

OFFICIAL
FILE COPY

DO NOT REMOVE

Microfilm
Copies from this
series are (FBI)
and (S.P.)

SEARCHED
SERIALIZED
INDEXED
FILED

99002283
2218
41

TOWN OF BASILE, LOUISIANA

Financial Report

Year Ended June 30, 1998

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

Release Date: JAN 6 4 1999

TABLE OF CONTENTS

	Page No.
Independent Auditor's Report	1
GENERAL PURPOSE FINANCIAL STATEMENTS	
(COMBINED STATEMENTS - CONTINUING)	
Combined balance sheet - all fund types and account group	3-4
Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types	5
Combined statement of revenues, expenditures, and changes in fund balances - budget (MSAP basis) and actual - all governmental fund types	6-7
Comparative statements of revenues, expenses, and changes in retained earnings - Enterprise fund	8
Capitalize Statements of each class - Enterprise fund	9-10
Notes to financial statements	11-22
FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS AND ACCOUNT GROUP	
General Fund:	
Comparative statements of revenues	24
Comparative statements of expenditures	25
General Fixed Assets Account Group:	
Comparative statements of general fixed assets	26
Statement of changes in general fixed assets	27
Special Revenue Fund:	
Comparative statements of revenues and expenditures	28-31
OTHER SUPPLEMENTARY INFORMATION	
Schedule of Number of utility customers (unaudited)	32
Comparative departmental analysis of operating revenues and expenses - Utility fund	33-35
Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards	36-37
Summary of Prior Year Findings and Questioned Cost	38
Schedule of Findings and Questioned Costs	39

YICK & TRIANGLE

A CORPORATION OF CALIFORNIA PUBLIC ACCOUNTANTS

120 WEST 19th
P.O. BOX 1000
SAN FRANCISCO, CALIF.

MEMBERS, S. C. P. A.
FEDERAL SOCIETY OF CPAs

TELEPHONE:
312-621-2624
312-621-2625

Independent Auditors' Report

The Honorable John G. Davis, Mayor,
and Members of the Board of Aldermen
Town of Basile, Louisiana

We have audited the accompanying general-purpose financial statements of the Town of Basile, Louisiana, as of and for the year ended June 30, 1968, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Basile, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Basile, Louisiana, as of June 30, 1968, and the results of its operations and the cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated September 10, 1968 on our consideration of the Town of Basile, Louisiana's internal control over financial reporting and our tests of compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the Town of Basile, Louisiana taken as a whole. The accompanying individual fund, and account group financial statements and schedules 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 Basile, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Yick & Triangle

YICK & TRIANGLE
September 18, 1968

GENERAL PURPOSE FINANCIAL STATEMENTS
(CONDENSED STATEMENTS - OVERVIEW)

TOWN OF BRATTLE, MASSACHUSETTS
Combined Balance Sheet - All Fund Types and Account Group
June 30, 1988

ASSETS	Governmental		Proprietary
	Fund Types		
	General	Special	Fund Type
		Revenue	Enterprise
Cash	\$ 6,738	\$ 61,300	\$ 60,663
Receivables:			
Taxes	12,168	-	-
Allowance for uncollectible taxes	(437)	-	-
Accounts Receivable	-	-	11,886
Fee from other funds	6,800	-	-
Fee from other governmental units	3,238	-	-
Other	228	11,936	86
Restricted assets:			
Cash - Demand Accounts	1,734	-	49,304
Interest-bearing deposits, at cost	-	-	29,800
Land	-	-	-
Buildings	-	-	-
Equipment	-	-	-
Utility property plant and equipment	-	-	4,437,890
Accumulated depreciation	-	-	(1,187,657)
Amount to be provided for retirement of general long-term obligations	-	-	-
Other assets	-	-	38,822
Total assets	<u>\$21,938</u>	<u>\$ 83,236</u>	<u>\$1,228,323</u>
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$ 6,493	\$ -	\$ 16,384
Due to other funds	-	6,800	-
Accrued liabilities	11,743	-	6,820
Compensated Absences	-	-	-
Payable from restricted assets -			
Revenue bonds	-	-	13,240
Customers' deposits	-	-	58,873
Long-term debt -			
Revenue bonds payable	-	-	328,822
Total liabilities	<u>\$28,236</u>	<u>\$ 6,800</u>	<u>\$1,028,323</u>
Fund Equity:			
Contributed capital	-	-	2,188,384
Investment in general fund assets	-	-	-
Retained earnings -			
Encumbered	-	-	(268,220)
Total retained earnings	-	-	(268,220)
Fund balances:			
Encumbered, undesignated	11,018	48,525	-
Total fund equity	<u>11,018</u>	<u>48,525</u>	<u>2,487,264</u>
Total liabilities and fund equity	<u>\$ 39,254</u>	<u>\$ 55,325</u>	<u>\$1,515,587</u>

