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VILLAGE OF DEN, LOUISIANA

GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1987

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or notecollect, and to the clerk of the public officials. This report is available for public inspection at the Station House office of the Legislative Auditor and, when appropriate, at the office of the parish clerk of court.

Revised Date ~~1988-10-09~~

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INDEPENDENT ACCOUNTANTS' REPORT

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

We have compiled the accompanying general purpose financial statements of the Village of Sun, Louisiana as of June 30, 1999, and for the year then ended, and the accompanying supplemental information which is presented only for supplementary analysis purposes, as listed 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 supplementary schedules and, accordingly, do not express an opinion or any other form of assurance on them.

In accordance with standards established by the American Institute of Certified Public Accountants, we have also issued a report dated December 11, 1997, on applying agreed-upon procedures for compliance with laws and regulations.



December 11, 1999

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

STATE OF NEW YORK
 COMPTROLLER'S OFFICE
 ALL FUND TYPES AND ACCOUNT CATEGORIES
 AS OF 6/30/1997

	GOVERNMENTAL ACTIVITIES		INTERMEDIATE FUND TYPES - EXCEPTED	ACCOUNT GROUP - GENERAL FUND ASSETS	TOTAL (GOVERNMENTAL ASSETS)
	GENERAL	EXCEPTED			
ASSETS					
Cash and cash equivalents	\$ 35,481	\$ 8,844	\$ 11,828	\$ -	\$ 56,153
Receivables and cash equivalents	-	26,474	65,589	-	92,543
Receivables	-	19,222	13,268	-	32,490
Due from other funds	21,544	14,252	508	-	36,304
Backlogs and equipment (fully paid and expensed)	-	-	-	10,624	10,624
Accumulated depreciation	-	-	32,675	-	32,675
			113,822		113,822
TOTAL ASSETS	\$ 56,153	\$ 56,975	\$ 231,838	\$ 11,624	\$ 346,590

LIABILITIES, FUND EQUITY, AND OTHER DEBITS

	GENERAL	EXCEPTED	INTERMEDIATE FUND TYPES - EXCEPTED	ACCOUNT GROUP - GENERAL FUND LIABILITIES	TOTAL
LIABILITIES					
General liabilities					
Accounts payable and accrued liabilities	\$ 1,488	\$ 282	\$ 1,778	\$ -	\$ 3,548
Due to other funds	-	4,088	15,941	-	20,517
Current liabilities (prepaid flow from reserved assets)	-	-	-	-	-
Reserve funds payable	-	-	-	-	-
Funds payable	-	-	6,118	-	6,118
Accumulated equity	-	-	98	-	98
State's Share Administration	-	-	-	-	-
Fees payable	-	-	3,483	-	3,483
Accumulated equity	-	-	1,492	-	1,492
Total current liabilities	1,488	4,370	21,477	-	27,335
Long term liabilities					
Deferred bonds payable	-	-	11,277	-	11,277
Prepaid bonds administration and payable	-	-	14,286	-	14,286
Total long term liabilities	-	-	25,563	-	25,563
Total liabilities	1,488	4,370	47,040	-	53,898

VILLAGE OF DEW, LOUISIANA
 COMMERCE MANAGEMENT
 ALL FUND-TYPE AND ACCOUNT GROUPS
 2009 10, 1009

	GOVERNMENTAL FUND TYPES GENERAL SERVICES	PROFIT/LOSS FUND TYPE - ENTERPRISES	ACCOUNT GROUP - GENERAL FUND SERVICES	TOTAL BALANCE/FUND AMOUNT
Fund equity	-	-	10,000	10,000
Investment in general fund assets	-	-	-	10,000
Residual equity	-	-	10,000	10,000
Received for revenue fund interests	-	10,000	-	10,000
Received for Village's Office Administration	-	10,000	-	10,000
Use proceeds interests	-	10,000	-	10,000
Received for Administration and	-	10,000	-	10,000
contingencies	-	10,000	-	10,000
Unreserved (profits)	-	10,000	-	10,000
Fund balances	-	10,000	-	10,000
Received for water system operations	-	10,000	-	10,000
and maintenance	-	10,000	-	10,000
(Unreserved - unbudgeted)	-	10,000	-	10,000
Total fund equity and other credits	10,000	10,000	10,000	30,000
TOTAL LOUISIANA FUND EQUITY AND OTHER CREDITS	10,000	10,000	10,000	30,000

The municipality acts as an integral part of the economy.

