

VILLAGE OF DRY PRONG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
June 30, 1996

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Dry Prong (the Village) was incorporated under the provisions of the Louisiana Act. The Village is governed by a Mayor and a Board of Aldermen consisting of three (3) members. Services provided by the Village include Police Protection, Fire Protection and street maintenance. The Village also operates a water distribution system and a sewer system.

The accompanying policies conform to generally accepted accounting principles for governmental units.

FINANCIAL REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village 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 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 Dry Prong for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village 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 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 upon application of the these criteria, there were no potential component units and all of the Village's activities were included in the primary government reporting entity.

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December 13, 1996

Independent Auditors' Report

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Dry Prong, Louisiana as of June 30, 1996 and for the year then ended. 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 Dry Prong, Louisiana, as of June 30, 1996, 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.


(Signature)

American Institute of Certified Public Accountants • Society of Louisiana CPAs

To the Mayor and Board of Aldermen
Village of Dry Prong, Louisiana
December 13, 1996
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In accordance with Government Auditing Standards, we have also issued a report dated December 13, 1996, on our consideration of the Village's internal control structure and a report dated December 13, 1996, on its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the Table of Contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Dry Prong. 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.


ROZIER, HARRINGTON & MCKAY
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December 13, 1996

**INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor
and the Board of Aldermen
Village of Dry Prong, Louisiana

We have audited the financial statements of the Village of Dry Prong, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Village of Dry Prong, Louisiana is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

Attorneys

American Institute of Certified Public Accountants - Society of Louisiana, CPAs

In planning and performing our audit of the financial statements of the Village of Dry Prong, Louisiana, for the year ended June 30, 1998, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements.

Financial Reporting

During the year, the Village's general ledger was not accurately maintained in a timely manner. A significant number of year-end adjustments had to be recorded. In order to make sound financial decisions, management needs access to accurate financial data in a timely manner. We recommend completing a thorough evaluation of the Village's financial reporting process. Based on the results of this evaluation, management should implement procedures that will provide accurate and timely financial data.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the general purpose 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 structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not 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.


ROGER HARRINGTON & MCKEE
Certified Public Accountants

The Honorable Mayor
and the Board of Aldermen
December 13, 1996
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We considered these instances of noncompliance in forming our opinion on whether the Village of Dry Prong, Louisiana's, general purpose financial statements are presented fairly, in all material respects, in conformity with generally accepted accounting principles, and this report does not affect our report date December 13, 1996, on those general purpose financial statements.

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


FORSTER, HARRINGTON & MCKAY
Certified Public Accountants

VILLAGE OF IRBY PRONG
COMPREHENSIVE FINANCIAL STATEMENTS
of Fund Types and Account Groups
Year 2018, 2019

	Commodities		Expanding Funds		Account Groups		Totals	
	Stocks	Bonds	Equity	Debt	Other	Other	Assets	Liabilities
Other retained earnings	\$ 24,914	\$ -	\$ 415	\$ -	\$ -	\$ -	\$ 25,329	\$ -
Reserves for advances to special accounts	-	-	2,487	-	-	-	2,487	42,118
Due from other funds	42,118	-	-	-	-	-	42,118	42,118
Reserve cash and investments	-	-	26,223	-	-	-	26,223	26,223
PP&E and equipment (net accumulated depreciation)	-	-	(1,058,813)	-	(18,141)	-	(1,076,954)	(1,076,954)
Total assets	\$ 67,032	\$ -	\$ 2,667	\$ -	\$ (18,141)	\$ -	\$ 41,558	\$ 1,171,332

Assets

Other retained earnings
 Reserves for advances to special accounts
 Due from other funds
 Reserve cash and investments
 PP&E and equipment (net accumulated depreciation)
 Total assets

\$ 24,914	\$ -	\$ 415	\$ -	\$ -	\$ -	\$ 25,329	\$ -
42,118	-	-	-	-	-	42,118	42,118
-	-	2,487	-	-	-	2,487	26,223
-	-	(1,058,813)	-	(18,141)	-	(1,076,954)	(1,076,954)
\$ 67,032	\$ -	\$ 2,667	\$ -	\$ (18,141)	\$ -	\$ 41,558	\$ 1,171,332