Account Groups		Totals	
Long Term	General	Consolidated Total	
Asset	Fixed	1990	1991
	Asset		
\$ -	\$ -	\$ 138,183	\$ 63,404
-	-	13,168	13,905
-	-	(437)	14891
-	-	33,995	48,000
-	-	8,803	8,803
-	-	3,331	3,330
-	-	13,348	13,128
-	-	53,000	54,741
-	-	38,000	38,000
-	17,180	17,700	17,700
-	584,115	590,115	590,015
-	332,588	334,588	334,088
-	-	4,457,898	4,409,830
-	-	(1,157,657)	(1,050,267)
17,348	-	17,348	14,015
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,018</u>	<u>\$ 10,862</u>
<u>\$ 17,348</u>	<u>\$ 946,813</u>	<u>\$ 8,888,858</u>	<u>\$ 8,888,173</u>
\$ -	\$ -	\$ 24,878	\$ 30,133
-	-	8,803	8,803
-	-	16,843	13,524
17,348	-	37,348	14,830
-	-	23,148	23,484
-	-	88,873	88,108
-	-	915,836	930,712
<u>\$ 17,348</u>	<u>\$ -</u>	<u>\$ 868,332</u>	<u>\$ 1,174,919</u>
-	-	2,158,784	2,370,113
-	880,813	880,813	828,808
-	-	1281,280	1271,820
-	-	1281,280	1271,820
-	-	37,320	38,320
-	880,813	2,481,818	2,389,952
<u>\$ 17,348</u>	<u>\$ 880,813</u>	<u>\$ 8,888,880</u>	<u>\$ 8,888,173</u>

The accompanying notes are an integral part of this statement.

TOWN OF BRATTLE, MASSACHUSETTS

combined statement of Revenues, Expenditures, and
Change in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1998

	General	Special Revenues	Totals	
			(Intercommunal Only) 1998	1997
Revenues:				
Taxes	\$ 83,283	\$ 148,168	\$ 228,451	\$ 219,333
Licenses and permits	33,148	-	33,148	39,668
Intergovernmental	34,098	-	34,098	58,793
Fines and forfeits	14,413	-	14,413	28,884
Miscellaneous	8,858	-	8,858	33,831
Total revenues	<u>173,798</u>	<u>148,168</u>	<u>310,523</u>	<u>328,509</u>
Expenditures:				
Current -				
General government	148,273	-	148,273	148,391
Public safety:				
Police	120,838	-	120,838	189,873
Fire	3,998	-	3,998	3,830
Street and drainage	120,108	-	120,108	98,308
Parks	3,904	-	3,904	1,733
Capital outlay	22,128	-	22,128	22,388
Total expenditures	<u>519,648</u>	<u>-</u>	<u>519,648</u>	<u>527,928</u>
Excess (deficiency) of revenues over expenditures	(345,850)	148,168	(197,682)	(199,419)
Other financing sources (uses):				
operating transfers in	133,400	-	133,400	217,884
operating transfers out	-	(138,800)	(138,800)	(187,488)
total other financing sources (uses)	<u>133,400</u>	<u>(138,800)</u>	<u>(5,400)</u>	<u>30,396</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(10,000)	20,368	10,368	31,733
Fund balances, beginning	31,834	28,361	38,243	68,388
Fund balances, ending	<u>21,834</u>	<u>48,729</u>	<u>70,563</u>	<u>100,121</u>

The accompanying notes are an integral part of this statement.

TOWN OF BAKER, LOUISIANA

Combined Statement of Revenues, Expenditures, and
Changes in Fund Balances -
Budget (MSAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 1998

	General Fund		Variance - Favorable Unfavorable
	Budget	Actual	
Revenues:			
Taxes	\$ 88,618	\$ 93,053	\$ (4,435)
Licenses and permits	25,000	22,199	2,801
Intergovernmental	27,000	24,000	(3,000)
Fees and forfeits	14,750	14,402	348
Miscellaneous	8,842	8,452	(390)
Total revenues	<u>174,210</u>	<u>172,106</u>	<u>2,104</u>
Expenditures:			
Current:			
General government	175,880	144,072	31,808
PUBLIC SAFETY:			
Police	218,813	200,228	18,585
Fire	4,000	3,480	520
Streets and drainage	128,808	120,189	8,619
Parks	2,000	0,000	(2,000)
Capital outlay	13,000	22,128	(9,128)
Total expenditures	<u>523,501</u>	<u>310,067</u>	<u>213,434</u>
Excess (Deficiency) of revenues over expenditures	<u>124,309</u>	<u>(137,961)</u>	<u>262,270</u>
Other financing sources (uses):			
Operating transfers in	348,000	323,608	24,392
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>348,000</u>	<u>323,608</u>	<u>24,392</u>
Excess (Deficiency) of revenues and other sources over expendi- tures and other uses	5,311	125,647	120,336
Fund balances, beginning	<u>20,000</u>	<u>21,000</u>	<u>1,000</u>
Fund balances, ending	<u>\$ 25,311</u>	<u>\$ 146,647</u>	<u>\$ 121,336</u>

<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ 146,000	\$ 146,164	\$ 164
"	"	"
"	"	"
"	"	"
<u>146,000</u>	<u>146,164</u>	<u>164</u>
-	-	-
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>146,000</u>	<u>146,164</u>	<u>164</u>
-	-	-
<u>(146,000)</u>	<u>146,000</u>	<u>28,000</u>
<u>146,000</u>	<u>146,000</u>	<u>28,000</u>
5,000	30,164	25,164
<u>50,000</u>	<u>28,304</u>	<u>117,000</u>
<u>\$ 196,000</u>	<u>\$ 174,364</u>	<u>\$ 21,636</u>

The accompanying notes are an integral part of this statement.

