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TOWN OF DUBACH,
LOUISIANA

FINANCIAL STATEMENTS
JUNE 30, 1968

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FEB 9 1969

Release Date:

**TOWN OF DIBACH, LOUISIANA
FINANCIAL STATEMENTS
JUNE 30, 1999**

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DON H. McGEHEE

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INDEPENDENT AUDITOR'S REPORT

Honorable Stephen Hammons, Mayor
and Town Council
Town of Dubach
Dubach, Louisiana 71226

I have audited the accompanying general purpose financial statements of the Town of Dubach, Louisiana, as of and for the year ended June 30, 1996, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Dubach's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my 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 I 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 statements presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Dubach, Louisiana, as of June 30, 1996, and the results of its operations and cash flows of its proprietary fund type and non-expendable trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have issued a report dated October 6, 1996 on my consideration of the Town of Dubach's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

My audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The individual fund and account group financial statements and subtotals for the year ended June 30, 1996, and the individual fund financial statements for the year ended June 30, 1997, listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Dubach, Louisiana. Such information has been subjected to the auditing procedures applied in the audits of the general purpose financial statements for the years ended June 30, 1996 and 1997, and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Don H. McGehee
Certified Public Accountant
October 6, 1996

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS – OVERVIEW)**

TOWN OF DORRICH, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2026

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE		ACCOUNT GROUPS		TOTALS (MEMO - AUDITOR'S COMMENT)
	GENERAL FUND	SPECIAL FUND(S)	ENTERPRISE FUND	TRUST FUND	FIXED ASSETS	DEFERRED ASSETS	
ASSETS							
Cash	11,218 \$	1,291 \$	29,000 \$	1,789 \$	0 \$	0 \$	44,299
Investments	295,257	65,304	158,508	0	0	0	499,069
Accounts Receivable - Noncurrent	0	0	0	12,086	0	0	12,086
Accounts Receivable	0	0	13,306	0	0	0	13,306
Accrued Interest Receivable	818	0	718	0	0	0	1,537
Advances From Receivable - Net	2,205	0	0	0	0	0	2,205
Due from Grants	6,875	0	0	0	0	0	6,875
Due from Other Governmental Units	12,248	2,864	0	0	0	0	15,112
Due from Other Funds	7,282	3,894	0	0	0	0	11,177
Prepaid Taxes Receivable	4,242	0	0	0	0	0	4,242
Prepaid Insurance	2,612	987	107	0	0	0	3,706
Insurance Deposit	1,803	0	0	0	0	0	1,803
Permitted Assets -							
Cash	0	0	7,987	0	0	0	7,987
Investments	0	0	15,065	0	0	0	15,065
Land and Buildings	0	0	0	0	168,164	0	168,164
Equipment	0	0	0	0	165,288	0	165,288
Other Improvements	0	0	0	0	797	0	797
Lobby Plant and Equipment	0	0	1,078,088	0	0	0	1,078,088
Accumulated Depreciation	0	0	(785,485)	0	0	0	(785,485)
TOTAL ASSETS	500,125 \$	75,486 \$	1,077,050 \$	14,885 \$	168,164 \$	165,288 \$	2,001,013

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

TOWN OF DUBOUIL, LOUISIANA
 COMBINED BALANCE SHEET -- ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 JUNE 30, 1988

	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE		FIDUCIARY FUND TYPE		ACCOUNT GROUPS		TOTALS (ASSET - LIABILITY)
	GENERAL FUND	SPECIAL REVENUE FUNDS	ENTERPRISE FUND		TRUST FUND		ASSETS	LIABILITIES	
LIABILITIES AND FUND EQUITY									
LIABILITIES									
Accounts Payable	3,488 \$	304 \$	4,356 \$		0 \$		0 \$	0 \$	8,148
Accrued Expenses	4,100	608	864		0		0	0	5,572
Due to Other Funds	0	6,697	4,380		0		0	0	11,087
Deferred Revenues	9,841	0	0		0		0	0	9,841
Payable from Restricted Assets	0	0	23,470		0		0	0	23,470
Customer Deposits	30,051	7,859	32,130		0		0	0	69,040
TOTAL LIABILITIES									
	47,480	8,368	65,196		0		0	0	111,044
EQUITY									
Contributed Capital	0	0	1,548,219		0		0	0	1,549,767
Investment in General Fund Assets	0	0	0		0		694,084	0	694,084
Retained Earnings --- Unassigned	0	0	(595,838)		0		0	0	(595,838)
Fund Reserves ---									
Reserve for Perpetual Care	0	0	0		12,000		0	0	12,000
Unassigned and Unallocated	318,273	68,017	0		5,789		0	0	392,079
TOTAL EQUITY	318,273	68,017	1,242,381		14,789		694,084	0	1,267,545
TOTAL LIABILITIES AND EQUITY	792,753	151,385	1,897,577		14,789		694,084	0	2,001,752