Liabilities and net assets

Liabilities
 Accounts payable
 Due to city funds
 Other payables
 Accrued interest
 Certificate investments
 Reserve funds
 Total liabilities

Equity
 Investment in general fund assets
 Contributions equity
 Reserved earnings
 Reserves for bond agreements
 Unreserved
 Total equity

Total liabilities and equity

\$ 1,031	\$ -	\$ 30	\$ -	\$ -	\$ -	\$ 1,061	\$ -
-	-	42,118	-	-	-	42,118	42,118
-	-	4,000	-	-	-	4,000	4,000
-	-	4,000	-	-	-	8,000	8,000
-	-	11,279	-	-	-	11,279	11,279
-	-	(51,526)	-	-	-	(51,526)	(51,526)
\$ 1,031	\$ -	\$ 11,007	\$ -	\$ -	\$ -	\$ 12,037	\$ 12,037
-	-	-	-	18,092	-	18,092	18,092
-	-	1,411,841	-	-	-	1,411,841	1,411,841
-	-	18,079	-	-	-	18,079	26,223
-	-	(173,116)	-	-	-	(173,116)	(173,116)
\$ 1,031	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 18,079	\$ 18,079
\$ 12,037	\$ -	\$ 11,007	\$ -	\$ 18,092	\$ -	\$ 41,136	\$ 1,203,412
\$ 12,037	\$ -	\$ 11,007	\$ -	\$ 18,092	\$ -	\$ 41,136	\$ 1,203,412

VILLAGE OF DRY PRONG
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
 All Governmental Fund Types
 For the year ended June 30, 1996

	<u>General Fund</u>
Revenues:	
Taxes:	
Ad valorem	\$ 5,179
Franchise	9,821
Licenses and permits:	
Occupational licenses	21,854
Intergovernmental:	
Tobacco tax	2,853
Fire insurance rebate	4,283
Fees	19,419
Miscellaneous:	
Fire assessment	3,081
Other	6,787
Total revenues	71,456
Expenditures:	
General government	48,818
Public safety:	
Police department	16,758
Fire department	14,512
Total expenditures	88,088
Excess (deficiency) of revenues over expenditures	(16,632)
Fund balance - beginning of year	67,283
Fund balance - end of year	\$ 50,651

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
General Fund
 For the year ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u> <u>Favorable</u> <u>(Unfavorable)</u>
Revenues			
Taxes:			
Ad valorem	\$ 3,000	\$ 3,278	\$ 278
Franchise	3,900	9,020	5,120
Licenses and permits			
Occupational license	13,800	11,834	(1,966)
Intergovernmental:			
Tobacco tax	3,600	3,055	(545)
Fire insurance rebate	3,800	4,243	443
Fees	27,700	25,410	(2,290)
Miscellaneous:			
Fire assessment	3,000	3,001	(99)
Other	5,500	6,767	1,267
Total revenues	<u>68,700</u>	<u>71,428</u>	<u>2,728</u>
Expenditures			
General government	55,000	48,111	(6,889)
Public safety:			
Police department	14,300	14,714	414
Fire department	10,600	14,511	3,911
Total expenditures	<u>69,700</u>	<u>67,336</u>	<u>(2,364)</u>
Excess (deficiency) of revenues over expenditures	4,958	(6,408)	(17,666)
Fund balance - beginning of year	<u>67,295</u>	<u>67,295</u>	<u>-</u>
Fund balance - end of year	<u>\$ 76,285</u>	<u>\$ 74,657</u>	<u>\$ (17,668)</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG
ENTERPRISE FUNDS

Combining Statement of Revenues, Expenditures, and Changes in Retained Earnings
For the Year Ended June 30, 1998