TOWN OF BRIDGE, VERMONT

Comparative Statements of Revenues, Expenses, and
Changes in Retained Earnings

UTILITIES FUND

Years Ended June 30, 1988 and 1987

	1988	1987
Operating revenues:		
Charges for services -		
Gas sales	\$ 284,004	\$ 250,183
Water sales	225,002	218,280
Other service charges	81,808	89,882
Commission charges	5,557	5,150
Relinquish charges	120,001	13,000
MISCELLANEOUS REVENUES	281,888	286,184
Total operating revenues	<u>897,262</u>	<u>896,679</u>
Operating expenses:		
Gas department	188,888	203,264
Water department	79,182	94,634
DEPT OPERATIONS	84,575	87,785
General and administration	80,548	87,937
Depreciation	124,220	128,428
Total operating expenses	<u>677,613</u>	<u>642,048</u>
Operating income	<u>219,649</u>	<u>254,631</u>
Nonoperating revenues (expenses):		
Interest income	2,052	2,000
Interest expense	184,000	185,434
Gain (loss) on disposition of assets	-	3,082
Total nonoperating expenses	<u>181,948</u>	<u>180,434</u>
Income (loss) before operating transfers	<u>37,701</u>	<u>74,197</u>
Operating transfers in (out):		
Operating transfers in	74,000	105,488
Operating transfers out	<u>(271,287)</u>	<u>(220,280)</u>
Total operating transfers	<u>(197,287)</u>	<u>(114,792)</u>
Net loss	<u>(159,586)</u>	<u>(40,595)</u>
ADD: Depreciation of fixed assets acquired by		
Federal and parish grant revenues		
externally restricted for capital		
acquisition and construction that		
releases restricted capital	<u>20,000</u>	<u>20,000</u>
changes in retained earnings	9,789	1,000,000
Retained earnings, beginning	<u>(271,000)</u>	<u>(250,000)</u>
Retained earnings, ending	<u>(420,586)</u>	<u>(270,595)</u>

The accompanying notes are an integral part of this statement.

TYPE OF BOND: MORTGAGE

Comparative Statements of Cash Flow
Enterprise Fund
Utility Fund
Years Ended June 30, 1990 and 1989

	1990	1989
Cash flows from operating activities:		
Net operating income	\$ 205,380	1,342,180
Adjustments to reconcile net operating income to net cash provided by operating activities:		
Amortization of bond insurance costs	420	420
Depreciation	504,180	500,454
Proceeds on Sale of Asset	-	1,090
Changes in assets and liabilities:		
(Increase) decrease in accrued interest	-	150
(Increase) decrease in accounts receivable	(7,300)	2,900
(Increase) in state tax refund receivable	-	4,100
Increase (decrease) in accounts payable	3,197	(3,000)
Increase (decrease) in accrued liabilities	(200,000)	(12,340)
Total adjustments	(200,000)	(98,600)
Net cash provided by operating activities	(94,620)	(54,620)
Cash flows from noncapital financing activities:		
Contributed capital	25,000	-
Operating transfers in from other funds	74,000	506,484
Operating transfers out to other funds	(120,400)	(142,654)
Net cash used by noncapital financing activities	(21,400)	(76,170)
Cash flows from capital and related financing activities:		
Principal paid on revenue bonds	(77,000)	(78,000)
Interest paid on revenue bonds	(44,300)	(45,454)
Acquisition of property, plant and equipment	(38,000)	(33,800)
Net proceeds from customer deposits	2,000	(2,610)
Net cash used by capital and related financing activities	(157,300)	(160,864)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	2,200	2,600
Net increase (decrease) in cash and cash equivalents	(182,700)	(13,934)
Cash and cash equivalents, beginning of period	328,484	342,418
Cash and cash equivalents, end of period	\$ 145,784	\$ 328,484

BOND OF BRITAIN, LOUISIANA
Comparative Statements of Cash Flows
Employees Fund
Utility Fund
Years ended June 30, 1998 and 1997
(Continued)

	1998	1997
Reconciliation of cash and cash equivalents per		
statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 18,821	\$ 18,314
Cash - restricted	58,850	57,371
Interest-bearing deposits, restricted	22,080	22,080
Total cash and cash equivalents	99,751	97,765
Cash and cash equivalents, end of period -		
Cash - unrestricted	50,403	50,821
Cash - restricted	49,784	51,893
Interest-bearing deposits, restricted	22,080	22,080
Total cash and cash equivalents	122,267	124,794
Net increase (decrease)	\$ 22,516	\$ 27,029

The accompanying notes are an integral part of this statement.

TOWN OF BASILE, LOUISIANA
NOTES TO FINANCIAL STATEMENTS

40) Summary of significant accounting policies

The Town of Basile, located in southeast Louisiana, was incorporated on March 22, 1981, under the provisions of the Homeowners Act. The Town operates under a Mayor-Board of Aldermen form of government which are elected by the citizens and are compensated for their services. The town has a population of approximately 2080 and has 28 employees.

The accounting and reporting practices of the Town of Basile conform to generally accepted accounting principles (GAAP) as applicable to governmental units. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 28:1817 and to the industry audit guide, Basile of State and Local Governmental Units, published by The American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

B. Fund Accounting

The accounts of the Town of Basile 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. Government revenues are allocated to and associated for in individual funds based upon the purposes for which spending activities are controlled. The various funds are grouped in the financial statements in this report, into four generic fund types and two broad fund categories 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.

TOWN OF BRILL, LOUISIANA

Notes to Financial Statements (Continued)

Special Revenue Funds

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

Debt Service Funds

Debt service funds are used to account for the accumulation of monies for, and the payment of, general long-term debt principal, interest and related costs.