VILLAGE OF EOL, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1997

	<u>GENERAL</u>	<u>SPECIAL</u> <u>REVENUES</u>	<u>TOTAL</u> <u>(AMOUNTS IN DOLLARS)</u>
REVENUES			
Taxes	\$ 31,594	\$ 29,000	\$ 60,594
Licenses	6,603	-	6,603
Fees and forfeitures	13	-	13
Miscellaneous	<u>3,179</u>	<u>-</u>	<u>3,179</u>
Total revenues	39,489	29,000	68,489
EXPENDITURES			
General government	12,717	14,140	26,857
Public safety	18,983	-	18,983
Waterworks operation and maintenance	<u>-</u>	<u>5,419</u>	<u>5,419</u>
	<u>31,700</u>	<u>19,559</u>	<u>51,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	780	9,441	10,221
FUND BALANCES - BEGINNING OF YEAR	<u>30,709</u>	<u>31,061</u>	<u>61,770</u>
FUND BALANCES - END OF YEAR	<u>\$ 31,589</u>	<u>\$ 40,502</u>	<u>\$ 72,091</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES
 GENERAL AND SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDING JUNE 30, 1997

	General Fund		Village Funds		Special Revenue Funds		Village Funds	
	Actual	Budget	Actual	Change	Actual	Budget	Actual	Change
REVENUES								
Taxes	\$ 21,594	\$ 20,000	\$ 0,495	\$ (960)	\$ 20,000	\$ 20,000	\$ (960)	
License	6,611	4,000	2,611	-	-	-	-	
Fees and Inclusions	18	1,200	(1,487)	-	-	-	-	
Miscellaneous	3,174	1,300	(1,026)	-	4,000	4,000	(4,000)	
Total revenues	32,407	26,500	2,503	(4,500)	20,000	20,000	(4,960)	
EXPENDITURES								
General government	15,717	18,000	2,283	(2,283)	14,142	20,000	(5,858)	
Public safety	(8,081)	(4,000)	4,081	-	-	-	-	
Accounts	-	2,000	(2,000)	-	-	-	-	
Water/sewer operation and maintenance	-	-	-	-	5,455	5,455	-	
Total expenditures	7,636	16,000	(3,719)	(3,719)	19,597	20,000	(4,403)	
EXCESS OF (DEFICIENCY) OF REVENUES OVER EXPENDITURES	24,771	10,500	6,222	(7,719)	4,403	4,403	3,447	
FUND BALANCES - BEGINNING OF YEAR	28,719	28,719	-	-	21,071	20,451	-	
FUND BALANCES - END OF YEAR	\$ 53,490	\$ 59,218	\$ 6,222	\$ (7,719)	\$ 25,474	\$ 24,854	\$ 3,447	

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, 2007

OPERATING REVENUES	
Water and service charges	\$ 31,620
OPERATING EXPENSES	
Billing and collecting expenses	3,416
Water operations and maintenance	3,076
Insurance	2,056
Utilities and telephone	2,227
Wages	12,150
Depreciation	<u>4,527</u>
Total operating expenses	<u>29,652</u>
OPERATING INCOME	2,068
NONOPERATING INCOME (LOSS) (continued)	
Interest earnings	697
Interest expense	<u>(1,063)</u>
Total nonoperating expenses, net	<u>(1,063)</u>
NET INCOME (LOSS)	1,005
RETAINED EARNINGS - BEGINNING OF YEAR	<u>34,190</u>
RETAINED EARNINGS - END OF YEAR	<u>\$ 35,195</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
 PROPERTY FUND - WATERWORKS SYSTEM ENTERPRISE FUND
 STATEMENT OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1997

