

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF SIMPSON

Exhibit C

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - PROPRIETARY FUND TYPE
Year ended June 30, 1988

Operating revenues:	
Charges for services -	
Water sales	\$ 47,622
Total operating revenues	47,622
Operating expenses:	
Salaries and wages	1,923
Payroll taxes	2,788
Travel	—
Office expense	2,883
Insurance	2,263
Repairs and maintenance	2,962
Professional services	476
Miscellaneous	808
Interest	8,388
Depreciation	30,910
Sales tax expense	1,132
Depletion	7,586
Total operating expenses	59,429
Operating income (loss)	(7,365)
Nonoperating revenues:	
Interest income	3,288
Income (loss) before operating transfers	(6,479)
Operating transfers in	3,223
Net income (loss)	(5,256)
And amortization of contributed capital	25,288
Increase in retained earnings	9,964
Retained earnings, beginning	53,962
Retained earnings, ending	\$ 63,926

The accompanying notes are an integral part of this statement.

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ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Monroe, Louisiana 70458-1287

July 28, 1986
DOR 704-244
Per 704-251

W. Milton (Mac), CPA

The Honorable Joe Barker, Mayor
and the Members of the Board of Aldermen
Simpson, Louisiana:

I have compiled the accompanying component unit financial statements of the Village of Simpson as of June 30, 1986, and the related statements of revenues, expenditures, and changes in fund balances for the year then ended, in accordance with the 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 information that is the representation of management. I have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Elliott & Assoc. "CPA"

Monroe, Louisiana
September 3, 1986

VILLAGE OF SIMPSON

COMBINED BALANCE SHEET - ALL FUNDS TYPES AND ACCOUNT GROUP
June 30, 1986

Environmental Fund Types

ASSETS	General
Cash and cash equivalents (Note 2)	\$18,944
Receivables, net where applicable of allowances for uncollectibles) - (Note 3)	
Intergovernmental	725
Accounts	1,405
Due from Simpson Volunteer Fire Department	200
Due from other funds (Note 4)	1,296
Restricted assets (Notes 2 and 5)	
Cash and cash equivalents	---
Land	---
Furniture and equipment	---
Utility plant and equipment (Note 6)	---
Accumulated depreciation (Note 6)	---
 Total assets	 <u>\$22,312</u>
 LIABILITIES AND FUND EQUITY	
Liabilities:	
accounts payable	5 278
Payroll taxes payable	---
Sales taxes payable	---
Due to other fund (Note 4)	---
Customer deposits	---
Payable from restricted assets -	
Revenue bonds payable - current (Note 8)	---
Interest payable	---
Revenue bonds payable (Note 8)	---
 Total liabilities	 <u> 278</u>
Fund equity:	
Contributed capital	---
Amortization of contributed capital	---
Investment in general fund assets	---
Retained earnings	
Reserve for reserve fund retirement	---
Encumbered	---
Fund balances -	
Unreserved - undesignated	22,034
 Total fund equity	 <u>22,034</u>
 Total liabilities and fund equity	 <u>\$22,312</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF SIMPSON
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - ALL GOVERNMENTAL FUND TYPES
 Year ended June 30, 1988

	<u>General Fund</u>
Revenues:	
Taxes	\$ ---
Licenses and permits	---
Intergovernmental	2,898
Fines and forfeits	---
Miscellaneous	28,602
Total revenues	32,502
Expenditures:	
Current -	
General government	13,864
Public safety -	
Police	4,370
Capital outlay	6,828
Total expenditures	25,062
Excess (deficiency) of revenues over expenditures	7,440
Other sources (uses):	
Transfers in	---
Transfers out	11,322
Total other sources (uses)	11,322
Excess (deficiency) of revenues and other sources over expenditures and other uses	6,351
Fund balance, beginning	15,322
Fund balance, ending	22,014

The accompanying notes are an integral part of this statement.

