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Village of Albany, Louisiana

Annual Financial Report

Year Ended June 30, 1998

Under provisions of state law this report is a public document. A deposit of the report has been made with the clerk of the parish court, and certified copies are being sent to parish officials. The report is available for public examination at the Village Administration Office of the Parish Clerk and, upon request, at the office of the parish clerk of court.

Release Date: 6/23/98

Village of Albany, Louisiana
General Purpose Financial Statements
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules

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Village of Albany, Louisiana
General Purpose Financial Statements
As of and for the Year Ended June 30, 1998
With Supplemental Information Schedules

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Thomas Stewart
and Members of the Board of Aldermen
Village of Albany, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1998 as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Albany, Louisiana as of June 30, 1998, 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 October 13, 1998, on our consideration of the Village of Albany's internal control over financial reporting, and our test of its 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 Village of Albany, Louisiana taken as a whole. The individual fund and account group financial statements and schedules listed in the table of contents are prepared for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Albany, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

October 13, 1998

General Purpose Financial Statements

Village of Abbeville, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1998

	Governmental Fund Type	Proprietary Fund Type
	General	Enterprise
Assets		
Cash and Cash Equivalents	\$ 268,883	\$ 402,228
Taxes Receivable	5,451	-
Accounts Receivable, Net	-	31,940
Due From Other Funds	93,496	-
Due From Other Governments	30,091	-
Due From Others	1,680	-
Restricted Assets:		
Cash	-	278,090
Fixed Assets	-	3,964,328
Accumulated Depreciation	-	(932,189)
Amount to be Provided for Lease Payments	-	-
Total Assets	\$ 718,821	\$ 3,714,438
Liabilities and Equity		
Liabilities:		
Accounts Payable	\$ 6,144	\$ 21,211
Other Accrued Expenses	3,627	347
Payable From Restricted Assets:		
Customers' Deposits	-	48,800
Revenue Bonds	-	25,317
Due to Other Funds	-	53,488
Revenue Bonds Payable	-	3,996,340
Obligations Under Capital Lease Agreements	-	-
Total Liabilities	9,771	3,579,994
Equity:		
Contributed Capital	-	3,231,644
Accumulated Amortization	-	(464,274)
Investment in General Fixed Assets	-	-
Retained Earnings:		
Reserved for REED Bond Proceeds	-	96,093
Reserved for REED Bond Depreciation & Contingency	-	78,151
Unreserved	-	607,323
Fund Balance:		
Unreserved - Undesignated	247,180	-
Designated for Community Center	35,080	-
Total Reserved Earnings & Fund Balance	282,180	413,921
Total Equity	282,180	3,734,411
Total Liabilities & Equity	\$ 718,821	\$ 3,714,438

The accompanying notes are an integral part of these statements.

Statement A

Account Groups		Totals (Memoranda Only)	
General Fixed Assets	General Long-Term Debt	1998	1997
\$ -	\$ -	\$ 641,100	\$ 572,617
-	-	3,450	5,219
-	-	31,843	28,214
-	-	53,486	53,660
-	-	16,814	8,576
-	-	1,000	1,000
-	-	176,893	248,664
136,489	-	4,180,315	4,115,165
-	-	(952,349)	(668,962)
-	-	-	6,389
<u>\$ 136,489</u>	<u>\$ -</u>	<u>\$ 4,180,315</u>	<u>\$ 4,176,131</u>
\$ -	\$ -	\$ 27,365	\$ 9,128
-	-	4,178	1,382
-	-	44,885	38,333
-	-	23,517	21,824
-	-	53,486	51,683
-	-	1,796,960	1,422,697
-	-	-	6,389
-	-	1,548,665	1,548,486
-	-	3,221,914	3,221,914
-	-	(461,214)	(485,822)
136,408	-	136,489	130,702
-	-	96,093	78,271
-	-	70,197	84,337
-	-	307,123	180,299
-	-	247,180	247,594
-	-	22,026	-
-	-	742,271	680,820
136,408	-	2,640,620	2,621,645
<u>\$ 136,408</u>	<u>\$ -</u>	<u>\$ 4,180,712</u>	<u>\$ 4,176,131</u>

Village of Albany, Louisiana

Statement of Revenues, Expenditures, and Changes in Fund Balance
 Governmental Fund Type
 For the Year Ended June 30, 2008

Statement B

	General Fund
Revenues	
Taxes	\$ 124,242
Licenses and Permits	24,998
Intergovernmental	31,879
Fines and Forfeits	27,844
Garbage Collection Fees	-
Interest Earned	2,988
Miscellaneous	1,500
Total Revenues	<u>213,651</u>
Expenditures	
General and Administrative	300,310
Public Safety	79,284
Streets and Sanitation	16,687
Capital Outlays	28,624
Total Expenditures	<u>424,905</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(211,254)</u>
Other Financing Sources	
Operating Transfers In	22,000
Total Other Financing Sources	<u>22,000</u>
Excess of Revenues and Other Sources Over Expenditures	21,206
Fund Balance, Beginning of Year	247,994
Fund Balance, End of Year	<u>\$ 269,200</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement C

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
Governmental Fund Type - General Fund
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 122,280	\$ 124,242	\$ 2,042
Licenses and Permits	32,980	32,980	2,898
Intergovernmental	27,980	31,875	3,875
Fines and Forfeits	27,980	27,944	44
Garbage Collection Fees	-	-	-
Interest Income	4,180	2,980	1,888
Miscellaneous	-	1,880	1,588
Total Revenues	<u>215,300</u>	<u>222,821</u>	<u>12,621</u>
Expenditures			
General and Administrative	188,508	185,318	3,180
Public Safety	83,888	79,884	404
Streets and Sanitation	18,388	18,687	(107)
Capital Outlays	26,116	26,614	(508)
Total Expenditures	<u>216,900</u>	<u>210,503</u>	<u>6,397</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,151</u>	<u>6,991</u>	<u>15,618</u>
Other Financing Sources			
Operating Transfer In	<u>21,808</u>	<u>21,808</u>	-
Total Other Financing Sources	<u>21,808</u>	<u>21,808</u>	-
Excess of Revenues and Other Sources Over Expenditures	<u>\$ 32,059</u>	<u>28,806</u>	<u>\$ 35,618</u>
Fund Balance, Beginning of Year		<u>247,994</u>	
Fund Balance, End of Year		<u>\$ 276,800</u>	