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

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES—GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (MAJOR- RANDOM ONLY)
REVENUES			
Taxes	\$ 76,577	\$ 15,548	\$ 91,125
Interest	16,034	3,282	19,316
Licenses	26,043	0	26,043
Intergovernmental	9,689	0	9,689
Grant Revenue	6,674	0	6,674
On Behalf Revenue	7,208	0	7,208
Charges for Services	0	22,060	22,060
Fees	28,848	0	28,848
Miscellaneous	5,087	0	5,087
TOTAL REVENUES	<u>174,398</u>	<u>40,890</u>	<u>215,288</u>
EXPENDITURES			
General Government	66,923	0	66,923
Fire	0	0	0
Police	107,253	0	107,253
Highways and Streets	41,783	0	41,783
Sanitation	0	44,292	44,292
Capital Outlay	56,293	0	56,219
TOTAL EXPENDITURES	<u>262,149</u>	<u>44,292</u>	<u>306,441</u>
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(87,751)	(3,402)	(91,153)
OTHER FINANCING SOURCES			
Operating Transfers In	31,088	0	31,088
Sale of General Fixed Assets	1,289	0	1,289
TOTAL OTHER FINANCING SOURCES	<u>32,377</u>	<u>0</u>	<u>32,377</u>
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	(55,374)	(3,402)	(58,776)
FUND BALANCE—BEGINNING	<u>394,474</u>	<u>71,418</u>	<u>465,892</u>
FUND BALANCE—ENDING	\$ <u>339,074</u>	\$ <u>68,017</u>	\$ <u>407,091</u>

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

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
-- BUDGET AND ACTUAL -- ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUNDS		
	BUDGET	ACTUAL	VARIANCE-- FAVORABLE	BUDGET	ACTUAL	VARIANCE-- FAVORABLE
REVENUES						
Taxes	\$ 63,800	\$ 76,677	\$ 11,777	\$ 13,000	\$ 16,648	\$ 2,648
Interest	14,200	18,834	4,634	661	3,262	2,601
Licenses	22,800	25,843	3,043	0	0	0
Intergovernmental	8,268	8,899	631	0	0	0
Grant Revenue	0	6,875	6,875	0	0	0
On Behalf Revenue	8,207	7,200	(807)	0	0	0
Charges for Services	0	0	0	22,080	22,080	80
Fees	28,200	28,840	640	0	0	0
Miscellaneous	8,200	5,997	(2,203)	0	0	0
TOTAL REVENUES	161,865	174,958	13,093	35,941	40,660	4,719
EXPENDITURES						
General Government	60,260	58,833	1,427	0	0	0
Rise	0	0	0	0	0	0
Police	107,137	107,262	(125)	0	0	0
Highways and Streets	26,600	41,783	(15,183)	0	0	0
Sanitation	0	0	0	47,628	44,260	3,368
Capital Outlay	26,000	26,210	(210)	0	0	0
TOTAL EXPENDITURES	220,007	234,148	(14,141)	47,628	44,260	3,368
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(58,142)	(59,190)	1,048	(11,687)	(3,600)	8,013
OTHER FINANCING SOURCES (USES)						
Operating Transfers In	13,000	31,086	18,086	0	0	0
Sale of General Fixed Assets	0	1,266	1,266	0	0	0
TOTAL OTHER FINANCING SOURCES (USES)	13,000	32,352	19,352	0	0	0
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(45,142)	(26,838)	18,304	(11,687)	(3,600)	8,303
FUND BALANCE-- BEGINNING	204,454	204,474	20	61,208	71,478	10,270
FUND BALANCE--ENDING	\$ 149,312	\$ 277,636	\$ 128,324	\$ 49,521	\$ 67,878	\$ 18,357

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

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS/FUND BALANCE
PROPRIETARY FUND TYPE AND NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED JUNE 30, 1999

	ENTERPRISE FUND	FIDUCIARY FUND NON- EXPENDABLE TRUST FUND	TOTALS (MEMO - RANDOM ONLY)
OPERATING REVENUES:			
Water Sales	\$ 71,214	\$ 0	71,214
Sewer Sales	25,097	0	25,097
Delinquent charges	4,288	0	4,288
Interest	0	808	808
Miscellaneous	0	800	800
TOTAL OPERATING REVENUES	100,599	1,608	102,207
OPERATING EXPENSES:			
Accounting and Audit Fees	3,570	0	3,570
Depreciation	43,118	0	43,118
Insurance	5,528	0	5,528
Miscellaneous	724	300	1,024
Operations and Maintenance of System	20,789	0	20,789
Office Supplies, Postage, and Printing	1,883	0	1,883
Salaries - Office	14,299	0	14,299
Salaries - Other	9,841	0	9,841
Salaries - Superintendent	11,827	0	11,827
Sewer Pond Inspection Fees	875	0	875
Taxes - Payroll	2,827	0	2,827
Truck Maintenance and Operations	1,820	0	1,820
Unemployment Compensation	1,885	0	1,885
Utilities	11,070	0	11,070
TOTAL OPERATING EXPENSES	131,638	300	131,938
OPERATING INCOME (LOSS)	(21,039)	1,078	(19,961)
NON-OPERATING REVENUES:			
Interest Income	8,200	0	8,200
TOTAL NON-OPERATING REVENUES	8,200	0	8,200
INCOME (LOSS) BEFORE OPERATING TRANSFERS	(12,739)	1,078	(11,661)
TRANSFERS TO OTHER FUNDS:			
General Fund	(21,095)	0	(21,095)
TOTAL TRANSFERS	(21,095)	0	(21,095)
NET INCOME (LOSS)	(40,834)	1,078	(39,756)
ACCUMULATED DEFICIT(FUND BALANCE - BEGINNING)	(307,183)	13,830	(293,353)
ACCUMULATED DEFICIT(FUND BALANCE - ENDING)	\$ (350,028)	\$ 14,908	\$ (335,120)