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VILLAGE OF SIMPSON, LOUISIANA

ANNUAL FINANCIAL REPORT

For the year ended
June 30, 2001

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

OCT 16 2001

Release Date: _____

VILLAGE OF WILSON

STATEMENT OF CASH FLOWS
FUNDAMENTAL FUND TYPE
Year ended June 30, 1988

Operating activities:	
Net income (loss)	\$15,294
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	20,950
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	2,150
Increase (decrease) in accounts payable	(1,900)
Increase (decrease) in sales taxes payable	28
Increase (decrease) in payroll taxes payable	24
Increase (decrease) in customer deposits	(1,120)
Net cash provided by operating activities	37,226
Investing activities:	
(Increase) in restricted assets	(2,047)
(Increase) in plant and equipment	128,285
Net cash provided (used) by investing activities	126,238
Financing activities:	
Principal payments on long-term debt	14,781
Increase (decrease) in accrued interest payable	(1,141)
Net cash used by financing activities	(15,922)
Increase in cash	149
Cash, beginning of year	21,818
Cash, end of year	22,367

The accompanying notes are an integral part of this statement.

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS
June 30, 1998

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Simpson was incorporated August 29, 1963, under the provisions of the Louisiana Act. The Village operates under a Mayor - Board of Aldermen form of government.

The accounting and reporting policies of the Village of Simpson conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 48:141 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the Industry Audit Guide, Audits of State and Local Government Units.

The following is a summary of certain significant accounting policies.

Financial reporting entity. This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

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

Governmental Funds -

General Fund

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

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Proprietary Fund -

Enterprise Funds

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed assets and long-term liabilities. The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for as a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

All proprietary funds are accounted for as a cost of service or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets.

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

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

Water Utility -	
Plant and equipment	50 years
Extensions	20 years
Well and equipment	50 years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Depleted fixed assets are stated at their estimated fair market value on the date shown.

Basis of accounting

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of cash taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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, is recognized when due.

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

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Village Clerk prepares a proposed budget and submits the same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after the publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.

6. All budgetary appropriations lapse at the end of each fiscal year.

7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

INVESTMENTS. Investments are stated at cost.

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

VILLAGE OF KIMPEEN

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4--INTERFUND RECEIVABLES, PAYABLES

	Interfund Receivables	Interfund Payables
General Fund	\$ 1,278	\$ ---
Enterprise Fund - Utility Fund	-----	1,278
	<u>\$ 1,278</u>	<u>\$ 1,278</u>

NOTE 5--RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30, 1998:

Bond and interest account	\$ 21,648
Bond reserve account	4,762
Bond contingency account	3,320
Total restricted assets	<u>\$ 29,730</u>

NOTE 6--PROPERTY, PLANT, AND EQUIPMENT

A summary of proprietary fund type plant and equipment at June 30, 1998 follows:

Meter Utility	
Plant and equipment	\$612,432
Well and equipment	48,730
Extensions	8,238
Total	669,392
Less accumulated depreciation	437,151
Net	<u>232,241</u>

NOTE 7--ACCUMULATED UNPAID VACATION AND SICK LEAVE

The Village requires all employees to take vacations currently. Therefore, any accumulated vacation pay would be less than a year's accrual. Additionally, sick leave is not accumulated.

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 3--CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Simpson for the year ended June 30, 1988:

	<u>Revenue Bonds</u>		Totals
	5/26/73	3/28/77	
Bonds payable, 6/30/83	88,000	30,680	118,680
Bonds retired	(14,038)	(1387)	(15,425)
Bonds payable, 6/30/88	<u>\$ 73,962</u>	<u>\$ 29,293</u>	<u>\$ 103,255</u>

Bonds payable at June 30, 1988 are comprised of the following individual issues:

Revenue Bonds:

\$140,000 of Wastewater Revenue Bonds dated May 26, 1973; due in annual installments of \$2,000 - \$9,800 through 2023; interest at 5% \$ 92,000

\$88,000 of Wastewater Revenue Bonds dated March 28, 1977; due in annual installments of \$2,333 through 2027; interest at 5% _____ 28,000

\$ 120,000

The annual requirements to amortize all revenue bonds outstanding as of June 30, 1988, including interest payments of \$52,815 are as follows:

Year ending	Revenue \$140,000	Revenue \$48,000	Totals
1987	8,000	2,331	10,331
1988	8,300	2,331	10,631
1989	8,600	2,331	10,931
1990	8,900	2,331	11,231
1991	9,200	2,331	11,531
Thereafter	<u>65,600</u>	<u>37,250</u>	<u>102,850</u>
	<u>\$130,600</u>	<u>\$48,852</u>	<u>\$179,452</u>

ELLIOTT & ASSOCIATES, INC.