	1998	1997	Totals
Operating revenues			
Charges for services	\$ 34,243	\$ 37,507	\$ 71,750
Delinquent charges	<u>1,287</u>	<u>-</u>	<u>1,287</u>
Total Operating Revenues	<u>35,530</u>	<u>37,507</u>	<u>73,037</u>
Operating expenses			
Salaries and payroll taxes	18,482	20,181	38,663
Chemicals and supplies	3,153	1,571	4,724
Depreciation	6,110	43,428	49,538
Utilities	2,647	1,987	4,634
Contract labor	799	258	1,057
Legal and professional	6,467	6,687	13,154
Repairs and maintenance	8,214	348	8,562
Intelligence	<u>683</u>	<u>-</u>	<u>683</u>
Total operating expenses	<u>55,555</u>	<u>88,179</u>	<u>143,734</u>
Operating income (loss)	<u>(20,025)</u>	<u>(50,672)</u>	<u>(70,697)</u>
Non-operating revenues/expenses			
Other income	1,327	531	1,858
Interest expense	<u>(845)</u>	<u>(18,982)</u>	<u>(19,827)</u>
Total Non-operating revenues	<u>482</u>	<u>(18,451)</u>	<u>(17,969)</u>
Net Income (Loss)	<u>1,488</u>	<u>(69,123)</u>	<u>(67,635)</u>
Retained earnings, beginning of year	<u>28,058</u>	<u>(88,257)</u>	<u>(60,199)</u>
Retained earnings, end of year	<u>\$ 29,546</u>	<u>\$ (157,380)</u>	<u>\$ (127,834)</u>

VILLAGE OF DRY PRONG
COMBINED STATEMENT OF CASH FLOWS
Proprietary Fund Type
For the year ended June 30, 1996

Cash flow from operating activities:	
Operating income (loss)	\$ (30,046)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	49,668
Loss on disposal of fixed assets	2,289
(Increase)/decrease in accounts receivable	1,798
(Increase) increase in accounts and other payables	(1,371)
(Increase) increase in other deposits	<u>(2,886)</u>
Net cash provided (used) by operating activities	\$ 14,429
Cash flow from non-capital financing activities:	
Payment of amounts due to the general fund	<u>(5,971)</u>
Net cash provided (used) by non-capital financing activities	(5,971)
Cash flow from capital and related financing activities:	
Acquisition of capital assets	(24,000)
Proceeds from sale/lease of realty/other	15,000
Principal paid on certificates of indebtedness	(2,661)
Principal paid on revenue bonds	(4,489)
Interest paid on debt instruments	<u>(12,879)</u>
Net cash provided (used) by capital and related financing activities	(31,709)
Cash flow from investing activities:	
Interest and other income	<u>5,678</u>
Net cash provided (used) by investing activities	<u>5,678</u>
Net increase (decrease) in cash	(21,110)
Beginning cash balance	<u>47,485</u>
Ending cash balance	26,375
Restricted cash and cash equivalents	<u>14,911</u>
Cash and cash equivalents	<u>\$ 41,286</u>

Supplemental disclosures of cash flow information:

For the year ended June 30, 1996 there were no borrowing, capital, and financing activities that did not result in cash receipts or payments.

The accompanying notes are an integral part of the financial statements.

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December 13, 1996

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Mayor
and the Board of Aldermen
Village of Dry Prong, Louisiana

We have audited the general purpose financial statements of the Village of Dry Prong, Louisiana as of and for the year ended June 30, 1996, and have issued our report thereon dated December 13, 1996.

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 financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Village of Dry Prong, Louisiana is the responsibility of the Village's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the Village's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed the following instance of noncompliance that is required to be reported herein under Government Auditing Standards for which the ultimate resolution cannot presently be determined. Accordingly, no provision for any liability that may result has been recognized in the Village's financial statements.

Budget Variances

Unfavorable budget variances experienced by the Village's General Fund have exceeded limits allowed by State Law.

VILLAGE OF DRY PRONG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 1998

FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds or 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. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Village:

Governmental Fund Type

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.

Proprietary Funds

Enterprise Funds - Enterprise Funds are used to account for operations 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.