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

TOWN OF DUBACH, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE AND TRUST FUND
FOR THE YEARS ENDED JUNE 30, 1999

	ENTERPRISE FUND	FIDUCIARY FUND NON- EXPENDABLE TRUST FUND	TOTALS (GROSS- RANDOM- ONLY)
	UTILITY FUND		
CASH FLOWS FROM OPERATING ACTIVITIES:			
Cash Received from Customers and Users	\$ 110,262	\$ 660	\$ 114,262
Cash Payments for Goods and Services	(51,290)	(332)	(52,252)
Cash Payments to Employees	(35,679)	0	(35,679)
Net Cash Provided by Operating Activities	23,293	328	23,121
CASH FLOWS FROM INVESTING ACTIVITIES:			
Purchase of Investments	(129,599)	0	(129,599)
Proceeds from Sale of Investments	129,814	0	129,814
Interest from Investments	6,262	660	6,270
Purchase of Plant Equipment	0	0	0
Net Cash Provided by Investing Activities	7,277	660	6,198
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Operating Transfers from (to) Other Funds	(21,071)	0	(21,071)
Net Cash Used by Noncapital Financing Activities	(21,071)	0	(21,071)
NET INCREASE IN CASH AND RESTRICTED CASH	2,100	1,078	3,266
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	1,766	713	2,802
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 3,879	\$ 1,766	\$ 5,266
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:			
Operating Income (Loss)	\$ (21,268)	1,078	(19,960)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities--			
Depreciation	42,116	0	42,116
Interest Reported as Operating Income	0	(608)	(608)
Changes in Assets and Liabilities Which Required or Provided Cash:			
(Increase) Decrease in Accounts Receivable	2,660	0	2,660
(Increase) Decrease in Prepaid Insurance	(3)	0	(3)
Increase (Decrease) in Accrued Liabilities	87	0	87
Increase (Decrease) in Accounts Payable	661	0	661
Increase (Decrease) in Sales Tax Payable	(18)	0	(18)
Increase/Decrease in Customers' Meter Deposits	(187)	0	(187)
Total Adjustments	46,713	(608)	46,143
Net Cash Provided by Operating Activities	\$ 25,683	\$ 469	\$ 26,121

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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

The Town of Dubach was incorporated under the Louisiana Act in 1898. The Town operates under a Mayor-Board of Aldermen form of government. The Town is located in Lincoln Parish, Louisiana.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Town of Dubach conform to generally accepted accounting principles as applied to governmental units. The accounting and reporting procedures conform to the requirements of Louisiana Revised Statutes 24:117 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 Governmental Units, published by the American Institute of Certified Public Accountants.

A. Reporting Entity

There were no component units of the Town of Dubach that were not included in the financial reporting entity based on financial accountability to report in conformity with generally accepted accounting principles for the year ended June 30, 1999.

B. Fund Accounting

The accounts of the Town of Dubach 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, revenues, and expenditures, or expenses, as appropriate. Governmental 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 government applies all applicable GASB pronouncements in accounting and reporting for its proprietary operations. The various funds are grouped, in the financial statements in this report, into three broad fund categories and five generic fund types as follows:

Governmental Funds --

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the 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 Funds --

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 water and sewer 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

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1993

NOTE 1 — SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

net), expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds—

Trust and Agency Funds

Trust and agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of this fund present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds and nonexpendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings/fund balance components. Operating statements of these funds present increases (e.g., revenues) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, 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 of the current period. The Town considers all governmental revenues as available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred. Purchases of various operating supplies are regarded as expenditures at the time purchased.

Those revenues susceptible to accrual are special assessments, charges for services, franchise fees, and taxes collected locally. Fines and occupational licenses are not susceptible to accrual because generally they are not measurable until received in cash. Grants requiring expenditure for determining eligibility are recognized as revenue when the expenditure is made.

The accrual basis of accounting is utilized by proprietary fund types and nonexpendable trust funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

The Town of Dubach reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. In subsequent periods, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

TOWN OF DUBOCH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Budgetary Practices

The Town of Duboch prepared an operating budget on its governmental and fiduciary fund types for the year ended June 30, 1998, as required by generally accepted accounting principles as applicable to governmental units, and as required by Louisiana law.

Prior to year-end, the Board of Aldermen adopted an amended budget approving additional expenditures and revenue. The amended budget is presented in the Combined Statements of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual. Appropriations lapse at year end and must be reappropriated for the following year to be expended.

E. Investments

Investments are stated at cost or amortized cost. Discounts and premiums on the purchase of investments are amortized over the life of the investment remaining from the date of purchase to the date of maturity.

Under state law, the Town of Duboch may invest in time certificates of deposit with state banks organized under Louisiana law and national banks having their principal offices in Louisiana and United States bonds, treasury notes, etc.

F. Bad Debts

Uncollectible amounts due for ad valorem taxes are 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.

G. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet.

H. Prepaid Insurance

Payments made to insurance companies for insurance coverage that will benefit periods beyond June 30, 1998, are recorded as prepaid items in the asset section of the balance sheet.

I. Restricted Assets

The "customer deposit" account is used to report proceeds from customers' meter deposits. A corresponding liability is presented to record these funds held by the enterprise fund.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

J. Fixed Assets

The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. 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 Town does not capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements.

The Town does not provide depreciation on non--proprietary general fixed assets. 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--	
Wells	10 years
Lines and Tanks	20--50 years
Sewerage Utility--	
Pump Stations	10 years
Lines	20--50 years
Lift Stations	15 years

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

K. Cash and Cash Equivalents

Cash and cash equivalents consist of demand deposits and certificates of deposit with maturities of less than 90 days from the date of purchase. Deposits are carried at cost which approximates market value.