Proprietary Fund -

Enterprise Fund

The Enterprise Fund is used to account for operations (if that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs incurred, including depreciation of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges) or for where the governing body has decided the preliminary determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes. The Town of Brill's enterprise fund is the utility fund. It accounts for the provision of water, gas, and sewer services to residents of the town.

C. 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 on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included in 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 town has elected not 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.

FORM OF WATER, LOUISIANA

Notes to Financial Statements (Continued)

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are stated at their estimated fair value on the date reported. Estimated amounts are immaterial in relation to total fixed assets.

Long-term obligations reported to be financed from governmental funds are accounted for in the general long term obligations account group, not in the governmental fund.

The two account groups are not funds. They are accounted only with the measurement of financial position, not with the measurement of results of operations.

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

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

Utility system and improvements	20 - 30 years
Equipment	5 - 10 years

F. 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 form 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 are current assets. Basis taxes are considered "measurable" when collected by the collection agency and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which they are billed. Fees and license revenues are recognized when received. Grants from other governments are recognized when qualifying expenditures are incurred.

Those revenues susceptible to warrant are property taxes, grant revenues and interest revenue.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are reported as expenditures at the time purchased.

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

TOWN OF MAINE, MAINE

Notes to Financial Statements (Continued)

and debts are written off when accounts become worthless.

Transfers include funds that are not expected to be repaid and accounted for as other financing sources (uses). These transactions are recorded when the transfers occur.

E. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The Town Clerk prepares a proposed budget and submits same to 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 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 a resolution 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 all 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.

F. Expenditures

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of money are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

TRUST OF BAKERS, LOSINGERS

Notes to Financial Statement (Continued)

6. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

7. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

8. Vacation and Sick Leave

The cost of leave privileges, computed in accordance with GAAP codification, is recognized as a current year expenditure in the governmental funds when leave is actually taken or when employees (or heirs) are paid for accrued leave upon retirement or death, while the cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group.

Vacation must be taken in the year accrued and cannot be carried over. A maximum of three weeks of sick leave may be carried over the next year and be payable at termination of employment. The liability for the year ended June 30, 1998, totals \$17,148.

9. Capitalization of Interest Expense

It is the policy of the Trust of Bakers to capitalize material amounts of interest resulting from borrowing in the course of the construction of fixed assets. At June 30, 1998 the amount of interest capitalized for construction of assets in the Utility Fund totaled zero.

10. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Trust's financial position and operations. However, comparative financial presentation of prior year totals by fund types data have not been presented in each of the statements since their inclusion would make the statements overly complex and difficult to read.

11. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview are captioned "Governmental only" to indicate that they are presented only to facilitate financial analysis. Data in these columns reflect pooled financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles, but in such data comparable to a consolidation. Intergovernmental eliminations have not been made on the aggregation of this data.

STATE OF MISSISSIPPI, LOUISIANA

Notes to Financial Statements (CONTINUED)

47) **Deposits with Financial Institutions**

Cash includes amounts in demand deposits and time deposits. Cash equivalents include amounts in time deposits and other investments with a maturity of 90 days or less. The bank balances of cash are usually covered by Federal Depositary Insurance or by collateral held by the Trust's fiscal agent in the Trust's name. At June 30, 1998 the trust had cash in bank in the amount of \$21,000 and insurance and security pledges of \$500,000. This made \$21,000 of cash uninsured at that date.

13) **Ad Valorem Taxes**

Ad Valorem taxes which are enforceable lien on property as of January 1 of each year. Taxes are levied by the Trust in September or October and are initially billed to the taxpayer in November or December. Billed taxes become delinquent on January 1, of the following year. Arrears from ad valorem taxes are reported in the year billed. The Trust bills and collects its own property taxes using the assessed values determined by the tax assessor of Evangeline Parish.

For the year ended June 30, 1998, taxes of 12.18 mills were levied on property with assessed valuations totaling \$2,481,000 and were dedicated to general corporate purposes.

Total Taxes levied were \$28,421. Taxes receivable at June 30, 1998, were \$788.

48) **Interfund Receivables - Restricted**

	Interfund Receivables	Interfund Payables
General Fund	\$1,000	\$ -
Special Revenue Fund	-	\$ 800
Other Fund	-	\$ 800
	<u>\$1,000</u>	<u>\$1,600</u>

14) **Due From Other Governmental Units**

Amounts due from other governmental units consisted of the following:

Village Water Taxes due from the State of Louisiana	\$ 440
Tobacco Taxes due from the State of Louisiana	\$ 800
	<u>\$1,240</u>

15) **Restricted Assets - Proprietary Fund Trust**

Restricted Assets were applicable to the following at June 30, 1998

	1998	1997
Utility Deposits - Time Certificate of Deposit	\$8,000	\$8,000
Revenue Bond Sinking Fund - cash	1,485	1,515
Revenue Bond Reserve Account - Time Certificate of Deposit	18,000	18,000
Revenue Bond Contingency Reserve - cash	21,085	24,327
Customers' Deposits - cash	1,541	5,000
Water Reserve Fund	8,078	8,472
Water Appreciation & Contingency	16,000	18,534
Total Restricted assets	<u>\$81,189</u>	<u>\$93,848</u>

TRINITY OF KANSAS, LOUISIANA

Notes to Financial Statements (Continued)