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement D

Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type - Enterprise Fund
 For the Year Ended June 30, 2008

Operating Revenues	
Water Sales	\$ 230,496
Sewer Charges	67,433
Service Connections	14,318
Fees/Use	6,190
Miscellaneous	13,656
Total Operating Revenues	<u>332,153</u>
Operating Expenses	
Water Department	169,967
Sewer Department	135,336
Total Operating Expenses	<u>305,303</u>
Net Operating Income (Loss)	<u>26,850</u>
Nonoperating Revenues (Expenses)	
Interest Income	27,662
Bond Interest Expense	(27,649)
Operating Transfer Out	(21,600)
Gain on Sale of Fixed Asset	17,654
Total Nonoperating Revenues (Expenses)	<u>(4,933)</u>
Net Income (Loss)	21,917
Unreserved Retained Earnings, Beginning of Year	280,269
Amortization of Contributions	55,033
Increases in Reserves	(23,641)
Unreserved Retained Earnings, End of Year	<u>\$ 352,618</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Statement E

Statement of Cash Flows
 Proprietary Fund Type - Enterprise Fund
 For the Year Ended June 30, 1988

Cash Flows From Operating Activities

Operating Income	\$ 38,429
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used)	
by Operating Activities:	
Depreciation	107,909
Changes in Accounts Receivable	(3,709)
Changes in Due From Other Funds	-
Changes in Accounts Payable	17,883
Changes in Other Accrued Expenses	(178)
Changes in Payroll Taxes Payable	85
Changes in Due To Other Funds	3,823
Changes in Customer Deposits Payable	5,494
Net Cash Provided (Used) by Operating Activities	<u>168,855</u>

Cash Flows From Capital and Related Financing Activities

Payments for Capital Acquisitions	(28,407)
Interest Income	27,062
Interest Expense	(27,819)
Principal Repayments	<u>(22,876)</u>
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(52,030)</u>

Net Increase (Decrease) in Cash

Cash, Beginning of Year	79,765
Cash, End of Year	<u>\$ 27,735</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1958

INTRODUCTION

The Village of Albany, Louisiana was incorporated October 3, 1953, under the provisions of the Louisiana Act (LSA-RS 33:371). The Village operates under a Mayor/Board of Aldermen form of government.

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the Village, for reporting purposes, the Village of Albany, Louisiana is the financial reporting entity. The financial reporting entity consists of (a) the primary government (Village of Albany, Louisiana), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Government Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Albany, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village of Albany, Louisiana.
2. Organizations for which the Village of Albany, Louisiana does not appoint a voting majority but are fiscally dependent on the Village of Albany, Louisiana.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, the Village of Albany, Louisiana has no component units.

Considered in the determination of component units of the reporting entity were the Livingston Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 21st Judicial District. It was determined that these governmental entities are not component units of the Village of Albany, Louisiana reporting entity because they are separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Albany, Louisiana.

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1998

B. FUND ACCOUNTING

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Village are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fund assets, and the servicing of general long-term debt. Governmental funds include:

General Fund

The General Fund is the principal fund of the Village's office and accounts for the operations of the Village's office. The Village's primary source of revenue is a sales tax authorized by LSA-RS 33:2731. Other sources of revenue include ad valorem taxes, franchise taxes, licenses, permits and fees. General operating expenditures are paid from this fund.

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

Enterprise Fund

The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or 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.

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1998

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 are generally included in the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Revenues are recognized when they become measurable and available as current assets.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net assets and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized as the time liabilities are incurred.

D. BUDGET PRACTICES

The Village adopts budgets for the general fund and enterprise fund each year.

E. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and short investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

F. INVENTORIES

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

G. RESTRICTED ASSETS

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1998

Cash held for customers' meter deposits and reserves required by bond covenants has been set aside in separate cash accounts and is also classified as restricted assets on the balance sheet.

II. FIXED ASSETS

General fixed assets are recorded at the time purchased, and the related assets are capitalized (reported) in the general fixed assets account group. All fixed assets are valued at historical cost or estimated cost (the extent to which fixed asset costs have been retirement and the methods of estimation should be disclosed) if historical cost is not available.

Enterprise Fund fixed assets are included on the balance sheet of the fund. Interest costs incurred during construction are capitalized. Depreciation of all depreciable fixed assets is charged as an expense against operations. Depreciation is computed using the straight line method over the estimated useful lives of 5 to 40 years.

I. COMPENSATED ABSENCES

The Village has the following policy relating to vacation and sick leave:

Each employee with one (1) year service is given five (5) days vacation leave; each employee with two (2) years service is given ten (10) days vacation leave.

Each employee earns sick leave at the rate of 5/12 day for each month worked. Sick leave is accumulated for an indefinite period with a maximum sick leave of twenty-five (25) days.

The cost of leave privileges, computed in accordance with GASB Codification Section C90, is recognized as a current-year expenditure in the governmental fund when leave is taken. Since the cost of leave privileges not requiring current resources is immaterial, an amount has been recorded in the general long-term obligation account group.

J. LONG-TERM LIABILITIES

Long-term liabilities are recognized within the Enterprise Fund.

K. FUND EQUITY

Contributed Capital

Grants, ratifications, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is amortized based on the depreciation recovered on that portion of the assets acquired from such contributions. This depreciation is closed to the contributed capital account and is reflected as an adjustment to fixed equity.

Reserves

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

Village of Albany, Louisiana
Notes to Financial Statements
As of and for the Year Ended June 30, 1998

Designated Fund Balance

Designated fund balance represents tentative plans for future use of financial resources.

L. TOTAL COLUMNS ON COMBINED STATEMENTS

Total Columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not represent financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total columns of each financial statement.

M. USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

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 revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. LEVIED TAXES

On August 18, 1997, the Village approved an ordinance to reassess a 6.87 millage ad valorem tax for 1997. This is a permanent tax per constituitonal authority, and is subject to annual renewal by the Village Board of Aldermen. Total Ad Valorem Taxes levied for the year ended December 31, 1997, were \$14,266. These taxes were due upon taxpayer's receipt of their tax bill and became delinquent January 3, 1998. Interest on unpaid Ad Valorem Taxes is added to the tax bill during March, 1998. Due to insurmountable and vast number of collections, no liens are put against assessed property upon uncollectibility of taxes.