L. Memorandum Only -- Total Columns

Total columns on the general purpose financial statements are captioned "Memorandum Only" 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.

M. Vacation and Sick Leave

Employees earn either one or two weeks of vacation time each year, depending upon years of service. Employees earn 12 days of sick leave each year. Vacation can be accumulated. As of June 30, 1998, there was no accumulated vacation.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1998

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

The Town maintains its cash and investment accounts in various banks, which are insured by the Federal Deposit Insurance Corporation (FDIC). FDIC coverage is \$100,000 for all demand deposits and \$250,000 for all time deposits (time deposits are defined as any interest bearing account.) At June 30, 1998, the bank balance was \$11,098 and the carrying amount was \$18,594 on non-interest bearing accounts, which was all covered by FDIC insurance.

Interest bearing accounts at June 30, 1998, had a bank balance of \$549,419 and carrying amount of \$548,344, which was covered by \$211,095 of FDIC insurance and the remainder of \$338,619 to be covered by collateral other than FDIC insurance which is held by third party institutions in the name of the Town of Dubach.

Besides savings accounts and certificates of deposit, the only other cash the Town has is \$200 of petty cash. Deposits (cash and certificates of deposit) are carried at cost which approximates market value.

NOTE 3 – AD VALOREM TAXES

Taxes are levied on a calendar year basis and are due on December 31. The Town bills and collects its own Ad Valorem taxes. For the 1997 Ad Valorem Taxes, one rate of 1% was levied on property within the corporate limits, as follows:

7.25 mills for the general maintenance of the Town. This millage was approved by the Town Council August 18, 1997, and is the maximum millage that can be assessed without the approval of voters.

For the year ended June 30, 1998, taxes of \$13,890 were levied on property. Taxes receivable at June 30, 1998 consisted of the following:

Taxes Receivable	\$2,812
Allowance for Uncollectible Taxes	<u> (90)</u>
Net Ad Valorem Taxes Receivable	<u>\$2,722</u>

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1999

NOTE 4 – INTERFUND RECEIVABLE, PAYABLES

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 7,982	\$ —
Special Revenue Fund—Garbage Fund	0,000	6,907
Utility Fund	—	4,900
Totals	\$ 11,982	\$ 11,807

NOTE 5 – DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

	<u>1998</u>	<u>1997</u>
Sales Tax from the Lincoln Parish— Ruston Sales and Use Tax Collection Agency	\$ 8,705	\$ 7,607
Tobacco Taxes Due from the State of Louisiana	1,109	1,139
Hotel/Hotel Taxes Due from the State of Louisiana	1,020	0
Sales Tax Dedicated to Garbage Collection from the Lincoln Parish Police Jury	2,686	2,669
Reimbursement from the State of Louisiana for Right-of-way Maintenance	1,455	1,408
Totals	\$ 15,244	\$ 14,323

NOTE 6 – RESTRICTED ASSETS—PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30:

	<u>1998</u>	<u>1997</u>
Customers' Deposits	\$ 23,416	\$ 23,877

NOTE 7 – CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets is as follows:

	<u>Balance</u> <u>6/30/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/98</u>
Land and Buildings	\$142,774	\$27,410	\$0	\$169,184
Equipment	171,867	2,000	8,800	165,067
Improvements Other than Buildings	781	0	0	781
Total General Fixed Assets	\$315,422	\$29,410	\$8,800	\$336,034

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1998

NOTE 7 – CHANGES IN GENERAL FIXED ASSETS (continued)

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

Land	\$ 7,907
Water Plant	727,047
Sewer Plant	469,800
Sewer Treatment Plant	602,517
Furniture and Equipment	5,550
Total	<u>1,812,821</u>
Less Accumulated Depreciation	<u>(729,485)</u>
Net	<u>\$ 1,083,336</u>

NOTE 8 – DEDICATION OF PROCEEDS AND FLOW OF FUNDS – 1.0% SALES AND USE TAX

The parish of Lincoln, in a special election held on November 5, 1974, voted a 1.0% sales and use tax for the purpose of solid waste disposal. The proceeds of the sales tax, after paying reasonable and necessary cost and expenses of collecting and administering the tax and cost of operating and maintaining parishwide solid waste disposal facilities and necessary equipment in connection therewith, is allocated and divided between the Lincoln Parish Police Jury and the incorporated municipalities of the parish according to a formula based upon the ratio that the population of each municipality or entity bears to the total population of the parish as shown by the most recent federal decennial census. The proceeds are restricted for use in the operation and maintenance of solid waste collection facilities, including equipment, furnishings, and other property in connection therewith.

Under the formula for allocation of proceeds, the Town of Dubach received 2.02% of the funds available for allocation during the year ended June 30, 1998.

NOTE 9 – FUND DEFICIT

The total retained earnings deficit in the proprietary fund of \$220,000 arises due to the Town's continued water and sewer service revenue not covering operating costs and depreciation expenses. The deficit is expected to continue. There are no plans for rate increases to alleviate this deficit.

NOTE 10 – OPERATING LEASE

The Town is committed under a 10 year building lease ending in December, 1999. The lease is considered to be an operating lease. Future minimum lease payments would be as follows:

YEAR ENDING

1999 \$ _____,000

The Town sub-leases the building for \$150 per month under an oral contract.