Account Groups

General Fixed Assets Account Group - This group of accounts is used to account for fixed assets of the Village other than those accounted for in the proprietary fund.

General Long-Term Debt Account Group - This group of accounts is used to account for long-term debt of the Village not accounted for in the proprietary fund. For the year ended June 30, 1998, there was no activity in this account group and accordingly the accompanying financial statements do not include such an account group.

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 flow 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. Taxpayer-assessed income and gross receipts are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their liability seems certain.

VILLAGE OF DRY PRONG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 1996

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt, which is recognized when due.

In both governmental and proprietary funds, inventories of supplies are considered immaterial and are not recorded.

The proprietary (enterprise) fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. Utility revenues are billed on a cycle basis and are recognized in the month billed. Unbilled service receivables resulting from utility services rendered between cycle billing and the end of the month have been recognized in the accompanying financial statements.

RESTRICTED ASSETS

Restricted assets represent resources that must be expended in a specific manner. Restrictions of this nature are imposed by various contractual obligations including grant agreements and bond covenants.

BUDGET PRACTICES

The Mayor prepares an annual budget for the Village's general fund. This budget is submitted to the Board of Aldermen and an approved budget is adopted before the beginning of each fiscal year. Amended budgets are prepared prior to the conclusion of each fiscal year. The amended budgets are prepared and approved in the same manner as the original budget.

The general fund budget presents revenue and expenditures on a basis which is consistent with generally accepted accounting principles. No annual budget is required for the Village's Utility Fund.

FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Since the Village does not capitalize infrastructure, these items are excluded from the general fixed assets account group. No depreciation has been provided on general fixed assets.

General fixed assets are reported at historical cost. For items acquired prior to July 1, 1989, there were few records supporting historical cost. Current replacement cost has been used as a basis for estimating historical cost incurred prior to July 1, 1989.

Property and equipment used in the proprietary fund operations are recorded at cost or estimated historical cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Prior to July 1, 1989, there were few records supporting the cost; therefore, cost was estimated based on information furnished by the Village's consulting engineers.

VILLAGE OF DRY PRONG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 1996

CASH AND CASH EQUIVALENTS:

Amounts reported as cash and cash equivalents (restricted and unrestricted) include all cash on hand, cash in bank accounts, certificates of deposit and highly liquid investments.

TOTAL COLUMNS ON COMBINED STATEMENTS:

Total columns on the combined statements are captioned "Microenterprises" 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.

STATEMENT OF CASH FLOWS:

For the purpose of reporting cash flows, cash and cash equivalents includes all cash on hand, cash in banks and certificates of deposit.

FUND EQUITY:

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital reported by the Village is not subject to amortization.

Reserves

Reserves represent those portions of fund equity legally segregated for a specific future use.

NOTE 2 - ACCOUNTS RECEIVABLE

At June 30, 1996, accounts receivable consisted entirely of Utility sales. There was no material amount of uncollectible receivables and there was no provision for bad debts recorded on the books.

VILLAGE OF DRY PRONG, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 1996

NOTE 3 - CASH AND CASH EQUIVALENTS

At June 30, 1996 the Village's cash balance totaled \$54,420 (book balance) and \$54,603 (bank balance). The composition of these accounts is as follows:

	General Fund	Enterprise Funds	Total (Memorandum Only)
Cash	\$ 24,745	\$ 5,472	\$ 30,217
Restricted Cash	-----	24,383	24,383
Total Cash	<u>\$ 24,745</u>	<u>\$ 29,855</u>	<u>\$ 54,600</u>

At June 30, 1996, the Bank balance of \$54,603 was fully insured by FDIC.

