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COMPONENT UNIT FINANCIAL  
STATEMENTS AND REPORT OF INDEPENDENT  
CERTIFIED PUBLIC ACCOUNTANTS

DISTRICT ATTORNEY OF THE 30TH  
JUDICIAL DISTRICT, CAMERON PARISH,  
LOUISIANA, A COMPONENT UNIT  
OF THE CAMERON PARISH POLICE JURY,  
CAMERON PARISH, LOUISIANA

December 31, 1992

under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, as required, and is available for public inspection. The report is available for public inspection at the State Tax Commission, 100 Louisiana State Capitol Mall, Baton Rouge, Louisiana 70803, at the office of the parish clerk of court.

Release Date.....**JUN 26 1993**

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**Millard, Hilliard & Farrar**

INDEPENDENT PUBLIC ACCOUNTANTS

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114 111 - 1400  
MEMPHIS 27 - 4

MEMPHIS OFFICE, SUITE 4  
100 SOUTH MAIN STREET, MEMPHIS  
TELEPHONE 252-1100

May 21, 1959

Honorable Glenn M. Alexander  
District Attorney of the  
Thirty-eighth Judicial District  
Cameron Parish, Louisiana

**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

We have audited the accompanying component unit financial statements of the District Attorney of the Thirty-eighth Judicial District, a component unit of the Cameron Parish Police Jury, Cameron Parish, Louisiana, as of and for the twenty-four months ended December 31, 1958, as listed in the table of contents. These financial statements are the responsibility of the management of the District Attorney of the Thirty-eighth Judicial District. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and generally accepted governmental auditing standards contained in the Governmental Auditing Standards - Standards for Audit of Governmental Organizations, Programs, Activities, and Functions, issued by the United States General Accounting Office. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the component unit financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall component unit financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the component unit financial statements referred to above present fairly, in all material respects, the financial position of the District Attorney of the Thirty-eighth Judicial District, a component unit of the Cameron Parish Police Jury, Cameron Parish, Louisiana, as of December 31, 1958 and the results of its operations and the changes in financial position for the twenty-four months then ended, in conformity with generally accepted accounting principles.

*Millard, Hilliard & Farrar*

District Attorney of the 28th Judicial District,  
 Cameron Parish, Louisiana, a Component Unit of the  
 Cameron Parish Police Jury, Cameron Parish, Louisiana

BALANCE SHEET  
 ALL FUND TYPES AND ACCOUNT GROUPS

December 31, 1998

	GOVERNMENTAL FUNDS GENERAL FUND	ACCOUNT GROUPS GENERAL FUND ASSETS	TOTAL (INTEGRATION ONLY)
<b>ASSETS AND OTHER DEBITS</b>			
<b>Assets:</b>			
Cash and cash equivalents	\$ 91,762	\$ -0-	\$ 91,762
receivables	15,812	-0-	15,812
land, buildings, and equipment	-0-	64,624	64,624
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 107,574</b>	<b>\$ 64,624</b>	<b>\$ 172,198</b>
<b>LIABILITIES, EQUITY, AND OTHER CREDITS</b>			
<b>Liabilities:</b>			
Accounts payable	\$ 8,949	\$ -0-	\$ 8,949
Due to OTHER municipalities	8,915	-0-	8,915
<b>Equity and Other Credits:</b>			
Investment in general fixed assets	-0-	64,624	64,624
<b>Fund balances:</b>			
Unreserved - undesignated	\$ 92,812	-0-	92,812
<b>TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS</b>	<b>\$ 107,574</b>	<b>\$ 64,624</b>	<b>\$ 172,198</b>

The accompanying notes are an integral part of this statement.