	UNRESTRICTED CASH	RESTRICTED CASH
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (loss)	\$ 3,488	\$ -
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,310	-
Changes in operating assets:		
(Increase) decrease in accounts receivable	(1,781)	-
(Increase) decrease in other receivables	716	-
Changes in operating liabilities:		
(Increase) (decrease) in accounts payable	911	-
(Increase) (decrease) in other payables	(621)	-
	8,003	-
Net cash provided by (used in) operating activities	8,003	-
CASH FLOWS FROM INVESTING ACTIVITIES		
	-	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Transfers from unrestricted accounts to restricted accounts	(7,848)	7,848
Principal payments on long-term commitments	-	(2,886)
	(7,848)	(2,886)
Net increase (decrease) in cash and cash equivalents	1,411	1,673
Cash and cash equivalents - beginning of year	20,218	21,620
Cash and cash equivalents - end of year	\$ 21,629	\$ 23,293

The accompanying notes are an integral part of this statement.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Mean of Organization

The Village of Sun, Louisiana was incorporated October 5, 1958, under the provisions of the Louisiana Act, Louisiana Revised Statutes (LSA-R.S.) II-321-403. The Village of Sun operates under a Mayor-Council of Aldermen form of government. The general purpose financial statements of the Village of Sun 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 an oversight responsibility, such as 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.

Basis of Presentation

The accompanying financial statements of the Village of Sun have been prepared in accordance 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.

Reporting Entity

As the municipal governing authority, for reporting purposes, the Village of Sun 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. 34 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:

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 data of the organization is not included because of the nature or significance of the relationship.

**VILLAGE OF SUE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS**

NOTE A - SUMMARY OF SIGNIFICANT POLICIES (continued)

Reporting Entity (continued)

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 17th Judicial District. It was determined that these governmental entities are not component units of the Village of Sue reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Sue, Louisiana.

Fund Accounting

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

General Fund

The General Fund is the principal fund of the Village of Sue 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 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 or a continuing body be financed or recovered primarily through user charges. This waterworks system of the Village of Sue is funded primarily through user fees collected from approximately two hundred (200) customers of the system.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 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 susceptible 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 in 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.

Some revenues susceptible to accrual are interest and licenses. Sales taxes collected and held by the tax collector on behalf of 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 assess 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 the following:

Enterprise Fund

This fund accounts for operations in which the intent of the governing body is that the costs (expenses, including depreciation of providing goods or services to the general public) are a continuing burden to financial or enterprise primarily through rate charges, or (2) where the governing body has decided that periodic determination of net cost (revenue less cost) and/or net income is appropriate for capital maintenance, public policy, management control accountability, or other purposes.

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 LSA-R.S. 39:1171, or any other federally insured investments or (2) in mutual or trust fund investments, which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Securities Act of 1934, and which have underlying investments consisting solely of, and limited to, securities of the U.S. Government or its agencies. The 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

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

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 depreciable fixed assets is charged to an expense account quarterly. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of fixed assets are fifty (50) 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.

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 governmental fund. The remaining portion, if any, of such obligation is reported in the general long-term debt group.

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

Budget and Dictionary Accounting

Fund budgetary accounting is employed as a management control device during the year for the general fund and special revenue funds. Budgets are adopted for the general fund and special revenue funds on a basis consistent with generally accepted accounting principles (GAAP). All appropriations which are not expended lapse at year end.

Compensated Absence

The Village of Sun 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.

Encumbrances

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

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)

Allowance For Uncollectible Receivables

The financial statements for the Village of Sun contain no 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.

Fund Equity

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

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 inter-fund transfers are reported as operating transfers.

Total Columns On Combined Statements

The total columns on the combined statements are explained "Memorandum Only" to indicate that they are prepared only to facilitate financial analysis. Thus 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.

NOTE B - STANDARDS, COMPLIANCE, AND ACCOUNTABILITY

Fund

In accordance with the Louisiana Local Government Budget Act, the procedures used by the Village of Sun in establishing the budgetary data reflected in the financial statements include public notice of the proposed budget, public inspection, and public hearings.

The budget is then legally adopted by the Mayor of the town. Budgeted amounts included in the accompanying statements are as originally adopted by the Board of Aldermen as of June 1, 1986.

The accompanying combined statement of revenues, expenditures, and changes in fund balances - actual and budget - general fund and special revenue funds present comparisons of the legally adopted budget with actual data.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE C - CASH AND CASH EQUIVALENTS

At June 30, 1997, the carrying amounts of the Village of Sun's deposits were as follows:

	Cash	
	Unpledged	Pledged
Time deposits	\$ -	\$ 28,801
Interest-bearing demand deposits	59,888	76,478
	\$ 59,888	\$ 105,315

The bank balance at June 30, 1997, was \$117,147.