3. CASH AND CASH EQUIVALENTS

At June 30, 1998, the Village has cash and cash equivalents (bank balances) totaling \$418,396, as follows:

Cash on Hand	\$	391
Interest-Bearing Demand Deposits		418,121
Time Deposits		299,724
Total	\$	<u>918,196</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or remaining bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Village of Abbeville, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1998

At June 30, 1998, the Village has \$253,413 in deposits (pledged bank balances). These deposits are secured from risk by \$120,000 of federal deposit insurance and \$224,563 of pledged securities held by the controlled bank in the name of the fiscal agent bank (GAAP Category 3). At June 30, 1998, \$1,850 of the \$224,563 in collateral bank balances was not secured by FDIC or pledged securities.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GAAP Statement 9, Louisiana Revised Statute 39:1129 imposes a statutory requirement on the controlled bank to advertise and call the pledged securities within 30 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

4. INVESTMENTS

At June 30, 1998, the Village had no investments.

5. RECEIVABLES

The receivables of \$27,094 at June 30, 1998, are as follows:

	General Fund	Enterprise Fund
Public Utility Franchise Tax	\$ 5,451	\$ -
Accounts Receivable	-	21,643
Total	<u>\$ 5,451</u>	<u>\$ 21,643</u>

6. INTERFUND RECEIVABLE/PAYABLE

The interfund receivable/payable for the year ended June 30, 1998 is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 23,486	\$ -
Enterprise Fund	-	23,486
Total	<u>\$ 23,486</u>	<u>\$ 23,486</u>

7. DUE FROM OTHER GOVERNMENTAL UNITS

Amounts due from other governmental units consisted of the following:

	General Fund
State of Louisiana:	
Beverage Tax Distribution	\$ 600
Tobacco Tax Distribution	873
Video Poker Tax Distribution	686
Livingstone Parish School Board:	
Sales Tax Distribution	2,100
Total	<u>\$ 13,091</u>

Village of Albany, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1998

8. DUE FROM OTHERS

At June 30, 1998, the Village had a total of \$1,000 due from the fiscal agent of the Village due to an error made by the fiscal agent.

9. RESTRICTED ASSETS - ENTERPRISE FUND

Restricted assets were applicable to the following:

RECD Bond & Interest Redemption	\$	37,480
RECD Bond Reserve		95,092
RECD Depreciation & Contingency		30,557
Motor Deposits		54,694
Total	\$	<u>217,823</u>

10. PROPERTY, PLANT AND EQUIPMENT

A summary of changes in general fixed assets follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Land	\$ 41,000	\$ -	\$ -	\$ 41,000
Office Improvements	20,687	-	-	20,687
Furniture and Fixtures	5,128	-	-	5,128
Vehicles and Equipment	62,218	5,704	-	67,922
Total	<u>\$ 128,733</u>	<u>\$ 5,704</u>	<u>\$ -</u>	<u>\$ 134,437</u>

Village of Albany, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1998

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

Description	Use Years	Cost	Accumulated Depreciation	Net	Depreciation This Year
Land	-	\$ 50,429	\$ -	\$ 50,429	\$ -
Buildings	20	28,330	11,808	16,522	1,417
Utility Equipment	50	94,809	72,808	22,000	4,899
Utility Truck	5	22,891	21,583	1,308	434
Office Equipment	50	28,389	10,578	17,811	3,680
Well Pumps	50	952	793	161	54
Utility Shed	50	3,451	2,444	1,007	345
Water System	40	458,761	187,411	271,350	11,495
Water System	40	38,877	37,484	1,393	859
Water System	40	350,308	158,976	191,332	8,513
Sewer System	40	682,605	141,078	541,527	18,517
Sewer System	40	540,353	139,682	400,671	13,518
Sewer System	40	1,021,893	165,486	856,407	40,523
Water System	40	37,608	3,789	33,819	842
Sewer System	40	32,801	928	31,873	330
Water System	40	11,832	533	11,299	296
Total		\$ 3,984,328	\$ 932,149	\$ 3,052,179	\$ 181,578

A summary of changes in proprietary fixed type property, plant and equipment at June 30, 1998 follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Cost	\$ 3,984,458	\$ 20,487	\$ (245,571)	\$ 3,984,328
Accumulated Depreciation	(868,869)	(117,829)	36,552	(952,146)
Net	\$ 3,115,589	\$ (97,342)	\$ (209,019)	\$ 2,909,230

All assets are depreciated by the straight-line method.

Village of Albany, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1998

II. CONTRIBUTED CAPITAL

Contributions toward the cost of utility plant and engineering services have been received as follows:

U.S. Government - RECD	\$	396,380
U.S. Government - EPA		623,340
Louisiana Department of Transportation		39,607
Village of Albany, Louisiana - General Fund		3,008
U.S. Government - LCEBQ		37,609
U.S. Government - RECD		1,147,308
Private - Cavendish Project		<u>13,808</u>
Total Contributions		2,321,914
Accumulated Amortization		<u>(661,271)</u>
Net Contributed Capital	\$	<u>1,660,643</u>

III. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Village of Albany, Louisiana for the year ended June 30, 1998:

Bonds Payable, July 1, 1997	\$	1,443,251
Bonds Issued		-
Bonds Paid		<u>(218,651)</u>
Bonds Payable, June 30, 1998	\$	<u>1,224,600</u>

Village of Abbeville, Louisiana

**Notes to Financial Statements
As of and for the Year Ended June 30, 1978**

Bonds Payable at June 30, 1978 are comprised of the following individual issues:

Water System Revenue Bonds - RECD Bonds 91-91:

\$525,000 utility bonds sold to Rural Community and Economic Development, dated 3/23/78, due in annual installments of \$5,000-\$20,000 through August 1, 1987; interest at 7% \$ 183,808

Water System Revenue Bonds - RECD Bonds 91-92:

\$475,000 water revenue bonds sold to Rural Community and Economic Development, dated 3/23/78, due in annual installments over a 40 year period after the system becomes revenue producing; interest at 5.347% 126,258

Sewer System Revenue Bonds - RECD Bonds 92-93:

\$425,000 sewer revenue bonds sold to Rural Community and Economic Development, dated 4/13/75, due in monthly installments of \$2,189 through April 15, 2025; interest at 5.14% 418,616

Sewer System Revenue Bonds - RECD Bonds 92-95:

\$75,000 sewer revenue bonds sold to Rural Community and Economic Development, dated 4/13/75, due in monthly installments of \$277 through April 15, 2025; interest at 5.14% 72,211

\$ 1,419,893

The annual requirements to amortize all debt outstanding as of June 30, 1978, including interest payments of \$1,405,535 are as follows:

Year Ended June 30	RECD Bonds 91-91	RECD Bonds 91-92	RECD Bonds 91-93	RECD Bonds 92-95	Total Payments
1979	\$ 38,818	\$ 37,277	\$ 37,884	\$ 4,527	\$ 108,506
2080	38,258	37,277	37,884	4,527	99,946
2081	38,625	37,277	37,884	4,527	99,893
2082	38,979	37,277	37,884	4,527	99,667
2083	38,988	37,277	37,884	4,527	99,688
2084 - 2088	153,825	186,385	137,520	22,626	499,356
2089 - 2013	155,875	186,385	137,520	22,626	499,406
2014 - 2018	158,275	186,385	137,520	22,626	499,806
2019 - 2023	-	186,385	137,520	22,626	346,531
2024 - 2028	-	173,868	137,520	22,626	334,014
2029	-	-	132,744	21,881	154,625
	\$ 628,175	\$ 1,181,825	\$ 936,681	\$ 157,681	\$ 2,904,362

11. FLOW OF FUNDS - RESTRICTIONS ON LINE (WATER AND SEWER SYSTEM REVENUE BONDS)

The voters of the Village of Abbeville, Louisiana approved the issuance of \$520,000 Utility Revenue Bonds in an election held May 7, 1977. The governing authority adopted a resolution on July 12, 1977, and subsequently amended on August 9, 1977, and January 5, 1978, authorizing issuance of \$525,000 of Utility Revenue Bonds. The proceeds of

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1998

The bonds are guaranteed for use in acquiring through purchase, improvement and construction of a waterworks system and subject to the provisions of the above referenced resolutions. In connection with the project, the Village was approved for grants from Rural Community and Economic Development (RCECD) of the United States of America in the amount of \$204,480. The Village sold \$529,080 of the authorized bonds to Rural Community and Economic Development. The bonds were issued for forty (40) years payable with interest at the rate of five percent (5%) per annum. The bonds and any interest may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of payment.

\$65,808 of the proceeds were used prior to June 30, 1978, to acquire an existing water system and \$840,624 has been used in improvements and additional construction of the new waterworks system. During the fiscal year ended June 30, 1980, the Village received a grant of \$28,972 from the State of Louisiana, Department of Transportation and Development to be used in the project.

A resolution authorizing the issuance of \$375,000 of Water Revenue Bonds of the Village of Albany, State of Louisiana, to acquire and construct improvements and extensions to the waterworks system of the Village was adopted December 14, 1987. The bonds were sold to Rural Community and Economic Development and are due in forty (40) annual payments with interest calculated on unpaid principal at a rate of five and three-fourths percent (5.347%) per annum. The Village may prepay the whole or any part of the principal amount of any installment at any time in income chronological order at the principal amount thereof and accrued interest to the date fixed for payment.

A resolution authorizing the issuance of \$238,800 of Sewer Revenue Bonds of the Village of Albany, State of Louisiana, for the improvement and construction of a sewerage system of the Village was adopted October 14, 1991. The bonds were sold to Rural Community and Economic Development and are due in monthly installments of \$2,666 for forty (40) years with interest at a rate of five and one-fourth percent (5.147%) per annum. The Village may repay the whole or any part of the principal amount at any time. Under the terms of the bond proceeds to the Village, the sewer bonds are payable as to principal and interest solely from the income and revenues derived from the operation of the combined utility systems of the Village after provisions have made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the systems. These bonds do not constitute an indebtedness or pledge of the general credit of the Village within the meaning of any constitutional or statutory limitation of indebtedness.

Each month there will be set aside into a fund called "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest due on the next interest payment due, and, in addition, a sum equal to one-twelfth (1/12) of the principal payment due, together with such proportionate sum as may be required as the same respectively become due on such date. Money in the Sinking Funds shall be deposited as Trust Funds and shall be fully sufficient to assure the prompt payment of the principal and interest installments as they become due, and may be used only for such payments. As of June 30, 1998, the Sinking Fund was fully funded with a balance of \$37,400.

There shall also be set aside into a "Liability System Bond Reserve Fund" a sum equal to five percent (5%) of the monthly bond payments, or \$418 after the construction because revenues produced until then is accumulated therein an amount equal to the highest annual debt service payment in any future 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 Sinking Fund or to which there would otherwise be default. As of June 30, 1998, the Reserve Fund was fully funded with a balance of \$28,092.

Village of Albany, Louisiana

Notes to Financial Statements As of and for the Year Ended June 30, 1998

Funds will also be set into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$483 per month until the balance in this fund amounts to the maximum required by RSCD. Money in this fund will be used for making extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue-producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for the other bond funds. As of June 30, 1998, the Depreciation and Contingency Fund was fully funded with a balance of \$70,357.

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

14. DESIGNATED FUND BALANCE

The Village of Albany designated \$21,808 received from the sale of the old town hall, toward the future construction of a community center in Albany.

15. COMPENSATION PAID ELECTED OFFICIALS

<u>Name, Title, Address, Telephone</u>	<u>Compensation</u>	<u>Term of Office</u>
Thomas Simoni, Mayor Post Office Box 1346 Albany, LA 70711 504567-2314	\$ 4,100	01/01/97 Through 12/31/98
Jeanie Fletcher, Alderman Post Office Box 417 Albany, LA 70711 504567-0963	1,940	01/01/97 Through 12/31/98
Edmond Harris, Alderman Post Office Box 195 Albany, LA 70711 504567-3133	1,940	01/01/97 Through 12/31/98
Billy Wild, Alderwoman Post Office Box 89 Albany, LA 70711 504567-0789	1,800	02/01/97 Through 12/31/98
Kenneth Hutchinson, Police Chief Post Office Box 219 Albany, LA 70711 504567-0962	24,728	01/01/97 Through 12/31/98

\$ 34,516

Village of Albany, Louisiana

Notes to Financial Statements
As of and for the Year Ended June 30, 1998

36. ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES

GAAP Statement 24 requires that on-behalf payments for fringe benefits and salaries be recognized as revenue and expenditures or expenses. During the fiscal year ended June 30, 1998, a total of \$3,534 was received by police officers of the Village and was recognized as revenue and expenditures within the general fund financial statements of the Village of Albany, Louisiana.