(F) Fixed Assets

A summary of changes in general fixed assets follows:

	Balance <u>12/31/</u>	Additions	Deletions	Balance <u>6/30/2008</u>
Land	\$ 17,700	\$ -	\$ -	\$ 17,700
Buildings	274,875	28,880	-	303,755
Equipment	220,585	3,368	4,320	219,633
Total general fixed assets	<u>513,160</u>	<u>32,248</u>	<u>4,320</u>	<u>541,088</u>

A summary of proprietary fund type, property, plant and equipment at June 30, 2008, follows:

Land	\$ 12,000
Water System	2,812,057
San System	829,138
Furniture and equipment	52,051
Sewerage system	2,222,421
Total	6,427,667
Less: Accumulated Depreciation	(4,281,421)
NET Proprietary Fund Type, Property, Plant and Equipment	<u>2,146,246</u>

(G) Changes in Long-Term Debt

The following is a summary of debt transactions of the Trinity of Kansas, Louisiana for the year ended June 30, 2008:

	Payable at July 1, <u>2007</u>	Additions	Retirements	Payable at June 30, <u>2008</u>
Revenue Bonds	<u>2,342,480</u>	<u>0</u>	<u>2,321,424</u>	<u>2,021,056</u>

Bonds payable at June 30, 2007, is comprised of the following individual issues:

Revenue Bonds:

\$140,000 Sewer Revenue Bonds dated 8/1/74 due in annual installments of \$5,000 - \$55,000 through June 1, 1991
Interest at 6% and 4 1/2% per annum 4 13,000

\$678,000 Water Revenue Bonds dated 1/27/76 due in monthly installments of \$5,814.62, which includes interest through March 31, 2005; interest at 4 1/2% per annum 610,440

TOWN OF BEAULIE, LOUISIANA

Notes to Financial Statements (Continued)

\$716,480 Water Revenue Bonds dated 1/27/95; due in monthly installments of \$1,214.88, which includes interest through month 61, 2015; interest at 4 1/2% per annum

200,000

Total Bonds Payable

800,000

The annual requirements to service all debt outstanding as of June 30, 1997, including interest payments of \$948,500, are as follows:

Year Ending June 30	Amount
1998	\$1,575
1999	51,382
2000	51,488
2001	51,593
2002-2006	51,382
2004-2005	2,624,327
	<u>\$3,328,327</u>

(c) Dedication of Proceeds and Flow of Funds

4. Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Based 1/31/95

PROCEEDS of this 1% sales and use tax levied by the Town of Beaulie (1995-1998 collections - \$71,690) are dedicated for any lawful corporate expenditures, including the funding into bonds.

5. Dedication of Proceeds and Flow of Funds - 1% Sales and Use Tax Based 4/12/95

PROCEEDS of this 1% sales and use tax levied by the Town of Beaulie (1997-1998 collections \$73,581) are dedicated to the following purposes:

Constructing, repairing, extending, improving, and/or maintaining drainage facilities, streets, street lighting facilities, bridges, sidewalks, waterworks, sewers and sewerage disposal works, recreational facilities, public parks, public buildings and fire-department stations and equipment, including fire engines and payment of salaries for fire department personnel; and maintaining and operating the municipal police department and garbage collection and disposal facilities, including the purchase of equipment therefor; acquiring industrial park sites and parking lots at constructing within the municipality or adjoining areas

TYPE OF BOND. MICHIGAN.

Notes to FINANCIAL STATEMENTS (Continued)

an area outside of the corporate limits of the municipality, but within the Parish of Stongeline, industrial plant buildings and other necessary property, apparatuses of equipment, utilities, or for any one or more of said purposes and each tax to be subject to funding 1986 bonds.

1991 Flow of Funds Restrictions on the ... Utilities Revenue

Water Utility Bonds:

Under the terms of the bond indenture on outstanding water and power utility bonds, dated June 1, 1974, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and to be set aside into the following special funds:

Out of the revenues there shall be set aside from time to time into an Operation and Maintenance Fund, amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the Bond and Interest Redemption (Sinking) Fund, an amount constituting 1/30 of the cash maturing installment of principal and 1/6 of the bond maturing installment of interest on the outstanding bonds. Such amounts shall be fully sufficient to secure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall be also set aside into a fund Reserve Fund, an amount of \$181 per month until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one monthly year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and as to which there could otherwise be default.

Funds will also be set aside into a Contingency Fund at the rate of 1% of the gross water revenue collected monthly. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

Water Utility Bonds:

Under the terms of the bond indenture on outstanding Water Utility Bonds, dated March 27, 1975, all income and revenues (hereinafter referred to as revenues) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenues there shall be set aside from time to time into an Operation and Maintenance Fund, amounts sufficient to provide for the

TOWN OF BASTILE, LOUISIANA

Notes to Financial Statements (Continued)

payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there shall be set aside into a fund called the Water Reserve Bond and Interest (Sinking) Fund, an amount amounting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall be also set aside into a Bond Reserve Fund, an amount of \$1111 per month until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amount may be used only for the payments of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Depreciation and Contingency Fund at the rate of \$458 per month. Money in this fund may be used for the making of extensions, additions, improvements, repairs, and replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operating expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any legal corporate purpose.

The Town of Bastile and is in compliance with all significant limitations and restrictions this bond indenture as June 30, 1998.