A Professional Accounting Corporation

P. O. Box 1287

Louisville, Louisiana 70406-1287

July 20, 1994
POM 19-113
No. 28-194

W. Michael Hines, CPA

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLICABLE ADOPTED-1993 PROCEDURES**

Mayor and Board of Aldermen
Village of Simpson

I have performed the procedures included in the Louisiana Government Audit Guide and associated forms, which were agreed to by the management of the Village of Simpson and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Simpson's compliance with certain laws and regulations during the year ended June 30, 1994, included in the accompanying Louisiana Association 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, I make no representation regarding the sufficiency of the procedures described below either for the purposes for which this report has been requested or for any other purposes.

PUBLIC BID LAW

One expenditure was made during the year for equipment exceeding \$5,000 and no expenditures were made for public works exceeding \$50,000. I examined documentation which identified that this expenditure was properly advertised and accepted in accordance with the provisions of LA-82 86:2211-2253.

**CODE OF ETHICS FOR PUBLIC OFFICIALS
AND PUBLIC EMPLOYEES**

Management provided me with the required list of immediate family members of each board member as defined by LA-85 87:1181-1184, and a list of outside business interests of all board members and employees, as well as their immediate families.

Management also provided us with the required list of all employees paid during the period under examination.

Exhibit A

Proprietary Fund Type Enterprise	Account Group General Fixed Assets	Totals (Memorandum Only)
\$ 27,488	\$ ---	\$ 46,402
---	---	725
1,634	---	3,841
---	---	300
---	---	4,276
39,531	---	39,531
---	4,080	4,080
---	180,856	180,856
480,478	---	880,828
1333,1541	---	1333,1541
<u>2528,138</u>	<u>\$ 188,936</u>	<u>5755,482</u>
\$ ---	\$ ---	\$ 276
823	---	823
445	---	445
1,278	---	1,276
870	---	870
5,817	---	5,817
2,798	---	2,798
<u>-118,053</u>	<u>---</u>	<u>-118,051</u>
<u>-122,882</u>	<u>---</u>	<u>-122,778</u>
472,482	---	472,482
(45,719)	---	(45,719)
---	180,856	180,856
30,886	---	30,886
41,870	---	41,870
---	---	---
<u>-88,628</u>	<u>---</u>	<u>-88,628</u>
<u>2628,128</u>	<u>\$ 188,936</u>	<u>5755,482</u>

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 5--PLAN OF BONDS: RESTRICTION ON USE - UTILITIES REVENUE

Section 11 of the Bond Resolution adopted by the Village of Simpson, on May 24, 1971, authorizing the issuance of \$140,000 of Waterworks Revenue Bonds dated September 15, 1970, provides the following:

- (1) The income and revenues of said water system shall be deposited daily as same may be collected in a special bank account to be designated "Water Utility System Revenue Fund". After the payment of all reasonable expenses of administration, operations and maintenance of the system, payments must be made into various funds on or before the twentieth of each month as shown below:
 - (a) To a "Utility Revenue Bond Sinking Fund" a sum equal to 1/12 of the interest and principal falling due on the next principal payment date.
 - (b) To a "Water Utility Revenue Bond Reserve Fund" a sum equal to 8% of the monthly Sinking Fund deposit shown in (a) above, such deposit to continue until an amount equal to the highest annual remaining debt service has been reached. These funds are to be retained solely for the purpose of paying principal and interest if funds are not available in (a) above.
 - (c) To a "Depreciation and Contingencies Fund" to care for extensions, additions, improvements, and renewals, the sum of \$10 per month.

All deposits in the Reserve and Contingencies Fund may be invested in direct obligations of the United States maturing in five years or less and any income derived therefrom may be treated as income to the revenue fund for the period during which it is received.

All monies remaining in the System Revenue Fund, after making the above payments may be used for calling and/or paying bonds payable from the revenues of the system or for such other lawful corporate purposes as the governing authority may determine, whether such purposes are or are not related to the system.