NOTE 4 - LONG-TERM DEBT

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

	Certificate of Indebtedness	Utility Revenue	Total
Bonds Payable, June 30, 1995	\$ --	\$ 243,236	\$ 243,236
Issued	18,000		18,000
Retired	<u>2,641</u>	<u>4,898</u>	<u>7,123</u>
Bonds Payable, June 30, 1996	<u>\$ 15,359</u>	<u>\$ 243,236</u>	<u>\$ 258,595</u>

VILLAGE OF DRY PRONG, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 1996

NOTE 4 - LONG-TERM DEBT (continued)

At June 30, 1996, the following long-term debt was outstanding:

	Outstanding Balance	
	Certificate of Indebtedness	Utility Revenue
\$18,000 Certificate of Indebtedness dated August 3, 1995, due in annual installments of \$348, including interest at 6%, final installment due August 3, 2000.	\$ 15,159	\$
\$280,200 Sewer Revenue Bonds dated November 1, 1982, due in annual installments of \$16,614, including interest at 5%, final installment due November 1, 2002.	_____	242,740
	\$ 15,159	\$ 242,740

A schedule of maturities of long-term debt follows for the years ended June 30:

	Certificate of Indebtedness	Utility Revenue Bonds	Total
1997	\$ 3,352	\$ 4,477	\$ 7,829
1998	3,398	4,701	8,299
1999	3,778	4,936	8,714
2000	4,011	5,183	9,194
2001	660	5,442	6,102
Thereafter	_____	218,802	218,802
Total	\$ 15,159	\$ 242,740	\$ 257,899

NOTE 5 - AD VALOREM TAXES

The Village bills and collects its own property taxes using the assessed values determined by the Tax Assessor of Grant Parish. For the year ended June 30, 1996, the Village levied a 7.38 mills for general corporate purposes.

Ad valorem taxes are assessed on a calendar year basis and are due on or before December 31 in the year that the tax is levied. Revenues from ad valorem taxes are recognized as revenue in the year billed.

VILLAGE OF IRVY PRONK, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS (Continued)
 June 30, 1996

NOTE 4 - PROPERTY AND EQUIPMENT

Changes in general fixed assets are presented as follows:

	Balance 12/31/95	Additions	Disposals	Balance 12/31/96
Land	\$ 10,243	\$	\$	\$ 10,243
Building Improvements	49,435	4,154		53,589
Furniture, Fixtures & Equipment	78,194	1,050	4,984	75,250
Total General Fixed Assets	<u>\$ 138,752</u>	<u>\$ 5,154</u>	<u>\$ 4,984</u>	<u>\$ 138,952</u>

A summary of the property and equipment at June 30, 1996 consists of the following:

	Balance 06/30/96
Water Distribution System	\$ 168,120
Wastewater System	1,718,332
Equipment	10,506
Land	<u>41,388</u>
Total	1,849,332
Less Accumulated Depreciation	<u>(606,170)</u>
Net Property and Equipment	<u>\$ 1,243,162</u>

NOTE 5 - RISK MANAGEMENT

The Village is exposed to various risks of loss related to theft, damage or destruction of assets; fires and explosions; injuries to employees; and natural disasters.

The Village insures against these risks by participating a public entity risk pool that operates as a common insurance program and by purchasing commercial insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

VILLAGE OF DRY PRONG, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (Continued)
June 30, 1996

NOTE E - RESTRICTED RESOURCES

Bond covenants require the Village to establish bank accounts which serve as debt service and depreciation reserves. Funds may be disbursed from these accounts only under specific circumstances described by the bond covenants. Amounts on deposit in these accounts are reported as restricted cash.

VILLAGE OF DRY PRONG

GENERAL FUND

Schedule of Expenditures - Budget (GAAP Basis) and Actual
For the Year Ended June 30, 2006

	Budget	Actual	Variance Favorable (Unfavorable)
General Government:			
Salary - mayor and aldermen	\$ 3,000	\$ 2,700	\$ 300
Salaries - clerk	8,400	8,888	(488)
Payroll Taxes	3,175	3,200	(25)
Insurance	2,300	3,191	(2,990)
Office supplies	1,400	1,631	(231)
Legal and professional	7,000	9,037	(2,437)
Utilities and telephone	5,180	5,660	(2,480)
Miscellaneous	3,445	9,880	(6,435)
Total general government	<u>30,000</u>	<u>68,888</u>	<u>(15,811)</u>
Public Safety:			
Police department			
Salaries and payroll taxes	14,400	14,120	(120)
Fuel	800	600	(2)
Repairs and maintenance	1,100	1,148	(48)
Miscellaneous	200	488	(128)
Total police department	<u>16,500</u>	<u>16,356</u>	<u>(144)</u>
Fire department			
Repairs	1,000	1,080	(4,190)
Insurance	3,300	3,244	(244)
Equipment	2,000	1,833	3,067
Miscellaneous	1,300	1,641	(7,111)
Total fire department	<u>18,600</u>	<u>14,802</u>	<u>(3,798)</u>
Total expenditures	<u>\$ 65,200</u>	<u>\$ 88,046</u>	<u>\$ (19,794)</u>