Financial Statements of Individual Funds And Account Groups

General Fund

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

Village of Albany, Louisiana

Schedule I

Balance Sheet
General Fund
June 30, 1998

Assets	
Cash and Cash Equivalents	\$ 208,883
Times Receivable:	
Public Utility Franchise Tax	5,451
Due From Other Funds:	
Enterprise Fund	33,186
Due From Other Governments:	
State of Louisiana:	
Tobacco Tax Distribution	673
Beverage Tax Distribution	680
Video Poker Tax Distribution	686
Livingston Parish School Board:	
Sales Tax	7,690
Due From Others:	
Hancock Bank	1,808
Total Assets	\$ 278,871
Liabilities and Fund Balance	
Liabilities:	
Accounts Payable	\$ 6,144
Payroll Withholding Payable	3,627
Total Liabilities	9,771
Fund Balance:	
Unreserved - Undesignated	247,180
Designated for Community Center	22,080
Total Fund Balance	269,260
Total Liabilities and Fund Balance	\$ 278,871

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 2

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual
General Fund
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes:			
Sales (Less Vendor's Compensation)	\$ 87,108	\$ 88,884	\$ 1,776
Ad Valorem	12,508	12,888	380
Public Utility Franchise	21,608	22,040	(40)
Licenses and Permits:			
Business Privilege Licenses	32,808	33,590	5,080
Intergovernmental:			
Tobacco Tax Distribution	3,908	3,488	(12)
Beverage Tax Distribution	2,808	1,899	(181)
Video Poker Tax Distribution	3,808	7,554	354
Rural Development Grant	15,008	15,808	-
State Supplemental Pay	-	3,534	3,534
Fees and Profits:			
Garbage Collection Fees	27,988	27,844	44
Interest Earned	-	-	-
Miscellaneous	4,188	3,818	1,818
Miscellaneous	-	1,908	1,908
Total Revenues	<u>213,988</u>	<u>227,871</u>	<u>(13,811)</u>
Expenditures			
General and Administrative	108,588	105,318	3,298
Public Safety	88,088	78,544	406
Streets and Sanitation	18,588	18,887	(107)
Capital Outlays	36,118	38,619	(2,501)
Total Expenditures	<u>251,388</u>	<u>231,378</u>	<u>2,009</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(37,400)</u>	<u>(3,507)</u>	<u>13,816</u>
Other Financing Sources (Uses)			
Operating Transfers In	22,088	22,088	-
Total Other Financing Sources (Uses)	<u>22,088</u>	<u>22,088</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	<u>\$ -3,312</u>	<u>21,486</u>	<u>\$ 18,606</u>
Fund Balance (Deficit), Beginning of Year		247,184	
Fund Balance (Deficit), End of Year		<u>\$ 268,670</u>	

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 3

Statement of Expenditures Compared to Budget (GAAP Basis)
 General Fund
 For the Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
General and Administrative			
Mayor and Aldermen	\$ 8,700	\$ 8,718	\$ (18)
Clerical Salaries	28,800	19,832	8,968
Travel, Subscriptions, and Printing	4,200	4,928	(728)
Professional Services	14,100	18,268	(4,168)
Utilities and Telephone	2,900	2,718	(182)
Office Supplies and Postage	3,800	2,206	1,594
Insurance and Bonds	51,600	24,867	26,733
Payroll Taxes - All Departments	3,800	8,122	(4,322)
Contract Expense - All Departments	5,200	5,367	(167)
Miscellaneous	18,800	8,215	10,585
Total General and Administrative	<u>158,500</u>	<u>105,318</u>	<u>53,182</u>
Public Safety			
Police Department:			
Salaries	54,200	53,618	(582)
Auto Expense	8,700	8,848	(148)
Supplies and Precursor Expense	8,200	7,802	(398)
Capital Lease Principal Payments	8,800	8,815	(15)
Capital Lease Interest Payments	800	800	-
Total Public Safety	<u>80,700</u>	<u>78,883</u>	<u>1,817</u>
Street and Sanitation			
Materials and Supplies	18,500	18,807	(307)
Garbage Pickup	-	-	-
Animal Control	-	-	-
Total Street and Sanitation	<u>18,500</u>	<u>18,807</u>	<u>(307)</u>
Capital Outlay			
General and Administrative	-	-	-
Police	5,200	5,704	(504)
Streets	28,818	28,818	-
Total Capital Outlay	<u>28,818</u>	<u>28,814</u>	<u>4</u>
Total Expenditures	<u>\$ 215,118</u>	<u>\$ 218,125</u>	<u>\$ (3,007)</u>

The accompanying notes are an integral part of these statements.

Proprietary Fund

Enterprise Fund - To account for the provision of water and sewer services to customers and residents of the Village. 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.

Village of Albany, Louisiana

Schedule 4

Balance Sheet
Enterprise Fund
June 30, 1998

Assets

Current Assets:		
Cash	\$	412,238
Accounts Receivable, Net		33,943
Total Current Assets		<u>446,181</u>
Restricted Assets:		
Bond and Interest Sinking Account, Cash		17,480
Bond Reserve Account, Cash		86,082
Depreciation and Contingency Account, Cash		78,527
Customers' Deposits, Cash		58,084
Total Restricted Assets		<u>240,173</u>
Property, Plant, and Equipment:		
Land		50,429
Building		28,318
Utility Plant, in Service		3,717,478
Equipment		128,898
Total Property, Plant, and Equipment		<u>3,925,123</u>
Accumulated Depreciation		(812,148)
Net Property, Plant, and Equipment		<u>3,112,975</u>
Total Assets	\$	<u>3,719,615</u>

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 4

Balance Sheet
Enterprise Fund
June 30, 1998

Liabilities and Equity

Liabilities:

Current Liabilities (Payable from Current Assets):

Accounts Payable	\$	21,211
Sales Tax Payable		543
Payroll Taxes Payable		-
Due to Other Funds		51,488
Total Current Liabilities (Payable from Current Assets)		<u>73,244</u>

Current Liabilities (Payable from Restricted Assets):

Customers' Deposits		44,803
Revenue Bonds Payable, RECD		23,512
Total Current Liabilities (Payable from Restricted Assets)		<u>68,315</u>