These deposits are stated at cost, which approximately equals market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. The securities are held in the name of the pledging fiscal agent bank (a holding or connected bank that is mutually accessible to both parties). At June 30, 1997, the Village of Sun had \$117,147 in deposits. These deposits are secured from risk by \$200,000 of federal deposit insurance and \$17,147 of pledged securities held by the collateral bank in the name of the fiscal agent bank (CLASS Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 1, Louisiana Revised Statutes 39:1237 imposes a statutory requirement on the collateral bank to advance and sell the pledge securities within 18 days of being notified by the Village of Sun that the fiscal agent has failed to pay deposited funds upon demand.

NOTE D - FIXED ASSETS

A summary of changes in general fixed assets follows:

	Balance June 30, 1996	Additions		Deletions	Balance June 30, 1997
Buildings	\$ 32,908	\$ -	\$ -	-	\$ 32,908
Equipment	72,582	-	-	(9,280)	63,302
Total general fixed assets	\$105,490	\$ -	\$ -	(9,280)	\$96,210

VILLAGE OF ZIP, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE D - FIXED ASSETS, (continued)

A summary of proprietary property, plant and equipment at June 30, 1991, follows:

Water plant distribution system	\$ 92,719
Improvements to distribution system	59,641
Improvements to control panel	11,219
5 HP, submersible pump	2,908
Fence	338
Pump, wiring, and installation	8,407
5 HP, 3 phase pump	1,758
Backhoes	8,800
	<u>182,971</u>
Less accumulated depreciation	(111,812)
Net property, plant, and equipment	<u>\$ 71,159</u>

NOTE E - RECEIVABLES

Receivables at June 30, 1991, consisted of the following:

	<u>Special Revenue</u>	<u>Proprietary</u>	<u>Total</u>
Receivables:			
Water taxes	\$ 18,502	\$ -	\$ 18,502
Service charges, and fees	<u>-</u>	<u>9,202</u>	<u>9,202</u>
Net receivables	<u>\$ 18,502</u>	<u>\$ 9,202</u>	<u>\$ 27,704</u>

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

NOTE F - ACCOUNTS PAYABLE

The payables of \$1,932 at June 30, 1991, were as follows:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Proprietary Fund</u>	<u>Total</u>
Accounts payable	\$ 712	\$ 122	\$ 1,098	<u>\$ 1,932</u>

VILLAGE OF SUE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE C - LONG-TERM DEBT

The following is a summary of the long-term debt transactions for the year ended June 30, 1997:

	Revenue Bond	PFA Note	Total
Long-term debt at July 1, 1996	\$ 42,024	\$ 40,673	\$ 82,697
Reductions	<u>5,111</u>	<u>3,773</u>	<u>8,884</u>
Portion classified as current at June 30, 1997	<u>4,134</u>	<u>3,404</u>	<u>7,538</u>
Long-term debt at June 30, 1997	<u>\$ 32,779</u>	<u>\$ 33,565</u>	<u>\$ 66,344</u>

The long-term debt outstanding at June 30, 1997, consisted of the remaining note payable to the Fannin's Home Administration (CFDA 10-418)-dated August 17, 1967, and the Water Utility Bonds in the amount of \$40,600 dated September 18, 1981, issued to the Fannin's Home Administration-CFDA 10-4081. The Revenue Premiumacy Note was issued for the purpose of paying the cost of construction of a waterworks system. The note matures from 1967 to 2007 at an interest rate of 4.80% per annum. The Water Utility Bonds were issued for the purpose of paying the cost of acquiring and constructing equipment and improvements to the existing waterworks system. The bonds mature from 1991 to 1999 at an interest rate of 5.00% 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 Sue.