111) Utility Customer Deposits

The accounts of the Town include a liability for utility customer deposits of \$59,915. As of June 30, 1998, the Town has a separate bank account with a balance of \$1,381 and a certificate of deposit with a balance of \$20,000 specifically set aside for customer water deposits.

112) Employee Retirement

All employees of the Town of Bastile belong to the Social Security Retirement System. The Town and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employee). The Town's contribution during the year ended June 30, 1998, amounted to \$25,840.

Municipal Employee's Retirement System

Substantially all full-time employees except police of the Town of Bastile are eligible to be covered under the Municipal Employee's Retirement System of Louisiana (MERS), a multiple-employer, Public Employee Retirement System (PERS), controlled and administered by a separate board of trustees. The payroll for employees of the Town of Bastile, Louisiana by the System for the year ended June 30, 1998, was \$138,808. The town's total payroll was \$373,892.

TOWN OF BASILE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

All permanent employees working at least 20 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 20 years of creditable service or at or after age 55 with at least 25 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 20 years of creditable service, but less than 25 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 25 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 180 percent of final-average salary. Final-average salary is the employee's average salary over the 20 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the system. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7307 Office Park Boulevard, Baton Rouge, Louisiana 70805, or by calling (504) 335-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.8 percent of their annual covered salary and the Town of Basile is required to contribute an actuarially determined rate. The current rate is 2.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent exempt salaries and East Baton Rouge Parish's of the same amount to be deductible by the tax rules of each parish. These tax dollars are divided between Plan B and Plan B based proportionately to the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Basile are established and may be amended by state statute. As provided by Louisiana Revised Statute 15:503, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Basile's contributions to the system under Plan B for the years ending December 31, 1998 and 1997 were \$4,594 and \$4,761, respectively, equal to the required contributions for each year.

120 ESCROW GAS CONTRACT

The Town of Basile, under contract is required to purchase its natural gas from Transco Energy Corporation unless or until terminated either by seller or buyer upon twelve months prior written notice. The Town purchased natural gas for the past twelve (12) months in the amount of 182,912 of which 23,125 was used for purchases for the month of June 20, 1998.

TOWN OF HAULI, LOUISIANA

Notes to Financial Statements (Continued)

(38) Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants is normally restricted for capital acquisitions. It is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This amortization is shown in the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities for the Enterprise fund are as follows:

	Municipality <u>and Grants</u>
Total contributed capital	\$ 2,942,285
Less: Accumulated amortization	<u>103,451</u>
Net contributed capital	<u>\$ 2,838,834</u>

(39) General Information for the Enterprise Fund

The Town of Hauli maintains one Enterprise Fund with three departments which provide gas, water, and sewer services. Segment information for the year ended June 30, 1998, was as follows:

	Gas Department	Water Department	Sewer Department	TOTAL Enterprise Fund
Operating revenues	\$ 262,594	\$ 231,258	\$ 185,218	\$ 679,070
Operating expenses	<u>182,213</u>	<u>141,254</u>	<u>187,258</u>	<u>510,725</u>
Operating income (loss)	<u>80,381</u>	<u>90,004</u>	<u>-2,040</u>	<u>168,345</u>

(40) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1998, follows:

John G. Davis, Mayor	\$ 2,400
Aldermen:	
Frank Evans	750
Harold Bennett	750
James D. Duplantier	750
Berline Brown	750
Wilton Reed	750
	<u>\$13,350</u>

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS
AND ACCOUNT GROUP

GENERAL FUND

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

TOWN OF BARKLE, LOUISIANA
General Fund

Comparative Statements of Revenues
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Taxes:		
Ad Valorem	\$ 39,421	\$ 39,213
Franchise	44,822	45,833
Total taxes	<u>84,243</u>	<u>85,046</u>
Licenses and permits - occupational	22,148	22,838
Intergovernmental:		
State of Louisiana -		
Direct revenues	10,381	11,438
Federal tax	3,484	3,430
Sales tax	4,536	4,880
Video (P&G)	5,713	5,428
Total Intergovernmental	<u>34,114</u>	<u>35,176</u>
Fines and forfeits	14,512	14,884
Miscellaneous:		
Collection fees	2,780	2,708
Rental income	2,380	1,958
Other	1,280	2,212
Total Miscellaneous	<u>6,440</u>	<u>6,878</u>
Total revenues	<u>137,397</u>	<u>139,938</u>

STATE OF LOUISIANA, MONROE
General Fund

Comparative Statement of Expenditures
Years Ended June 30, 1968 and 1967

	<u>1968</u>	<u>1967</u>
General government:		
Advertising and legal notices	\$ 1,200	\$ 1,213
Books and subscriptions	827	760
Education and travel	2,561	2,215
Group insurance	13,290	18,648
Printing	37,340	35,827
Miscellaneous	3,164	5,878
Office expenses	4,544	4,283
Payroll taxes and retirement	8,243	8,844
Professional fees	5,938	5,675
Salaries	68,344	68,304
Expense allowances - mayor and council	3,400	3,400
Utilities and telephone	4,552	4,058
Total general government	<u>144,230</u>	<u>143,038</u>
Public safety:		
Police Department -		
Education and travel	3,620	3,844
Gas, oil and maintenance	3,184	3,525
Group insurance	3,987	3,823
Miscellaneous	499	-
Payroll taxes	14,500	11,636
Repairs and maintenance supplies	3,499	3,642
Salaries	148,490	142,810
Uniforms	1,200	3,833
Utilities and telephone	12,820	8,733
Total police department	<u>218,220</u>	<u>188,876</u>
Fire department -		
General operations	3,394	3,745
Gas, oil and maintenance	492	875
Total fire department	<u>3,886</u>	<u>4,620</u>
Total public safety	<u>222,106</u>	<u>193,496</u>
Streets and drainage:		
Miscellaneous		
Gas, oil and maintenance	12,498	9,497
Salaries	62,887	49,863
Supplies	13,825	13,303
Repairs and maintenance	8,282	18,750
Payroll taxes and retirement	4,327	4,808
Street lighting	14,894	14,386
Total streets and drainage	<u>117,313</u>	<u>110,703</u>
Park Expense	<u>5,394</u>	<u>1,750</u>
Capital outlay:		
Equipment & Buildings	72,228	83,766
Total expenditures	<u>\$ 518,669</u>	<u>\$437,803</u>