TOWN OF DUBACH, LOUISIANA
NOTES TO FINANCIAL STATEMENTS (continued)
JUNE 30, 1998

NOTE 11 — COMPENSATION PAID THE BOARD OF ALDERMAN

The amount of compensation paid each board member for the year ended June 30, 1998, is as follows:

Hershel Cooper	575
Hattie Graham	575
Suzanne Harris	575
Dorothy McAdams	575
Jimmy Newsum	575
Beth Talton	575
TOTAL	\$ <u>3,350</u>

NOTE 12 — ON BEHALF PAYMENTS

Employees of the Town of Dubach's Police Department received salary supplements from the State of Louisiana.

**INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES**

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash on Hand	\$ 200	688
Cash in Bank	11,516	30,693
Investments	270,027	261,499
All Valheim Taxes Receivable (Net of Allowance for Uncollectible Taxes of \$92 and \$83, Respectively)	3,720	3,373
Franchise Taxes Receivable	4,241	4,000
Hotel Taxes Receivable	1,026	0
Tobacco Taxes Receivable	1,139	1,139
State Dept. of Transportation Receivable	1,405	1,485
State Tax Receivable	8,788	7,887
Accrued Interest	319	607
Due from State Highway Enhancement Grant	6,876	0
Due from Garbage Fund	0,667	0,395
Due from Utility Fund	698	698
Prepaid Insurance	2,412	2,773
Insurance Deposit	<u>1,974</u>	<u>1,974</u>
TOTAL ASSETS	\$ 320,126	\$ 348,902
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ 3,438	3,068
Accrued Payroll	1,320	699
Deferred Revenues	2,541	2,000
Payroll Taxes Payable	<u>2,773</u>	<u>2,980</u>
TOTAL LIABILITIES	10,072	12,757
FUND BALANCE:		
Unreserved— Undesignated	<u>310,054</u>	<u>336,145</u>
TOTAL FUND BALANCE	310,054	336,145
TOTAL LIABILITIES AND FUND BALANCE	\$ 320,126	\$ 348,902

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGE IN FUND BALANCE -- BUDGET AND ACTUAL,
FOR THE YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 1997

	1999		VARIANCE -- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
REVENUES:				
Ad Valorem Tax	\$ 14,800	\$ 14,808	\$ 8	15,069
Fines	28,000	28,640	640	40,518
Franchise Tax	16,000	17,808	1,808	21,571
Interest Income	14,000	15,504	1,504	16,877
Highway Enhancement Grant	0	6,879	6,879	0
Hotel Tax	1,700	2,208	508	0
Miscellaneous	4,400	3,207	(1,193)	3,482
Occupational Licenses	22,800	25,840	3,040	27,098
On Behalf Revenue	6,007	7,200	(607)	4,168
Rent	1,800	1,800	0	1,800
Right-of-Way Maintenance	2,800	2,800	0	2,800
Sales Tax	33,000	43,000	10,000	44,824
Tobacco Tax	4,500	4,500	0	4,500
TOTAL REVENUES	181,207	174,200	22,483	181,671
EXPENDITURES:				
General and Administrative	60,000	56,989	4,127	55,810
Fire Department	0	0	0	328
Police Department	107,107	107,253	(146)	108,286
Street Department	25,800	41,763	(15,163)	18,214
Capital Outlay	28,900	26,210	1,790	800
TOTAL EXPENDITURES	221,707	231,149	(10,262)	184,800
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(60,600)	(56,949)	12,112	7,889
OTHER FINANCING SOURCES (USES):				
Operating Transfer from (to) Other Funds	13,000	31,000	18,000	(4,400)
Sale of General Fixed Assets	0	1,288	1,288	4,083
TOTAL OTHER FINANCING SOURCES (USES)	13,000	32,288	18,288	(900)
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER SOURCES	(60,600)	(24,661)	31,500	7,190
FUND BALANCE--BEGINNING	264,484	264,474	100,000	267,292
FUND BALANCE--ENDING	\$ 148,582	\$ 310,074	\$ 161,622	\$ 228,674

TOWN OF DUBACH, LOUISIANA
GENERAL FUND
SUPPORTING SCHEDULE OF EXPENDITURES COMPARED TO BUDGET
FOR THE YEAR ENDED JUNE 30, 1998
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 1997

	1998		VARIANCE -- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
GENERAL GOVERNMENT				
Alderman's Fees	\$ 3,376	\$ 3,380	\$ 4	\$ 3,000
Insurance	7,500	3,989	3,511	4,859
Lease	1,200	1,200	0	1,200
Legal and Accounting Fees	6,053	5,526	527	5,201
Maintenance	3,500	2,380	1,117	4,047
Mayor's Salary	7,300	7,300	(0)	7,230
Municipal Dues	254	181	83	215
Office Supplies	3,000	3,007	(7)	2,748
Miscellaneous	3,400	3,188	212	1,876
Salaries - Office	17,375	17,087	288	17,520
Salaries - Other	1,100	1,096	4	799
Taxes - Payroll	2,350	2,233	117	2,175
Telephone	1,999	1,814	185	1,529
Travel	160	150	10	400
Utility Expenses	3,356	3,886	(530)	3,216
TOTAL GENERAL GOVERNMENT	60,056	55,953	4,103	54,819
FIRE DEPARTMENT				
Insurance	0	0	0	328
TOTAL FIRE DEPARTMENT	0	0	0	328
POLICE DEPARTMENT				
Auto Maintenance	3,100	4,309	(1,209)	3,520
Auto Operating Expense	6,000	5,040	960	6,250
Case Management Information System	0	250	(250)	442
Criminal Investigation	0	773	(773)	0
Insurance	11,000	8,732	2,278	8,537
LA Law Enforcement Commission	800	698	102	855
Miscellaneous	100	138	(38)	60
Salaries	70,000	70,306	(306)	71,300
On-Behalf Payments	8,007	7,200	807	4,190
Supplies	1,000	1,288	(288)	1,238
Taxes - Payroll	6,000	5,992	8	5,854
Telephone	500	548	(48)	645
Unemployment Compensation	0	0	0	4,289
TOTAL POLICE DEPARTMENT	\$ 107,137	\$ 107,263	(\$ 126)	108,288