Long-Term Liabilities:

Revenue Bonds Payable, RECD		1,196,368
Total Long-Term Liabilities		<u>1,196,368</u>
Total Liabilities		<u>1,238,927</u>

Equity:

Contributed Capital		2,221,914
Accumulated Amortization		(481,278)
Net Contributed Capital		<u>1,740,636</u>

Retained Earnings:

Reserved for RECD Bond Reserve		96,892
Reserved for RECD Bond Depreciation and Contingency		78,597
Unreserved		803,222
Total Retained Earnings		<u>978,711</u>
Total Equity		<u>2,719,347</u>
Total Liabilities and Equity	\$	<u>1,774,435</u>

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget and Actual
Enterprise Fund
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues			
Water Revenues			
Water Sales	\$ 226,200	\$ 218,086	\$ 8,114
Service Connections	13,500	14,518	1,018
Penalties	4,200	8,130	3,930
Miscellaneous	13,000	13,095	95
Total Water Revenues	256,900	253,829	3,071
Sewer Revenues			
Sewer Charges	68,380	67,403	977
Service Connections	-	-	-
Total Sewer Revenues	68,380	67,403	977
Total Operating Revenues	325,280	321,232	4,048
Operating Expenses			
Salaries	58,800	51,904	6,896
Water Roofing	5,180	5,132	48
Contract Maintenance	11,500	16,083	(4,583)
Maintenance Materials	21,900	20,284	1,616
Advertising	-	20	(20)
Repairs & Maintenance	2,480	5,364	(2,884)
Uniforms/Books	1,700	1,440	260
Travel Expense	2,900	6,223	(3,323)
Office Supplies and Expense	4,500	4,163	337
Postage	2,700	2,856	(156)
Utilities	28,280	30,846	(2,566)
Insurance	18,880	15,146	3,734
Professional Services	21,500	22,570	(870)
Institutional Services	3,080	2,447	633
Payroll Taxes	3,680	2,887	793
Education/Certification	280	480	(200)
Depreciation	107,880	107,978	(98)
Miscellaneous	-	210	(210)
Bad Debt Expense	-	710	(710)
Total Operating Expenses	289,480	294,226	(4,746)
Net Operating Income	35,800	27,006	8,794

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule B

Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget and Actual
Enterprise Fund
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Nonoperating Revenues (Expenses)			
Interest Income	\$ 34,080	\$ 27,862	\$ 3,862
Flood Interest Expense	(78,080)	(77,819)	880
Operating Transfer Out	-	(22,800)	(22,800)
Gain on Sale of Flood Asset	-	17,854	17,854
Total Nonoperating Revenues (Expenses)	<u>(44,000)</u>	<u>(44,803)</u>	<u>(803)</u>
Net Income (Loss)	<u>\$ (22,280)</u>	<u>(14,817)</u>	<u>\$ 3,336</u>
Unreserved Retained Earnings, Beginning of Year		298,299	
Amortization of Contributions		55,038	
Increase in Reserves		(23,641)	
Unreserved Retained Earnings, End of Year		<u>\$ 307,705</u>	

(Continued)

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 6

Schedule of Revenues and Expenses
Budget and Actual
Water Department
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues - Water			
Water Sales	\$ 235,280	\$ 238,495	\$ 3,215
Service Connections	12,580	14,528	1,948
Penalties	4,280	8,150	3,870
Miscellaneous	6,380	6,528	148
Total Operating Revenues - Water	<u>258,520</u>	<u>278,697</u>	<u>20,177</u>
Operating Expenses - Water			
Salaries	32,380	32,838	(458)
Motor Fueling	5,480	5,332	148
Contract Services	7,500	9,794	(2,294)
Maintenance Materials	16,580	32,321	(15,741)
Accounting	-	20	20
Repairs & Maintenance	2,000	5,145	(3,145)
Uniforms Rental	1,280	1,048	232
Travel Expense	7,180	5,627	1,553
Office Supplies and Expense	4,580	4,363	217
Postage	2,780	2,855	(75)
Utilities	21,280	22,485	(1,205)
Insurance	8,480	6,880	1,600
Professional Services	15,680	8,065	7,615
Institutional Services	3,000	2,447	553
Payroll Taxes	2,200	1,384	816
Education/Certification	200	480	(280)
Depreciation	37,680	37,083	597
Miscellaneous	-	250	(250)
Bad Debt Expense	-	280	(280)
Total Operating Expenses - Water	<u>171,400</u>	<u>168,971</u>	<u>2,429</u>
Net Operating Income - Water	<u>87,120</u>	<u>109,726</u>	<u>22,606</u>
Nonoperating Revenues (Expenses) - Water			
Interest Income	12,800	18,214	5,414
Bond Interest Expense	(30,800)	(30,000)	800
Operating Transfer Out	-	(22,800)	(22,800)
Gain on Sale of Fixed Asset	-	17,654	17,654
Total Nonoperating Revenues (Expenses)	<u>(18,000)</u>	<u>(16,932)</u>	<u>1,068</u>
Net Income (Loss) - Water	<u>\$ 69,120</u>	<u>\$ 92,794</u>	<u>\$ 23,676</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule T

Schedule of Revenues and Expenses
Budget and Actual
Sewer Department
For the Year Ended June 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Operating Revenues - Sewer			
Sewer Charges	\$ 60,000	\$ 67,433	\$ 7,433
Service Connections	-	-	-
Miscellaneous Income	6,000	6,100	20
Total Operating Revenues - Sewer	<u>66,000</u>	<u>73,533</u>	<u>7,553</u>
Operating Expenses - Sewer			
Salaries	18,000	19,076	(1,076)
Contract Services	3,800	6,289	(2,489)
Maintenance Materials	2,400	6,973	(1,173)
Advertising	-	-	-
Repairs & Maintenance	400	419	(19)
Utilities Rental	500	482	88
Travel Expense	800	680	120
Office Supplies and Expense	-	-	-
Utilities	7,100	8,443	(1,343)
Insurance	8,400	6,316	2,084
Professional Services	3,800	4,484	(1,136)
Payroll Taxes	1,400	1,423	(23)
Depreciation	70,000	70,890	(890)
Miscellaneous	-	-	-
Bad Debt Expense	-	-	-
Total Operating Expenses - Sewer	<u>124,500</u>	<u>124,218</u>	<u>(2,782)</u>
Net Operating Income (Loss) - Sewer	<u>(58,500)</u>	<u>(51,274)</u>	<u>(1,376)</u>
Nonoperating Revenues (Expenses) - Sewer			
Interest Income	12,000	9,000	(2,973)
Don't Interest Expense	(77,100)	(76,953)	147
Total Nonoperating Revenues (Expenses)	<u>(65,100)</u>	<u>(67,953)</u>	<u>(2,853)</u>
Net Income (Loss) - Sewer	<u>\$ (123,600)</u>	<u>\$ (119,227)</u>	<u>\$ (4,373)</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana
Statement of Cash Flows
Proprietary Fund Type - Enterprise Fund
For the Year Ended June 30, 1998