District Attorney of the 38th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenue, Expenditures,  
and Changes in Fund Balances

For the 24 Months Ended December 31, 1998

	GENERAL FUND
REVENUES	
Commissions on fines, forfeitures, and fees	\$ 296,704
Interest	<u>2,822</u>
Total revenue	299,526
EXPENDITURES	
Legal and professional	3,127
Insurance	14,270
Office supplies	12,228
Repairs and maintenance	7,768
Utilities	25,544
Travel	13,828
Library	15,818
Dues and subscriptions	13,082
Other	52,743
Capital outlay	<u>8,185</u>
Total expenditures	188,633
EXCESS OF REVENUES OVER EXPENDITURES	114,893
FUND BALANCE AT BEGINNING OF PERIOD	<u>16,281</u>
FUND BALANCE AT END OF PERIOD	\$ <u>13,018</u>

The accompanying notes are an integral part of this statement.

District Attorney of the 38th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

GOVERNMENTAL FUNDS

Statement of Revenues, Expenditures,  
and Changes in Fund Balances - Budget  
and Actual

For the 24 Months Ended December 31, 1990

	GOVERNMENTAL FUNDS		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>			
Commissions on fines, forfeitures, and fees	\$ 177,725	\$ 256,704	\$ 78,979
Interest	488	2,800	2,312
Total revenues	178,213	259,504	81,291
<b>EXPENDITURES</b>			
Legal and Professional insurance	-0-	9,127	( 9,127)
Office supplies	10,800	12,270	( 1,470)
Negative and maintenance	4,400	3,700	( 700)
Utilities	20,800	25,544	( 4,744)
Travel	10,700	10,628	( 72)
Library	12,800	15,918	( 3,118)
Books and subscriptions	8,800	10,000	( 1,200)
Other	55,425	62,743	( 7,318)
Capital outlay	22,000	9,188	12,812
Total expenditures	128,125	185,837	( 42,288)
<b>EXCESS OF REVENUES OVER EXPENDITURES</b>			
	-0-	84,667	84,667
<b>FUND BALANCE AT BEGINNING OF PERIOD</b>			
	38,781	38,781	-0-
<b>FUND BALANCE AT END OF PERIOD</b>			
	\$ 38,781	\$ 123,448	\$ 84,667

The accompanying notes are an integral part of this statement.

District Attorney of the 18th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

Notes to the Financial Statements

As of and for the Twenty-four Months ended December 31, 1990

INTRODUCTION

As provided by Article V, Section 36 of the Louisiana Constitution of 1974, the District attorney has charge of every criminal prosecution by the state in his district. He is also the representative of the state before the grand jury in his district, and is the legal advisor to the grand jury, and performs other duties as provided by law. The district attorney is elected by the qualified electors of the judicial district for a term of six years. The Judicial District encompasses the parish of Cameron, Louisiana.

In April of 1984, the Financial Accounting Foundation established the Governmental Accounting Standards Board (GASB) to promulgate generally accepted accounting principles and reporting standards with respect to activities and transactions of state and local government. The GASB has issued a codification of and subsequent GASB pronouncements that are recognized as generally accepted accounting principles for state and local government. The accompanying component unit financial statements have been prepared in accordance with such principles.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying component unit financial statements of the District Attorney of the 18th Judicial District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, the Cameron Parish Police Jury is the financial reporting entity for Cameron Parish. The financial reporting entity consists of (a) the primary government (police jury), (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.

(Continued)

District Attorney of the 38th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

Notes to the Financial Statements (Continued)

As of and for the Twenty-four Months Ended December 31, 1990

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Cameron Parish Police Jury 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. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the police jury 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 police jury.
2. Organizations for which the police jury does not appoint a voting majority but are fiscally dependent on the police jury.
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.

Because the District Attorney of the Thirty-eighth Judicial Court is fiscally dependent upon the Cameron Parish Police Jury, the District Attorney was determined to be a component unit of the Cameron Parish Police Jury, the financial reporting entity. The accompanying component unit financial statements present information only on the funds maintained by the District Attorney of the Thirty-eighth Judicial District and do not present information on the Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

C. FUND ACCOUNTING

The district attorney 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.