The annual requirements to amortize all debt outstanding at June 30, 1997, including interest of \$9,811 and \$9,814 on the Revenue Bonds and the Fannin's Home Administration (PFA) note respectively, were as follows:

Fiscal Year	Revenue Bond	PFA Note	Total
1998	\$ 4,897	\$ 4,914	\$ 9,811
1999	4,897	4,914	9,811
2000	4,897	4,914	9,811
2001	4,897	4,914	9,811
2002	4,897	4,914	9,811
Thereafter	<u>30,280</u>	<u>30,280</u>	<u>60,560</u>
	<u>\$ 49,268</u>	<u>\$ 49,736</u>	<u>\$ 99,004</u>

VILLAGE OF SUN, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

NOTE 8 - RESERVES RETAINED EARNINGS

The reserve funds and the FICA, non-instruments require that all the income and interest earned from the operation of the system be deposited into the Waterworks Reserve Fund Account. This account is required to be maintained and administered in the following order of priority and for the following purposes through the use of the following accounts:

Non-Payment 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 Reserve 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 on the same respectively hereon due. As of June 30, 1997, the reserve requirement was \$3,138.

Interest Fund 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 percent of the amount required to be paid monthly into the principal Non-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, 1997, the reserve requirement was \$26,528.

Expansions Fund - The bond and note instruments require that this fund be established to use for depreciation, extensions, additions, improvements and replacements necessary to properly operate the system by depositing in a separate bank account the sum of \$81 per month, provided that such sum is available after provision is made for the payments required under the funds previously mentioned. As of June 30, 1997, the reserve requirement was \$9,720.

NOTE 9 - UTILITY DEPOSITS

Subsidiary records of customer liability utility deposits are not maintained. Therefore, the actual liability of customer utility deposits could not be determined or recorded in the financial statements as June 30, 1997.

VILLAGE OF SUN, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - INTERFUND TRANSACTIONS

Referred balances due between other funds at June 30, 1997, were as follows:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund:		
Sales and Use Tax	\$ 2,400	\$ -
Special Revenue Funds:		
Sales and Use Tax	-	6,118
Special Sales and Use Tax	14,230	64
Proprietary Fund:		
Waterworks System Enterprise	631	20,627
	<u>\$ 17,261</u>	<u>\$ 26,809</u>

NOTE 1C - 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 SCHEDULES
FOR THE YEAR ENDED JUNE 30, 1997

SPECIAL REVENUE FUND

State and Use Tax

Portions of the one and one-half percent 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, building, operating sewerage and water systems, public safety and other permanent public improvements.

Special Sales and Use Tax

Portions 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 maintenance, additions, improvements, construction, and operation of the waterworks system.

VILLAGE OF SUN, LOUISIANA
COMBINING BALANCE SHEET
SPECIAL REVENUE FUNDS
JUNE 30, 1993

	<u>Sales and Use Tax</u>	<u>Special (Sales and Use Tax)</u>	<u>Total (Miscellaneous Only)</u>
ASSETS			
Cash			
Receivables	\$ 8,884	\$ -	\$ 8,884
Restricted cash	10,522	-	10,522
Due from other funds	-	35,419	35,419
	-	14,736	14,736
Total assets	<u>\$ 19,406</u>	<u>\$ 50,154</u>	<u>\$ 79,560</u>
LIABILITIES AND FUND EQUITY			
Liabilities			
Accounts payable and accrued liabilities	\$ 146	\$ 118	\$ 264
Due to other funds	6,211	458	6,669
Total liabilities	<u>6,357</u>	<u>576</u>	<u>6,933</u>
Fund equity			
Reserved for water system operations and maintenance	-	36,473	36,473
Unreserved - undesignated	12,865	13,209	26,074
Total fund equity	<u>12,865</u>	<u>49,682</u>	<u>62,547</u>
Total liabilities and fund equity	<u>\$ 19,222</u>	<u>\$ 50,258</u>	<u>\$ 79,480</u>

VILLAGE OF SUN, ILLINOIS
COMPARING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
SPECIAL REVENUE FUND
FOR THE YEAR ENDED JUNE 30, 1971

REVENUE	Sales and Use Tax	Special Sales and Use Tax	Total (Miscellaneous Only)
Taxes	\$ 14,505	\$ 14,505	\$ 29,010
Miscellaneous	-	-	-
Total revenue	14,505	14,505	29,010
EXPENDITURES			
Wages	4,283	-	4,283
Repairs and maintenance	1,591	1,826	3,417
Supplies	1,843	-	1,843
Insurance	1,828	1,168	2,996
Legal and professional	400	850	1,250
Utilities and telephone	771	-	771
Miscellaneous	350	-	350
Total expenditures	14,116	5,844	19,960
EXCESS OF REVENUES OVER EXPENDITURES	(11)	9,661	9,640
FUND BALANCES - BEGINNING OF YEAR	12,835	90,021	102,856
FUND BALANCES - END OF YEAR	\$ 12,824	\$ 99,682	\$ 112,506