Schedule B

Cash Flows From Operating Activities

Operating Income	\$	30,429
Adjustments to Reconcile Net Operating Income to Net Cash Provided (Used)		
by Operating Activities:		
Depreciation		181,979
Changes in Accounts Receivable		(3,739)
Changes in Due From Other Funds		-
Changes in Accounts Payable		17,893
Changes in Other Account Expenses		(1,588)
Changes in Payroll Taxes Payable		95
Changes in Due To Other Funds		1,023
Changes in Customer Deposits Payable		5,491
Net Cash Provided (Used) by Operating Activities		<u>180,893</u>

Cash Flows From Capital and Related Financing Activities

Payments for Capital Acquisitions		(20,407)
Interest Income		21,862
Interest Expense		(71,819)
Principals Payments		(22,874)
Net Cash Provided (Used) by Capital and Related Financing Activities		<u>(93,238)</u>

Net Increase (Decrease) in Cash

Cash, Beginning of Year		15,761
Cash, End of Year	\$	<u>22,523</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 9

Schedule of Changes in Assets Restricted for MSO Revenue Bond Debt Service
Enterprise Fund
For the Year Ended June 30, 2020

	Bond and Interest Contingency	Bond Reserve	Depreciation and Contingency	Total
Cash Balance, Beginning of Year	\$ 37,275	\$ 78,271	\$ 68,797	\$ 284,343
Cash Receipts	67,827	17,820	5,820	91,467
Cash Disbursements	(57,100)	-	-	(67,100)
Cash Balance, End of Year	\$ 47,902	\$ 96,091	\$ 74,617	\$ 318,610

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 1B

Schedule of Water and Sewer Rates
Enterprise Fund
June 30, 1998

Water Rates

Residential:

- \$10.50 per month for the first 500 gallons
- \$1.50 per thousand or part thereof for the next 2,000 gallons
- \$1.00 per thousand or part thereof for the next 5,000 gallons
- \$1.00 per thousand or part thereof over 10,000 gallons

Commercial:

- \$20.00 per month for the first 10,000 gallons
- \$1.00 per thousand or part thereof over 10,000 gallons

Customers at June 30, 1998:

Residential	1,005
Commercial	<u>35</u>
Total	<u>1,040</u>

Sewer Rates

Residential:

- \$12.00 per month plus \$0.00 per thousand gallons

Commercial:

- \$18.00 per month plus \$0.00 per thousand gallons

Customers at June 30, 1998:

Residential	384
Commercial	<u>15</u>
Total	<u>401</u>

The accompanying notes are an integral part of these statements.

General Fixed Assets

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

Village of Albany, Louisiana
 Schedule of General Fixed Assets
 June 30, 1998

Schedule 13

General Fixed Assets, at Cost	
Land	\$ 41,080
Office Improvements	26,687
Furniture and Fixtures	5,729
Vehicles and Equipment	68,993
Total General Fixed Assets	\$ <u>135,489</u>
Investment in General Fixed Assets	
General Fund	\$ 129,636
State Grant	1,970
Police Emergency Fund	4,803
Total Investment in General Fixed Assets	\$ <u>136,409</u>

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule 12

Schedule of Changes in General Fixed Assets
For the Year Ended June 30, 1998

	Balance			Balance June 30, 1998
	July 1, 1997	Additions	Deletions	
Land	\$ 41,808	\$ -	\$ -	\$ 41,808
Office Improvements	28,687	-	-	28,687
Furniture and Fixtures	5,729	-	-	5,729
Vehicles and Equipment	68,999	5,794	-	68,999
Total	\$ 145,223	\$ 5,794	\$ -	\$ 151,017

The accompanying notes are an integral part of these statements.

Summary Schedule of Prior Audit Findings

Summary Schedule of Prior Audit Findings
Year Ended June 30, 1998

Section I. Internal Control and Compliance Material to the Financial Statements:

No Findings for Section I

Section II. Internal Control and Compliance Material to Federal Awards:

No Findings for Section II

Section III. Management Letter:

Reference Numbers: 97-M1

Fiscal Year Ending June 30, 1997

Accounts Receivable Reconciliation - Utility System

Description of Findings:

In the three prior fiscal years, we noted that in order to insure that accounts receivable are properly valued, a monthly accounts receivable reconciliation procedure must be completed. This reconciliation procedure must begin with the prior month's reconciled accounts receivable balance, list current month utility billings, sales tax penalties, debit/credit memos, and payments on account, to balance to the customer transaction register balance run at month-end. The customer transaction listing must then be reconciled to the general ledger control accounts receivable control account. As a control on the reconciliation process, the amount used for customer payments is taken from the monthly bank reconciliation, and set for total of payments listings input into the utility billing system. The objective for the accounts receivable reconciliation process is to standardize procedures in the utility billing system, minimizing any adjustments to credit the accounts receivable.

Monthly accounts receivable reconciliations are not being completed.

Planned Corrective Action:

We recommend that the Village of Albany complete monthly accounts receivable reconciliations, and submit these reconciliations to the Mayor for review by the 10th of the following month. This procedure is necessary to properly value accounts receivable and to insure that errors in utility billing processing are identified and corrected in a timely manner.

Corrective Action Taken: None

Reference Numbers: 93-942

Fiscal Year Ending June 30, 1997

Write-off of Bad Debts

Description of Findings:

We noted that numerous customer accounts, approved for write-off as bad debts in the prior fiscal year, were still included in the accounts receivable balance at June 30, 1997. For accounts receivable to be properly valued, accounts written off should be removed from the active utility accounts receivable system as they are approved for write-off by the board of directors.