TOWN OF DUBACH, LOUISIANA
 GENERAL FUND
 SUPPORTING SCHEDULE OF EXPENDITURES COMPARED TO BUDGET (CONTINUED)
 FOR THE YEAR ENDED JUNE 30, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR THE YEAR ENDED JUNE 30, 1997

	1998		VARIANCE— FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
STREET DEPARTMENT				
Highway Enhancement Grant Expenses	\$ 0	\$ 6,676	\$ 6,676	0
Insurance	1,200	1,254	144	870
Maintenance Supplies and Expense	2,300	2,923	623	5,771
Miscellaneous	100	0	100	0
Street Repair and Maintenance	6,000	18,301	(12,301)	0
Utilities	10,000	13,516	(3,516)	12,887
TOTAL STREET DEPARTMENT	<u>29,600</u>	<u>41,766</u>	<u>(12,166)</u>	<u>19,214</u>
CAPITAL OUTLAY	<u>\$ 26,000</u>	<u>\$ 26,310</u>	<u>\$ 310</u>	<u>839</u>

SPECIAL REVENUE FUNDS

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

GARBAGE FUND--

To account for the receipt and use of the Town's portion of a 1/5% sales and use tax levied by the Lincoln Parish Police Jury and for a related charge for garbage service levied by the Town. The tax proceeds are dedicated to operation and maintenance of solid waste collection and disposal facilities.

TOWN OF DUBACH, LOUISIANA
GARBAGE FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1968 AND 1967

	<u>1968</u>	<u>1967</u>
ASSETS		
Cash in Bank	\$ 1,791	\$ 3,090
Investments	68,889	68,889
Accounts Receivable — Lincoln Parish Police Jury	2,990	2,990
Prepaid Insurance	687	682
Due from Utility Fund	<u>3,083</u>	<u>3,070</u>
TOTAL ASSETS	\$ 76,840	\$ 77,821
LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accrued Payroll	\$ 608	\$ 584
Accounts Payable	504	777
Due to General Fund	<u>6,397</u>	<u>6,399</u>
TOTAL LIABILITIES	<u>7,509</u>	<u>7,760</u>
FUND BALANCE:		
Unreserved — Undesignated	68,817	71,418
TOTAL FUND BALANCE	<u>68,817</u>	<u>71,418</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ 76,840	\$ 77,878

TOWN OF DUBACH, LOUISIANA
GARBAGE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE--BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 1988
WITH COMPARATIVE ACTUAL AMOUNTS
FOR THE YEAR ENDED JUNE 30, 1987

	1988		VARIANCE-- FAVORABLE (UNFAVORABLE)	1987 ACTUAL
	BUDGET	ACTUAL		
REVENUES:				
Garbage Fees	\$ 22,000	\$ 22,000	\$ 0	\$ 24,035
Town's Portion of 1/2% Sales Tax	13,000	15,548	2,548	17,520
Interest on Investments	951	3,292	2,321	4,048
TOTAL REVENUES	<u>35,951</u>	<u>40,840</u>	<u>4,829</u>	<u>45,603</u>
EXPENDITURES:				
Capital Outlay	600	507	453	300
Insurance	800	3,690	(3,000)	4,008
Legal & Accounting	933	900	333	933
Other Expenses	350	487	(117)	648
Salaries	28,288	24,208	1,180	26,876
Taxes--Payroll	2,750	2,680	150	2,700
Truck Expenses	5,847	1,505	4,341	5,300
Utilities	1,400	1,457	(7)	1,340
TOTAL EXPENDITURES	<u>47,528</u>	<u>44,282</u>	<u>3,286</u>	<u>52,031</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(11,577)</u>	<u>(3,442)</u>	<u>8,285</u>	<u>(5,000)</u>
OTHER FINANCING SOURCES				
Operating Transfers to General Fund	0	0	0	1,080
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,080</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES	<u>(11,577)</u>	<u>(3,402)</u>	<u>8,286</u>	<u>(3,917)</u>
FUND BALANCE--BEGINNING	<u>81,208</u>	<u>71,619</u>	<u>10,214</u>	<u>75,068</u>
FUND BALANCE--ENDING	<u>\$ 49,631</u>	<u>\$ 68,217</u>	<u>\$ 18,078</u>	<u>\$ 71,151</u>

ENTERPRISE FUND

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.

