASH

Cash includes amounts in time deposits and interest-bearing demand deposits.

Louisiana revised statutes authorize the Village of Sun to invest in (1) United States bonds, treasury notes or certificates, or time certificates of deposit of state banks organized under the laws of Louisiana and national banks having their principal offices in the State of Louisiana, an investment as stipulated in 18&-R.S. 39:1271, or any other federally insured investments or (2) in mutual or trust fund institutions, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of, and limited to, securities of the U.S. Government or its agencies.

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

VILLAGE OF SUN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

F. FIXED ASSETS

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed asset account group. Assets in the general fixed asset account group are not depreciated.

Fixed assets of the Proprietary Fund are reported on the balance sheet of the fund at cost net of accumulated depreciation. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation of all exhaustible fixed assets is charged as an expense against operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are 40 years.

All purchased fixed assets are valued at cost where historical records are available and at estimated historical cost where no historical records exist.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

G. LONG-TERM OBLIGATIONS

For long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as fund liability of a government fund. The remaining portion, if any, of such obligation is reported in the general long-term debt account group.

Long-term liabilities of the Enterprise Fund are included on the balance sheet of the fund.

H. BUDGET AND BUDGETARY ACCOUNTING

The budgets for the General and Special Revenue Funds have not been prepared and legally adopted as required by state law and generally accepted accounting principles; therefore, the financial statements do not include a comparison of revenues and expenditures to budget.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

I. CONSOLIDATED ASSETS

The Village has no full-time employees; therefore, it does not have a formal vacation and sick leave policy. The two part-time employees are covered under the Federal Insurance Contribution Act.

J. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village of Sun.

K. ALLOWANCE FOR UNCOLLECTIBLE RECEIVABLES

The financial statements for the Village of Sun contain an allowance for uncollectible receivables. Uncollectible receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable.

L. FUND EQUITY

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for specific future use. Designated fund balances represent tentative plans for future use of financial resources.

M. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues or expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed. All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. All other interfund transfers are reported as operating transfers.

N. TOTAL COLUMNS ON COMBINED STATEMENTS

The total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial positions or results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither are such data comparable to a consolidation.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

FIXED ASSETS (CONTINUED)

A summary of proprietary property, plant and equipment at June 30, 1994, follows:

Water plant distribution system	\$ 82,723
Improvements to distribution system	87,481
Improvements to control panel	23,319
5 H.P. submersible pump	8,748
Fences	285
Pump, wiring, and installation	8,407
5 H.P. 3 phase pump	1,798
Refriger	8,088
Total	<u>182,972</u>
less accumulated depreciation	(100,532)
Net	<u>\$ 82,440</u>

RECEIVABLES

Receivables at June 30, 1994 consist of the following:

	Special Revenues	Proprietary	Total
Receivables:			
Sales taxes	\$ 1,387	\$	\$ 1,387
Service charges, and fees		8,078	8,078
	<u> </u>	<u> </u>	<u> </u>
Net receivables	<u>\$ 1,387</u>	<u>\$ 8,078</u>	<u>\$ 9,465</u>

The management of the Village of Sun, Louisiana considers all receivables to be collectible, therefore, no allowance has been established for doubtful accounts.

VILLAGE OF MAE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

ACCOUNTS PAYABLE

The payables of \$2,000 at June 30, 1996 are as follows:

	General Fund	Special Revenue Funds	Proprietary Fund	Total
Accounts	\$ 1,278	\$ 116	\$ 506	\$2,000

LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended June 30, 1996:

	Revenue Bonds	PMA Notes	Total
Long-term debt			
at July 1, 1995	\$ 49,739	\$ 43,264	\$ 93,003
Debt issuances	(____3,811)	(____2,822)	(____6,633)
	45,928	40,442	86,370
Portion classified as current	(____2,588)	(____2,862)	(____5,450)
at June 30, 1996	\$ 43,340	\$ 37,580	\$ 80,920

The long-term debt outstanding at June 30, 1996, consists of the remaining note payable to the Farmer's Home Administration (FHA 101418) dated August 17, 1967, and the Water Utility Bonds in the amount of \$86,000 dated September 18, 1961, issued to the Farmer's Home Administration (FHA 101418). The Revenue Promissory Note was issued for the purpose of paying the cost of construction of a waterworks system. The note matures from 1967 to 1987 at an interest rate of 4.00 per cent per annum. The water utility bonds were issued for the purpose of paying the cost of acquiring and constructing extensions and improvements to the existing waterworks system. The bonds mature from 1961 to 2008 at an interest rate of 5.00 percent per annum. Both the note and the bonds are secured by a mortgage on land, buildings, machinery, and equipment of the waterworks system. Neither constitutes an indebtedness of the State of Louisiana or a pledge of the general credit of the Village of Mae.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