Planned Corrective Action

We recommended that the Village of Albany immediately update its utility billing system and delete any accounts approved for write-off. To maintain a permanent record of these accounts, customer balances written off may then be recorded separately.

Corrective Action Taken: Partial

Description of Partial Correction

The Village of Albany has removed some old accounts from the utility billing system after the board of directors approved them for write-offs.

Reference Numbers: 97-563

Fiscal Year Ending June 30, 1997

Payroll and Related Liabilities

Description of Findings:

We noted in the prior fiscal year that payroll records were difficult to reconcile due to the lack of a clear audit trail.

Planned Corrective Action

Our audit recommendation was that payroll be computed and recorded on computer spreadsheets, in order to insure that payroll is properly valued, and an adequate audit trail is maintained.

Corrective Action Taken: Partial

Description of Partial Action Taken:

The board of aldermen approved purchase of a payroll program. This program was implemented in January, 1998.

Reference Numbers: 87-M-6

Fiscal Year Ending June 30, 1997

Organizational Structure and Other Administrative Matters**Description of Findings:**

In the prior fiscal year it was noted that quarterly financial reports were not being submitted on a timely basis to the USDA Rural Development Office. During the fiscal year ending June 30, 1997, these reports were submitted as required, but were often up to thirty days past the due date. In addition, we had recommended that monthly budget-to-actual financial reports be submitted to the board of aldermen. Monthly reports were not being prepared.

Planned Corrective Action:

We recommend that general ledger processing be completed on a more timely basis, and that monthly financial statements be submitted to the board of aldermen.

Corrective Action Taken:

Financial statements are being submitted as required to the USDA Rural Development office and monthly financial reports are submitted to the board of aldermen.

Corrective Action Plan for Current Year Audit Findings

Village of Albany, Louisiana

Schedule 14

Corrective Action Plan for Current Year Audit Findings
Year Ended June 30, 1998

Section I. Internal Control and Compliance Material to the Financial Statements

Reference Number: 98-1

Description of Findings:

As June 30, 1998, the Village of Albany, Louisiana had \$933,413 in collected bank balances. Of the \$933,413 in collected bank balances, \$4,850 was not secured by FDIC or pledged securities.

Corrective Action Planned:

Management of the Village of Albany will notify Hancock Bank the market value of the securities pledged is not sufficient to cover the collected bank balances.

Name of Contact Person:

Thomas Stewart, Mayor
Village of Albany
(504) 587-1101

Section II. Internal Control and Compliance Material to Federal Awards

No Section II Findings.

Section III. Management Letter

No Section III Findings.

Supplemental Information

Village of Albany, Louisiana

Schedule 15

SCHEDULE OF INSURANCE - ALL FUND TYPES
June 30, 1998

Insurance Company	Coverage	Amount	Period
Cargis Insurance Company Policy Number 651-085643-T	Commercial General Liability	\$ 500,000	07/01/97 - 06/30/98
Cargis Insurance Company Policy Number 651-085643-T	Errors or Omissions/ Public Officials Liability	\$ 500,000	07/01/97 - 06/30/98
Cargis Insurance Company Policy Number 651-085643-T	Law Enforcement Officers Liability	\$ 500,000	07/01/97 - 06/30/98
Cargis Insurance Company Policy Number 651-085643-T	Business Auto Policy	\$ 500,000	07/01/97 - 06/30/98
Cargis Insurance Company Policy Number 651-085643-T	Commercial Property/ Buildings Personal Property	\$ 170,000 40,000	07/01/97 - 06/30/98
Cargis Insurance Company Policy Number 651-085643-T	Commercial Inland Marine	\$ 180,358	07/01/97 - 06/30/98
Risk Management, Inc. Policy Number 0013908	Workers Compensation	\$ Statutory Limits	07/17/97 - 07/17/98
Western Surety Company Policy Number 01307581	Fidelity Bond	\$ 5,000	10/15/97 - 10/15/98
Western Surety Company Policy Number 00628599	Right of Way Bond	\$ 7,320	04/15/98 - 04/15/99
Western Surety Company Policy Number 18143978	Fidelity Bond	\$ 280,000	02/15/98 - 02/15/99

The accompanying notes are an integral part of these statements.

Village of Albany, Louisiana

Schedule of Expenditures of Federal Awards
Year Ended June 30, 2000

Federal Grantor Pass-Through Grantor Program Name	Federal CFDA Number	Program or Award Amount	Cash/ Loan Balances Beginning	Principal Receipts
United States Department of Agriculture Through Rural Economic and Community Development				
Water and Waste Disposal Systems for Rural Communities				
Loan Repayment, Loan 91-00	91.418	\$ 523,000	\$ 394,000	\$ -
Loan Repayment, Loan 91-00	91.418	573,000	532,888	-
Loan Repayment, Loan 92-00	91.418	493,000	442,738	-
Loan Repayment, Loan 93-00	91.418	33,000	32,937	-
		<u>\$ 1,628,000</u>	<u>\$ 1,402,563</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

Schedule M

	<u>Principal</u> <u>Expenditures</u>		<u>Cash/ Loan Balance</u> <u>Ending</u>
\$	(11,080)	\$	383,808
	8,636		326,258
	(4,322)		458,418
	<u>(786)</u>		<u>72,211</u>
\$	<u>(12,674)</u>	\$	<u>1,418,872</u>

Other Auditor's Reports

Ernest C. Smith, CPA
William S. Smith, CPA
Michaela Egan, CPA
Dale B. Jones, CPA
Claude F. Miller, CPA
James G. Stoltzfus, CPA

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MEMBERS
American Institute of CPAs
Entity of Louisiana CPAs

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

The Honorable Mayor, Thomas Stewart
and Members of the Board of Aldermen
Village of Albany, Louisiana

We have audited the general purpose financial statements of the Village of Albany, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated October 13, 1999. 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.

Compliance

As part of obtaining reasonable assurance about whether the Village of Albany, Louisiana's general purpose 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 Corrective Action Plan for Current Year Audit Findings as Reference Number 88-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Albany, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 relating to our situation relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Albany's ability to record, process, summarize and report financial data consistent with the transactions of management in the financial statements.

Due to lack of personnel, the Village of Albany, Louisiana is not able to have proper segregation of duties.

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A material weakness is a reportable 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-1 to be a material weakness.

This report is intended for the information of management, the Louisiana Legislative Auditor and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

October 13, 1998