On March 25, 1977, the Village issued additional revenue bonds in the amount of \$40,000 payable in annual installments of \$2,331 due 1978 to 2027. These water utility revenue bonds of the Village of Simpson were issued on a parity with the outstanding water utility bonds of 1971 and the Resolution setting forth such new bonds provided for the same

REMIT

I 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

I also inspected payroll records for the year and noted no instances which would indicate payments to employees which would constitute bonuses, advances, or gifts.

I was 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, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Simpson and the Legislative Auditor, State of Louisiana, 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.

Elliott & Assoc. "APAC"
Baton Rouge, Louisiana
September 3, 1988

There were no employees included on the list obtained from management who were paid during the year that appeared on the list of employees or immediate family members obtained from management.

BUDGETING

Management provided us with a copy of the original budget and the one amendment that was made during the year.

I traced the adoption of the original budget to the minutes of a meeting held on June 5, 1995 which indicated that the budget had been adopted by the aldermen of the Village of Simpson by a vote of three in favor and zero opposed. One amendment was made to the budget during the year dated June 7, 1995 and was approved by a vote of three in favor and zero opposed.

I 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 RECEIVING

I examined supporting documentation for each of the six selected disbursements for both the Utility and General Fund and found that payment was for the proper amount and made to the correct payee.

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

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

MEETINGS

The Village of Simpson is only required to post a notice of each meeting and the accompanying agenda on the door of the village's office building. Although management has asserted that such documents were properly posted, I could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

VILLAGE OF SIMPSON

EXIT CONFERENCE

For the year ended June 30, 1996

An exit conference was held with Village Clerk Joan Smith and Mayor Joe Parker on September 3, 1996 to discuss the proposed audit report.

VILLAGE OF SIMPSON
 COMPENSATION OF BOARD MEMBERS

For the year ended June 30, 1994

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 44 of the 1979 session of the legislature.

As provided by Louisiana Revised Statute 13:4584, the board members and the mayor received \$30 and \$40 per diem, respectively, for attendance at meetings of the board. In addition, the board members and the mayor received \$15 and \$20 per diem, respectively, for attendance at special meetings of the board.

	Number Attended	Amount
Joe Parker, Mayor	12	\$ 480
Roger Bossert, Alderman	12	360
James Mashburn, Alderman	12	360
Gene Stephens, Alderman	12	360
Totals		\$1,560

SUPPLEMENTARY INFORMATION

Equipment	Improvements other than Buildings	Total
\$ 78,320	\$ 5,320	\$108,410
<u> 6,520</u>	<u> ---</u>	<u> 6,520</u>
\$ 84,840	\$ 5,320	\$108,700

VILLAGE OF SCENESBORO

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
Year Ended June 30, 1994

	Land	Buildings
General fixed assets, July 1, 1993	\$ 8,880	\$ 18,366
General fund revenue additions	---	---
Reductions	---	---
General fixed assets, June 30, 1994	<u>8,880</u>	<u>18,366</u>

WILLIAM OF SIMPSON

Exhibit A-1

STATEMENT OF GENERAL FIXED ASSETS
June 30, 1986

General fixed assets, at cost:	
Land	\$ 4,000
Buildings	14,000
Equipment	61,250
Improvements other than buildings	5,332
Total general fixed assets	<u>\$124,582</u>
Investment in general fixed assets:	
General fund revenues	<u>\$124,582</u>
Total investment in general fixed assets	<u>\$124,582</u>

The accompanying notes are an integral part of this statement.

GENERAL FUND ASSETS ACCOUNT DESCRIPTION

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

VILLAGE OF SIMPSON

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 9--FLOW OF FUNDS: RESTRICTION ON USE - UTILITIES REVENUE
(CONTINUED)

flow of funds and restrictions as provided in the 1971 resolution except as follows:

- (1) Section 8 increased the monthly deposit in the Depreciation and Contingencies Fund to \$50 per month instead of \$40 per month as previously required.
- (2) Section 11 provided that out of the proceeds of the bonds sold, there shall be deposited to the Reserve Fund the sum of \$3,000.

Proceeds of the bonds were used to provide for a new water well and to construct extensions to the existing water system.

NOTE 10--RETIREMENT COMMITMENTS

The public employees of the Village of Simpson is a member of the State retirement system for municipal police employees. Contributions to the system are made by both the employee and the Village as a percentage of salary.