GENERAL FIXED ASSETS ACCOUNT 00000

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

TOWN OF BRASSIE, LOUISIANA

**Comparative Statements of General Fixed Assets
June 30, 1998 and 1997**

	<u>1998</u>	<u>1997</u>
General fixed assets:		
Land	\$ 17,700	\$ 17,700
Buildings	595,135	626,035
Equipment	<u>121,578</u>	<u>225,085</u>
Total general fixed assets	<u>\$ 734,413</u>	<u>\$ 868,820</u>
Investment in general fixed assets:		
Property acquired from -		
General obligation bonds	\$ 5,875	\$ 5,875
Federal grants	581,764	621,764
General fund revenues	234,844	187,574
CDBG	21,875	21,875
State grants	<u>55,130</u>	<u>47,700</u>
Total investment in general fixed assets	<u>\$ 819,488</u>	<u>\$ 884,728</u>

FORM OF FINANCIAL STATEMENTS

Statement of Changes in General Fixed Assets
Year Ended June 30, 1979

	<u>Land</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$17,708	\$ 170,073	\$ 210,000	\$428,823
Deletions:	-	-	(4,570)	(4,570)
ADDITIONS:				
General Fund revenues	-	10,517	1,089	11,645
State Grants	-	<u>3,482</u>	-	<u>3,482</u>
General fixed assets, end of year	\$17,708	\$ 183,612	\$ 216,519	\$417,839

SPECIAL REVENUE FUND

Water Tax Fund - To account for the receipts of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to general maintenance, street repairs and maintenance, and supplementing salaries. Proceeds of the sales and use tax have been pledged and dedicated to the retirement of the Revenue Bonds.

STATE OF KENTUCKY,
Special Revenue Fund

Comparative Statements of Revenues and Expenditures
Years Ended June 30, 1956 and 1957

	<u>1956</u>	<u>1957</u>
Revenues:		
Taxes	\$205,164	\$151,828
Expenditures:		
Current -		
General government:		
Miscellaneous	<u> </u>	<u> </u>
Excess of revenues over expenditures	180,164	151,828
Other financing uses:		
Operating transfers out	(114,582)	(102,884)
Excess deficiency of revenues over expenditures and other uses	<u>\$ 65,582</u>	<u>\$ 48,944</u>

OTHER SUPPLEMENTARY INFORMATION

FORM OF BASIS, EXCELLENCE
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
IMPROVED
June 30, 1999

Records maintained by the Town indicated the following number of customers were being served during the months of June, 1998 and 1999:

<u>Expanded</u>	<u>1998</u>	<u>1999</u>
Gas	608	608
Water	875	881
Sewerage	1,600	1,600

TOWN OF BACILE, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Departmental Analysis of Operating Revenues and Expenses
Years Ended June 30, 1998 and 1997

	Totals		See	
	1998	1997	1998	1997
Operating revenues:				
Customer service charges	\$571,482	\$ 556,315	\$ 574,921	\$ 555,183
Connection charges	3,357	5,150	3,480	2,575
Relinquish charges	16,491	21,018	4,780	6,881
Miscellaneous	181,439	28,288	813	8,883
Total operating revenues:	872,769	610,861	583,894	573,622
Operating expenses:				
Salaries	83,821	87,820	33,993	36,281
Payroll taxes and retirement	6,519	6,284	3,437	6,149
Insurance	18,150	17,787	-	-
Repairs, maintenance and supplies	86,444	41,838	14,781	31,598
Gas and water purchased	185,158	182,314	92,829	95,155
Depreciation	185,394	182,834	18,340	36,827
Office expenses	3,787	5,152	-	-
Telephone and utilities	27,465	25,688	3,553	1,332
Auto expenses and travel	2,822	3,186	-	-
Debt	185	365	-	-
Professional fees	7,740	3,398	-	-
Bad debts	3,141	3,593	-	-
Miscellaneous	5,808	8,452	8,388	2,320
Allocation of general and administrative expenses (based on services)	-	-	20,284	12,556
Total operating expenses:	622,623	426,260	232,322	208,328
Net operating income	250,146	184,601	351,572	365,304
Nonoperating revenues (expenses):				
Interest income	3,253	3,499	-	-
Interest expense	(44,365)	(41,834)	-	-
Gain on disposition of assets	-	3,388	-	-
Total nonoperating expenses:	(41,112)	(38,335)	-	-
Income (loss) before operating transfers	209,034	146,266	351,572	365,304
Operating transfers in (out):				
Operating transfer in	74,808	185,494	-	-
Operating transfers out	(121,502)	(128,824)	-	-
Total operating transfers	(46,694)	(43,330)	-	-
Net income (loss)	162,340	102,936	351,572	365,304
ADD: Depreciation on fixed assets acquired by federal and parish grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital				
	38,315	38,894	-	-
Retained earnings, beginning	1271,816	1288,528	-	-
Retained earnings, ending	1339,656	1327,364	351,572	365,304