(Continued)



District Attorney of the 16th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

Notes to the Financial Statements (Continued)

As of and for the Twenty-Four Months Ended December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

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 district attorney are classified as governmental funds. Governmental funds account for the district attorney's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition of general fixed assets. Governmental funds of the district attorney include:

**GENERAL FUND**

The General Fund was established in compliance with Louisiana Revised Statute 15:571.31, which provides that 12 per cent of the fines collected and bonds forfeited be transmitted to the district attorney to defray the necessary expenditures of his office.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by the governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

**REVENUES**

Commissions on fines and bond forfeitures are recorded in the year they are earned.

**EXPENDITURES**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

(Continued)

District Attorney of the 39th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

Notes to the Financial Statements (Continued)

As of and for the Twenty-four Months Ended December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (CONTINUED)

K. BUDGETS

Formal budgetary integration is employed as a management control device during the year for the General Fund and adopted as a basis consistent with generally accepted accounting principles (GAAP). The budget amounts, shown in the financial statements are the final authorized amounts as revised during the year.

P. ENCUMBRANCES

The district attorney does not employ encumbrance accounting.

G. CASH AND CASH EQUIVALENTS AND INVESTMENTS

As of December 31, 1998, the District Attorney had cash totaling \$91,782 in accounts. Under state law, this balance must be secured by federal deposit insurance or the pledge of securities owned by the federal 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. Deposits (bank balances) at December 31, 1998, total \$91,782 and are fully secured by federal deposit insurance.

H. FIXED ASSETS

Fixed assets are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost.

I. COMPENSATED ABSENCES

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

All full-time employees are paid by the Cameron Parish Police Jury; therefore, there is no liability for accumulated compensated absences relating to the General Fund. Annual and sick leave for all employees is in accordance with the leave policy of the Cameron Parish Police Jury.

(Continued)

District Attorney of the 38th Judicial District,  
Cameron Parish, Louisiana, a Component Unit of the  
Cameron Parish Police Jury, Cameron Parish, Louisiana

Notes to the Financial Statements (Continued)

As of and for the Twenty-four Months Ended December 31, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

a. TOTAL COLUMNS ON STATEMENTS

The total columns on the statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL,  
STRUCTURE RELATED MATTERS NOTED IN A FINANCIAL  
STATEMENT AUDIT CONDUCTED IN ACCORDANCE WITH  
GOVERNMENT AUDITING STANDARDS

## Millard, Hillard & Farrar

2100 BAYOU BLVD., SUITE 1000  
HOUSTON, TEXAS 77056

STATE OF TEXAS  
COUNTY OF CAMERON

STATE OF TEXAS  
COUNTY OF CAMERON

May 21, 1998

Honorable Glenn Alexander  
District Attorney of the  
Thirty-eighth Judicial District  
Cameron Parish, Louisiana

We have audited the component unit financial statements of the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury, Cameron Parish, Louisiana as of and for the twenty-four months ended December 31, 1998, and have issued our report thereon dated May 21, 1998.

We have conducted our audit in accordance with generally accepted auditing standards and Governmental 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 component unit financial statements are free of material misstatement.

In planning and performing our audit of the component unit financial statements of the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, for the twenty-four months ended December 31, 1998, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the component unit financial statements and not to provide assurance on the internal control structure.

The management of the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling these responsibilities, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of component unit financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become

inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures in the following categories:

1. Cash receipts/revenues and receivables
2. Cash disbursements/expenditures

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the entity's ability to record, process, summarize, and report financial data consistent with the assertions of management in the component unit financial statements.

Because of the entity's size, it is not feasible to segregate duties to achieve effective internal accounting control. Therefore, the audit was performed more efficiently by performing substantive tests as no reliance was placed on internal control.

A material weakness is a reportable condition in which the design or operation of the specific internal control structure element does not reduce to a relatively low level the risk that errors or irregularities in amount that would be material in relation to the component unit 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 considerations of the internal control structure 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 as defined above. However, we believe the reportable conditions described above is a material weakness.