VILLAGE OF BOW LAURENSIA
COMBINED STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES - ACTUAL AND BUDGET
PERIOD: REVENUE FUND
FOR THE YEAR ENDED APRIL 30, 2007

	Actual		Budget		Special Items and Var. Tax		Variances (Unfavorable)
REVENUES							
Taxes	\$ 14,500	\$ 14,500	\$ 14,500	\$ 14,500	\$ -	\$ -	\$ -
Miscellaneous	-	3,000	-	-	3,000	3,000	3,000
Total revenue	14,500	17,500	14,500	14,500	3,000	3,000	
EXPENDITURES							
Wages	4,500	5,000	-	-	-	-	5,000
Depreciated machinery	2,000	5,000	3,000	3,000	-	3,000	
Supplies	3,400	5,000	3,000	3,000	-	3,000	
Services	5,400	1,000	3,200	3,200	1,000	1,000	
Capital outlay	-	-	-	-	-	-	-
Land and professional	800	400	400	400	400	400	
Utilities and telephone	70	400	-	-	-	400	
Miscellaneous	10	10	-	-	10	10	
Total expenditures	16,110	26,410	13,600	13,600	5,200	16,210	
EXCESS OF REVENUES OVER EXPENDITURES	(1)	(9,910)	900	900	5,800	5,800	
FUND BALANCES - beginning of year	1,170	1,170	-	-	6,110	6,110	
FUND BALANCES - end of year	1,169	2,160	900	900	11,910	11,910	

VILLAGE OF SUN, LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
FOR THE YEAR ENDED JUNE 30, 1997

COMPENSATION PAID TO ALDERMEN

As shown on the attached schedule, compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 24 of the 1979 Session of the Louisiana Legislature. As provided by Louisiana Revised Statute 33:403(C), the aldermen receive \$30 per month to attend board meetings.

VILLAGE OF SON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO ALDERMEN
FOR THE YEAR ENDED JUNE 30, 1997

Alderman	Months	Amount
Frank Blackwell	12	\$ 360
Floyd Mize	12	360
Henry Kippie	12	360
Total		<u>\$1,080</u>

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**INDEPENDENT ACCOUNTANTS' REPORT
ON APPLYING AGREED-UPON PROCEDURES**

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

We have performed the procedures included in the Louisiana Government Audit Guide and summarized below, which were agreed on by the management of the Village of Sun, Louisiana, and the Legislative Auditors, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Sun's compliance with certain laws and regulations during the year ended June 30, 1997, included in the accompanying Louisiana Auditation Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The inclusiveness 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 \$1,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-BS 28:2211-1221 (the public bid law).

There were not any expenditures made during the year ended June 30, 1997, exceeding \$1,000, 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-BS 42:1101-1134 (the code of ethics), and a list of outside business interests of all board member 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.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included in 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 in agreed-upon procedure (3) appeared on the list provided by management in agreed-upon procedure (2).

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

Budgeting

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

Management provided us with a copy of the original budget. There were no amendments to the budget during the year.

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

We traced the adoption of the original budget to the minute of a meeting held on June 5, 1996 which indicated that the budget had been adopted by the citizens of the Village of Sun by a vote of 3 in favor and none opposed. No amendments were made to the budget during the year.

3. 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%.

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

Accounting and Reporting

4. Randomly select 6 disbursement made during the period examination and:

(a) trace payments to supporting documentation to proper amount and paper;

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 party.

(b) determine if payments were properly coded to the correct fund and general ledger account; and

All 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 approval from the accountant and the board of directors. In addition, each of the disbursements were listed in the Village's minute book where they were approved by the full board.

Meetings

5. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by L.S.A.-RS 42:1 through 42:12 (the open meetings law).

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

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 of Sun for the year indicated no approval for the payments noted. We also inspected payroll records for the year and noted no instances 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 the Village of Sun, 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 premises and their 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 G. Gilbert, C. A. P.
December 11, 1999