Mexico		Guatemala		General and Administrative	
1996	1997	1996	1997	1996	1997
\$ 205,812	\$216,248	\$ 90,969	\$ 88,881	\$ -	\$ -
1,320	1,233	247	250	-	-
4,294	4,088	1,116	1,129	-	-
782	8,234	286,080	17,855	-	-
<u>212,208</u>	<u>229,599</u>	<u>284,212</u>	<u>208,105</u>	<u>-</u>	<u>-</u>
18,883	26,888	32,056	31,247	-	-
1,147	1,368	1,135	1,886	-	-
-	-	-	-	26,758	12,797
1,180	1,314	13,288	20,787	2,848	2,546
78,841	42,362	-	-	-	-
43,349	44,227	23,082	23,058	4,428	4,822
-	-	-	-	1,242	1,229
1,075	1,828	14,181	18,244	-	-
-	-	-	-	2,812	2,208
-	-	-	-	385	246
-	-	-	-	7,248	1,894
-	-	-	-	2,145	2,822
-	-	-	-	2,182	2,448
<u>18,522</u>	<u>18,522</u>	<u>7,569</u>	<u>6,132</u>	<u>142,813</u>	<u>144,524</u>
<u>242,286</u>	<u>248,121</u>	<u>291,781</u>	<u>214,237</u>	<u>-</u>	<u>-</u>
<u>\$ 484,872</u>	<u>\$ 496,242</u>	<u>\$ 583,562</u>	<u>\$ 428,474</u>	<u>\$ 142,813</u>	<u>\$ 144,524</u>

VINE & TULLAGUE

A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

400 WEST WYOMING
SUITE 200
MONROE, LOUISIANA 70601

DAVID W. VINE, JR., C.P.A.
FRANK G. TULLAGUE, C.P.A.

TELEPHONE:
(504) 233-1114
(504)
(504) 233-1111

Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

The Honorable John G. Davis, Mayor,
and Members of the Board of Aldermen
Town of Basile, Louisiana

We have audited the financial statements of the Town of Basile as of and for the year ended June 30, 1998 and have issued our report thereon dated September 18, 1998. We conducted our audit in accordance with generally accepted auditing standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Basile's financial statements are free of material misstatement, we 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and questioned costs.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Town of Basile's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Basile ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs, as items (1) thru (3).

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 accounts 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.

Our 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, we believe the reportable conditions described above are material weaknesses.

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

Vijay S. Tejwani
Vijay S. Tejwani
September 20, 1999

Town of Seattle, Washington
Status of Fyler Year
Findings and Questioned costs

June 30, 1956

- 13) **Findings:** Due to the small number of employees, The Town did not have an adequate segregation of functions within the accounting system.
- Recommendation:** Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response:** No response is considered necessary.
- Status:** No response required.
- 14) **Findings:** The state bid law requires towns to obtain bids for purchases of \$5,000 or more for materials and supplies. The Town had two instances of noncompliance with this law.
- Recommendation:** We recommend that the Town obtain bids on materials and supplies as required under the public bid law.
- Response:** The Town will comply with the public bid law.
- Status:** This finding was cleared.
- 15) **Findings:** The police received \$6800 from the Evangelical Parish District Attorney's office. They opened a bank account where the Chief and Assistant Chief sign on the account. The Mayor and Aldermen had no oversight responsibility for these funds.
- Recommendation:** We recommend that these funds be transferred to a Town of Seattle account where expenditures will be authorized by the Mayor and Aldermen and checks will be issued by the town treasurer.
- Response:** The Town will insist that the Chief of Police have these funds over to the Town treasurer whereby expenditures can be routed thru the proper channels of the Town's accounting system.
- Status:** This finding was not corrected and is reported on the schedule of findings and questioned costs.

Town of Basile, Louisiana

Schedule of Findings and Questioned costs

June 30, 1998

- 1) **Findings:** Due to the small number of employees, the Town did not have an adequate segregation of functions within the accounting system.
- Recommendation:** Based upon the size of the operation and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.
- Response:** No response is considered necessary.
- 2) **Findings:** The police received \$4000 in the year ended June 30, 1997 from the Evangeline Parish District Attorney's office. They opened a bank account where the Chief and Assistant Chief sign on the account. The Mayor and Alderman had an oversight responsibility for these funds.
- Recommendation:** We recommend that these funds be transferred to a Town of Basile account where expenditures will be authorized by the Mayor and Alderman and checks will be issued by the town treasurer.
- Response:** The Town will insist that the Chief of Police have these funds over to the Town treasurer whereby expenditures can be routed thru the proper channels of the Town's accounting system.
- 3) **Findings:** During the month of June 1998, the Town received \$108,000 from the prison for payment of past services. This deposit caused the Town to have more cash in the bank than it had insurance and security pledges. At June 30, 1998 cash was underinsured for approximately \$21,000.
- Recommendation:** We recommend that the Town carefully monitor its cash position in the bank particularly if it receives a large unusual deposit.
- Response:** The Town will comply with this recommendation.