LONG-TERM DEBT (CONTINUED)

The annual requirements to amortize all debt outstanding at June 30, 1986, including interest of \$11,616 and \$11,626 on the Revenue Bonds and the Farmer's Home Administration (FHA) note respectively, are as follows:

Fiscal Year	Revenue Bond	FHA Note	Total
1987	\$ 4,897	\$ 4,828	\$ 9,821
1988	4,897	4,828	9,821
1989	4,897	4,828	9,821
2000	4,897	4,828	9,821
Thereafter	<u>31,324</u>	<u>29,344</u>	<u>60,668</u>
Total	<u>\$ 41,212</u>	<u>\$ 49,240</u>	<u>\$ 100,382</u>

RESERVE RETAINED EARNINGS

The revenue bonds and the FHA note instruments require that all the income and revenues earned from the operation of the system be deposited into the Waterworks Revenue Fund Account. This account is required to be maintained and administered in the following order of priority and for the following expressed purposes through the use of the following accounts:

A. Rate Recovery Fund - The bond and note instruments require that this fund be established and maintain an amount sufficient to pay the principal of and the interest on the bond and note by transferring from the Waterworks Revenue Fund Account one-twelfth of the amount of principal and interest becoming due on the next succeeding payment date together with such additional proportionate sum as may be required to pay said principal and interest as the same respectively become due. As of June 30, 1986, the reserve requirement is \$6,728.

B. Revenue Bond Fund - The bond and note instruments require that this fund be established and maintained by transferring a sum at least equal to one-twelfth of five per cent of the amount required to be paid monthly into the aforesaid Note Payment Fund. The payments into this fund must continue until such time as there has been accumulated a sum equal to the maximum amount of principal and interest due on the bond and note in any subsequent year and used solely for the purpose of paying the principal and interest each year as to which there would otherwise be default. As of June 30, 1986, the reserve requirement is \$9,913.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

DEFERRED RETAINED EARNINGS (CONTINUED)

C. Depreciation Fund - The bond and note instruments require that this fund be established to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system by depositing in a separate bank account the sum of \$25 per month, provided that such sum is available after provision is made for the payments required under paragraphs (A) and (B) above. As of June 30, 1996, the reserve requirement is \$7,250.

UTILITY DEPOSITS

Subsidiary records of customer utility deposits are not maintained. Therefore, the actual liability of customer utility deposits could not be determined or recorded in the financial statements as of June 30, 1996.

INTERFUND TRANSACTIONS

Individual balances due from/to other funds at June 30, 1996 are as follows:

<u> Fund </u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Funds:		
Sales and Use Tax	\$ <u>1,472</u>	\$ _____
Special Revenue Funds:		
Sales and Use Tax		4,432
Special Sales and Use Tax	<u>33,021</u>	<u>378</u>
	33,021	4,793
Proprietary Fund:		
Waterworks system Enterprise	<u>378</u>	<u>10,062</u>
Total	\$ <u>34,774</u>	\$ <u>14,774</u>

LITIGATION

The Village of Sun is named as a defendant in a lawsuit arising from a claim related to a violation of civil rights. While the ultimate resolution of this lawsuit cannot be predicted with certainty, in the opinion of management, based on the advice of legal counsel, more likely than not this action will be resolved with no material adverse effect to the financial position of the Village of Sun.

VILLAGE OF SUN, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended June 30, 1994

SPECIAL REVENUE FUNDS

SALES AND USE TAX

Proceeds of the one and one-half per cent sales and use tax levied by the Village of Sun are dedicated to acquisition, maintenance, and construction of public roads, streets, sidewalks, bridges, recreational facilities, buildings, operating sewerage and water systems, public safety and other permanent public improvements.

SPECIAL SALES AND USE TAX

Proceeds of the special one percent sales and use tax levied by the Village of Sun after paying reasonable and necessary costs and expenses of collecting and administering the tax are dedicated for waterworks additions, improvements, extensions, and operation of the waterworks system.