UTILITY FUND---

To account for the provision of water and sewer services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1998 AND 1997

	1998	1997
ASSETS		
CURRENT ASSETS:		
Cash	\$ 28,000	\$ 26,000
Investments	132,598	130,814
Accounts Receivable	10,308	10,219
Accrued Interest	718	747
Prepaid Insurance	871	888
TOTAL CURRENT ASSETS:	272,465	268,668
RESTRICTED ASSETS:		
Cash—La. Community Development Block Grant	1	1
Cash—Customers' Deposits	7,558	7,723
Investments—Customers' Deposits	15,953	15,953
TOTAL RESTRICTED ASSETS	23,412	23,677
PLANT AND EQUIPMENT:		
Plant and Equipment at Cost, Net of Accumulated Depreciation of \$768,464 and \$768,327, Respectively	1,080,413	1,183,526
TOTAL PLANT AND EQUIPMENT	1,080,413	1,183,526
TOTAL ASSETS	\$ 1,287,849	\$ 1,585,192
LIABILITIES AND FUND EQUITY		
LIABILITIES:		
CURRENT LIABILITIES		
Accounts Payable & Other Expenses	\$ 380	\$ 273
Accounts Payable	4,380	3,210
Sales Tax Payable	904	820
Due to Garbage Fund	3,685	3,870
Due to General Fund	695	806
TOTAL CURRENT LIABILITIES	9,044	8,379
CURRENT LIABILITIES (Payable from Restricted Assets)		
Customers' Meter Deposits	23,412	23,877
TOTAL CURRENT LIABILITIES (from Restricted Assets)	23,412	23,877
TOTAL LIABILITIES	32,456	32,256
FUND EQUITY:		
CONTRIBUTED CAPITAL		
Municipality	65,000	65,000
Federal Grant	104,140	104,140
Federal Grant—Community Development Block Grant	814,370	814,370
State Grant	701,736	701,736
TOTAL CONTRIBUTED CAPITAL	1,685,246	1,685,246
ACCUMULATED DEFICIT—UNRESERVED	(397,403)	(307,120)
TOTAL FUND EQUITY	1,287,843	1,285,126
TOTAL LIABILITIES AND FUND EQUITY	\$ 1,287,849	\$ 1,285,152

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND
UTILITY FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND
CHANGES IN RETAINED EARNINGS—PROPRIETARY FUND TYPE
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES:		
Water Sales	\$ 71,264	\$ 79,943
Sewer Sales	35,287	34,289
Delinquent charges	4,285	3,499
TOTAL OPERATING REVENUES	<u>110,836</u>	<u>117,641</u>
OPERATING EXPENSES:		
Accounting and Audit Fees	3,875	3,008
Depreciation	43,118	43,108
Insurance	5,659	5,708
Miscellaneous	724	0
Operations and Maintenance of System	22,708	20,892
Office Supplies, Postage, and Printing	1,803	3,074
Salaries—Office	14,298	12,821
Salaries—Other	9,841	15,262
Salaries—Superintendent	11,827	12,890
Sewer Portal Inspection Fees	875	800
Taxes—Payroll	2,827	3,113
Truck Maintenance and Operations	1,820	390
Unemployment Compensation	1,889	0
Utilities	11,070	11,970
TOTAL OPERATING EXPENSES	<u>191,835</u>	<u>145,840</u>
OPERATING LOSS	<u>(80,999)</u>	<u>(28,199)</u>
NON-OPERATING REVENUES:		
Interest Income	6,333	7,627
TOTAL NON-OPERATING REVENUES	<u>6,333</u>	<u>7,627</u>
LOSS BEFORE OPERATING TRANSFERS	(74,666)	(20,572)
TRANSFERS FROM (TO) OTHER FUNDS:		
General Fund	(31,326)	3,378
TOTAL TRANSFERS	<u>(31,326)</u>	<u>3,378</u>
NET LOSS	(105,992)	(17,194)
ACCUMULATED DEFICIT – BEGINNING	<u>(287,103)</u>	<u>(273,112)</u>
ACCUMULATED DEFICIT – ENDING	<u>\$ (393,985)</u>	<u>\$ (287,103)</u>

TOWN OF DUBACH, LOUISIANA
ENTERPRISE FUND – UTILITY FUND
COMPARATIVE STATEMENTS OF CASH FLOWS—
PROPRIETARY FUND TYPE
FOR THE YEARS ENDED JUNE 30, 1999 AND 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Customers and Users	\$ 113,260	\$ 116,633
Cash Payments for Goods and Services	(91,925)	(98,087)
Cash Payments to Employees	(25,676)	(40,086)
Net Cash Provided by Operating Activities	<u>25,659</u>	<u>18,460</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Investments	(129,598)	(138,614)
Proceeds from Sale of Investments	128,814	122,656
Interest from Investments	8,367	8,463
Purchase of Plant Equipment	0	(4,213)
Net Cash Provided (Used) by Investing Activities	<u>7,573</u>	<u>(1,708)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating Transfers from (to) Other Funds	(20,071)	4,719
Net Cash Provided (Used) by Noncapital Financing Activities	<u>(20,071)</u>	<u>4,719</u>
NET INCREASE IN CASH AND RESTRICTED CASH	1,161	21,760
CASH AND RESTRICTED CASH AT BEGINNING OF YEAR	34,373	12,611
CASH AND RESTRICTED CASH AT END OF YEAR	\$ 35,534	\$ 34,371
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating Income (Loss)	\$ (21,058)	\$ (24,993)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities—		
Depreciation	43,116	43,108
Changes in Assets and Liabilities Which Required or Provided Cash:		
(Increase) Decrease in Accounts Receivable	2,883	(1,329)
(Increase) Decrease in Prepaid Insurance	79	(488)
Increase (Decrease) in Accrued Liabilities	87	75
Increase (Decrease) in Accounts Payable	661	156
Increase (Decrease) in Sales Tax Payable	(54)	(53)
Increase (Decrease) in Customers' Meter Deposits	(187)	2,705
Total Adjustments	<u>45,751</u>	<u>44,581</u>
Net Cash Provided by Operating Activities	<u>\$ 25,697</u>	<u>\$ 19,588</u>

FIDUCIARY FUNDS

Trust and agency funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

NON-EXPENDABLE TRUST FUNDS--

Hamilton Memorial Cemetery Trust Fund-- To account for principal trust amounts received and related interest income. The interest portion of the trust can be used to maintain and care for the Hamilton Memorial Cemetery. This fund also receives contributions and proceeds from the sale of cemetery lots that can be used for maintenance and care of the cemetery.