VILLAGE OF DRY PRONG
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN RETAINED EARNINGS
Proprietary Fund Type
For the year ended June 30, 1996

Operating revenues:	
Charges for services	\$ 71,828
Delinquent charges	<u>1,247</u>
Total operating revenues	<u>73,075</u>
Operating expenses:	
Salaries and payroll taxes	28,583
Chemicals and supplies	8,824
Depreciation	49,558
Utilities	4,694
Contract labor	1,040
Legal and professional	12,554
Repairs and maintenance	8,537
Miscellaneous	<u>684</u>
Total operating expenses	<u>106,862</u>
Operating income	<u>(33,787)</u>
Non-operating revenues less expenses:	
Other income	5,878
Interest expense	<u>(19,825)</u>
Total Non-operating revenues	<u>(13,947)</u>
Net income (loss)	<u>(47,734)</u>
Retained earnings - beginning of year	<u>641,201</u>
Retained earnings - end of year	<u>\$ 593,467</u>

The accompanying notes are an integral part of the financial statements.

VILLAGE OF DRY PRONG
SCHEDULE OF PER DIEM PAID TO BOARD MEMBERS
For the year ended June 30, 1996

Murray Walker, Mayor	\$ 1,000
Craig McCain, Alderman	550
Bill Norton, Alderman	550
Marrell Walker, Alderman	<u>550</u>
Total	<u>\$ 3,750</u>

VILLAGE OF DRY PRONG

EXTENDING FUNDS

Continuing Balance Sheet

For the Year Ended June 30, 1998

Assets	1998	1997	1996
Current Assets			
Cash and cash equivalents	\$ 3,492	\$ -	\$ 3,492
Receivables, net of allowance for doubtful accounts	3,492	-	3,492
Total current assets	<u>6,984</u>	<u>-</u>	<u>6,984</u>
Restricted Cash and Cash Equivalents			
Working fund	-	66,171	66,171
Contingency fund	-	6,632	6,632
Reserve	-	3,199	3,199
Total restricted assets	<u>-</u>	<u>76,002</u>	<u>76,002</u>
Property and equipment			
Fixed assets (net of accumulated depreciation)	66,666	1,209,644	1,209,644
Total assets	<u>\$ 13,650</u>	<u>\$ 1,275,647</u>	<u>\$ 1,282,620</u>

Liabilities and Fund Equity

Liabilities			
Accounts payable	\$ 500	\$ -	\$ 500
Due to other funds	12,856	26,629	40,215
Money deposits	6,984	-	6,984
Accrued interest	-	4,839	6,808
Certificate of indebtedness - Citibank Banking Company	62,588	-	62,588
Revenue bonds payable	-	262,546	262,736
Total liabilities	<u>82,928</u>	<u>294,014</u>	<u>375,661</u>
Fund equity			
Contributed Capital	11,699	1,076,634	1,241,844
Retained earnings			
Reserved per bond agreement	-	24,285	14,264
Unreserved	29,130	(142,649)	(93,114)
Total fund equity	<u>40,829</u>	<u>958,270</u>	<u>1,154,994</u>
Total liabilities and fund equity	<u>\$ 12,357</u>	<u>\$ 1,273,647</u>	<u>\$ 1,287,655</u>

VILLAGE OF DRY PROMG, LOUISIANA
GENERAL PURPOSE FINANCIAL STATEMENTS
For the year ended June 30, 1998