VILLAGE OF SUN, LOUISIANA
 SPECIAL REVENUE FUND
 COMBINING BALANCE SHEET
 June 30, 1998

	Sales and Use Tax	Special Sales and Use Tax	Total (Encumbrance Only)
ASSETS			
cash	\$20,000	\$	\$20,000
receivables	7,307		7,307
Restricted cash Due from other funds		27,770	27,770
		27,770	27,770
TOTAL ASSETS	\$27,307	\$27,770	\$55,077
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 174	\$	\$ 174
Due to other funds	4,402	275	4,677
Total Liabilities	4,576	275	4,851
Fund Equity:			
Fund Balances:			
Reserved for water system operation and maintenance		27,770	27,770
Unreserved- undesignated	12,870	20,243	33,113
Total Fund Equity	12,870	48,013	60,883
TOTAL LIABILITIES AND FUND EQUITY	\$17,446	\$48,013	\$65,459

VILLAGE OF BOSS, LOUISIANA
SPECIAL REVENUE FUND
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
For the Year Ended June 30, 1988

	<u>Sales and Use Tax</u>	<u>Special Sales and Use Tax</u>	<u>Total (Memorandum Only)</u>
REVENUES			
Taxes	\$12,765	\$17,538	\$30,303
Miscellaneous	<u>3,121</u>	<u>4,039</u>	<u>7,160</u>
Total Revenues	15,886	21,577	37,463
EXPENDITURES			
Wages	4,293		4,293
Repairs & maintenance	4,163		4,163
Supplies	374		374
Insurance	1,827	1,384	3,211
capital outlay	1,842	1,665	3,507
legal & professional	758	750	1,508
utilities & phone	552		552
Miscellaneous	<u>458</u>	<u>312</u>	<u>770</u>
Total expenditures	18,251	3,921	22,172
EXCESS OF REVENUES OVER EXPENDITURES	1,135	17,656	18,791
FUND BALANCES AT BEGINNING OF YEAR	<u>11,761</u>	<u>22,865</u>	<u>34,626</u>
FUND BALANCES AT END OF YEAR	<u>\$12,896</u>	<u>\$40,521</u>	<u>\$53,417</u>

VILLAGE OF GUN, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULES

COMPENSATION PAID ALDERMEN

As shown on the attached schedule, compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:465(B), the aldermen receive \$20 per month to attend board meetings.

During fiscal year ended June 30, 1990, the aldermen held three special meetings. The aldermen received \$10 per special meeting to attend.

VILLAGE OF SUN, LOUISIANA
Schedule of Compensation Paid Aldermen
For the Year Ended June 30, 1934

	MEMBER	AMOUNT
Frank Noyens	12	\$ 150
Edith Jarrell	12	150
Frank Mizell	12	<u>150</u>
Total		\$1,379

**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

Honorable Nathan T. Hood, Mayor
and Members of the Board of Aldermen
Village of Sun, Louisiana

We have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of Village of Sun, Louisiana and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village's compliance with certain laws and regulations during the year ended June 30, 1996 included in the accompanying Louisiana Attention Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RR 38:2211-2251 (the public bid law).

There were not any expenditures made during the year ended June 30, 1996 exceeding \$5,000, or public works exceeding \$50,000.

Code of Ethics for Public Official and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RR 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided us with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided us with the required list.

SKARDA & SILVA, L.L.P.
CERTIFIED PUBLIC ACCOUNTANTS

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management (agreed-upon procedure (3)) appeared on the list provided by management in agreed-upon procedure (2).

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

The management of the Village did not prepare and legally adopt a budget for the General Fund and Special Revenue Fund for the year ended June 30, 1998 as mandated by Louisiana Revised Statutes 33:1301-1314.

6. Trace the budget adoption and amendments to the minute book.

The management of the Village did not prepare and legally adopt a budget for the General Fund and Special Revenue Fund for the year ended June 30, 1998 as mandated by Louisiana Revised Statutes 33:1301-1314.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

The management of the Village did not prepare and legally adopt a budget for the General Fund and Special Revenue Fund for the year ended June 30, 1998 as mandated by Louisiana Revised Statutes 33:1301-1314.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and:

(a) trace payments to supporting documentation as to proper amount and payee:

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

(b) Determine if payments were properly coded to the correct fund and general ledger accounts and

All of the payments were properly coded to the correct fund and general ledger account.

(c) Determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the accountant and the chairmen of the board of Aldermen. In addition, each of the disbursements were traced to the Village's minute book where they were approved by the Aldermen.

Meetings

8. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by 18A-95 42(1) through 42(12) (the open meetings law).

The Village of Sun is only required to post a notice of each meeting and the accompanying agenda on the door of the district's office building. Management has asserted that such documents were properly posted, we examined evidence supporting such assertion.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

We inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the Village for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no irregularities which would indicate payments to employees which would constitute bonuses, advances, or gifts.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of Village of Oak, Louisiana, the Legislative Auditor, State of Louisiana, and Farmer's Home Administration (FHA) and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Shirley A. Saito, C. I. P.
December 9, 1996