TOWN OF DUBACH, LOUISIANA
 FIDUCIARY FUND
 HAMILTON MEMORIAL CEMETERY NONDEPENDABLE TRUST FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash in Bank	\$ 1,289	\$ 713
Investments	<u>12,886</u>	<u>12,886</u>
TOTAL ASSETS	\$ <u>14,175</u>	\$ <u>13,600</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts Payable	\$ <u>0</u>	\$ <u>0</u>
TOTAL LIABILITIES	<u>0</u>	<u>0</u>
 FUND BALANCE:		
Reserved for Perpetual Care	12,886	12,886
Unreserved and Undesignated	<u>1,289</u>	<u>713</u>
TOTAL FUND BALANCE	<u>14,175</u>	<u>13,600</u>
TOTAL LIABILITIES AND FUND BALANCE	\$ <u>14,175</u>	\$ <u>13,600</u>

TOWN OF DUBACH, LOUISIANA
 FIDUCIARY FUND
 HAMILTON MEMORIAL CEMETERY NONEXPENDABLE TRUST FUNDS
 COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
 AND CHANGES IN FUND BALANCE
 FOR THE YEAR ENDED JUNE 30, 1996 AND 1997

	1996	1997
OPERATING REVENUES		
Sale of Lots	\$ 600	\$ 300
Contributions	200	0
Interest on Investment	608	607
TOTAL OPERATING REVENUES	<u>1,408</u>	<u>907</u>
OPERATING EXPENSES		
Supplies and Maintenance	300	875
NET INCOME	<u>1,078</u>	<u>(0)</u>
FUND BALANCE -- BEGINNING OF YEAR	<u>13,608</u>	<u>13,618</u>
FUND BALANCE -- END OF YEAR	<u>\$ 14,686</u>	<u>\$ 13,618</u>

TOWN OF DUBACH, LOUISIANA
 FIDUCIARY FUND
 HAMILTON MEMORIAL CEMETERY NONDEPENDABLE TRUST FUNDS
 COMPARATIVE STATEMENTS OF CASH FLOWS
 FOR THE YEAR ENDED JUNE 30, 1996 AND 1997

	<u>1996</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash Received from Lot Sales	\$ 600	\$ 580
Cash Received from Contributions	200	0
Cash Payments for Goods and Services	<u>(332)</u>	<u>(570)</u>
Net Cash Provided (Used) in Operating Activities	<u>468</u>	<u>(570)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest from Investments	<u>508</u>	<u>687</u>
Net Cash Provided by Investing Activities	<u>508</u>	<u>687</u>
NET INCREASE (DECREASE) IN CASH	1,376	(9)
CASH AT BEGINNING OF YEAR	<u>713</u>	<u>722</u>
CASH AT END OF YEAR	\$ <u>1,789</u>	\$ <u>713</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating Income	\$ 1,376	\$ (9)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities--		
Interest Reported as Operating Income	<u>(508)</u>	<u>(687)</u>
Net Cash Provided (Used) in Operating Activities	<u>\$ 468</u>	<u>\$ (570)</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for all fixed assets owned by the Town of Dubach.

TOWN OF DUBACH, LOUISIANA
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
GENERAL FIXED ASSETS		
Land and Buildings	\$ 168,184	\$ 140,774
Equipment	168,289	171,857
Improvements Other Than Buildings	791	791
TOTAL GENERAL FIXED ASSETS	<u>\$ 337,264</u>	<u>\$ 313,422</u>
INVESTMENT IN GENERAL FIXED ASSETS		
Property Acquired Prior to 7-1-83	\$ 4,075	10,810
Property Acquired After 7-1-83 from---		
General Obligation Bonds	50,781	51,887
General Fund	143,625	116,451
Federal Revenue Sharing	33,755	33,755
Law Enforcement	4,574	4,574
Garbage Fund	29,090	29,000
Donations	39,260	37,000
State Grants	30,184	30,860
TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 304,254</u>	<u>\$ 313,422</u>

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Honorable Stephen Hammons, Mayor
and Board of Aldermen
Town of Dubach
Dubach, Louisiana 71226

I have audited the general purpose financial statements of the Town of Dubach as of and for the year ended June 30, 1988, and have issued my report thereon dated October 6, 1988. I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Dubach's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Town of Dubach's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect the Town of Dubach's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements. This reportable condition is described below:

It came to my attention that the Town of Dubach has too few personnel involved in the accounting system to have adequate separation of duties for internal control.

PAGE TWO

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I believe the reportable conditions described above is a material weakness.

This report is intended for the information of management of the Town of Dubach, the Louisiana Department of Transportation and Development, and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.



Dan M. McDaniel
Certified Public Accountant
October 8, 1996