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

*Millard, Billiard & Thuman*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
LAW AND REGULATIONS BASED ON AN AUDIT OF  
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
GOVERNMENTAL AUDITING STANDARDS

**Milford, Hilliard & Turner**

ATTORNEYS AT LAW - SUITE 1000 - 1000 PINE STREET - MONROE, LOUISIANA

J. J. MILFORD, JR., CPA  
FREDERICK H. HILLIARD, CPA  
W. BRUCE TURNER, CPA

STATE OF LOUISIANA  
LAKE CHARLES, LOUISIANA  
THE OFFICE OF THE AUDITOR

May 21, 1999

Honorable Glenn Alexander  
District Attorney of the  
Thirty-eighth Judicial District  
Cameron Parish, Louisiana

We have audited the component unit financial statements of the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, a component unit of the Cameron Parish Police Jury, Cameron Parish, Louisiana, as of and for the twenty-four months ended December 31, 1998, and have issued our report thereon dated May 21, 1999.

We conducted our audit in accordance with generally accepted auditing standards and Governmental Auditing Standards, issued by the Comptroller General of United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the component unit financial statements are free of material misstatement.

Compliance with laws and regulations applicable to the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, is the responsibility of the District Attorney of the Judicial District, Cameron Parish, Louisiana, management. As part of obtaining reasonable assurance about whether the component unit financial statements are free of material misstatement, we performed tests of the District Attorney of the Thirty-eighth Judicial District compliance with certain provisions of laws and regulations. However, our objective was not to provide an opinion on overall compliance with such provisions.

The results of our tests indicate that, with respect to the items tested, the District Attorney of the Thirty-eighth Judicial District, Cameron Parish, Louisiana, complied, in all material respects, with the provisions referred to in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the District Attorney of the Thirty-eighth Judicial District had not complied, in all material respects, with those provisions.

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

*Milford, Hilliard & Turner*



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**VILLAGE OF FOREST  
Forest, Louisiana**

**General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1999  
With Supplemental Information Schedules**

Under provisions of state law, this report is prepared and issued as a public document. A copy of this report has been made available to the citizens of the parish, and any person is entitled to see and copy it. This report is available for public inspection by the parish engineer and the clerk of court of the parish, which are located at the office of the parish clerk of court.

Prepared Date: 11/05/00

**VERNON R  
COON**  
REGISTERED PUBLIC ACCOUNTANT

VILLAGE OF FOREST  
Forest, Louisiana

General Purpose Financial Statements  
With Independent Auditor's Report  
As of and for the Year Ended  
December 31, 1998  
With Supplemental Information Schedules

C O N T E N T S

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## Independent Auditor's Report

**MAYOR AND BOARD  
OF ALDERMEN  
VILLAGE OF FOREST  
Forest, Louisiana**

I have audited the general purpose financial statements of the Village of Forest as of December 31, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Forest's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material aspects, the financial position of the Village of Forest as of December 31, 1998, and the results of operations and cash flows of its proprietary fund for the year then ended, in conformity with generally accepted accounting principles.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information schedules listed in the table of contents are presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Village of Forest. Such information has been subjected to the auditing procedures applicable in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material aspects in relation to the general purpose financial statements taken as a whole.

**VERNON R. COON**  
Chartered Accountant  
Public Accountant

**OFFICE OF VERNON R. COON**  
1000 W. PINE STREET  
MONROE, LOUISIANA

**OFFICE LOCATED IN**  
MONROE, LOUISIANA  
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AND FINANCIAL INSTITUTIONS

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MAYOR AND BOARD  
OF ALDERMEN  
VILLAGE OF FOREST  
Forest, Louisiana  
Independent Auditor's Report,  
December 31, 1988

In accordance with Government Auditing Standards, I have also issued a report dated June 3, 1989, on the Village of Forest's compliance with laws, regulations, and contracts, and my consideration of the agency's internal control over financial reporting.



West Monroe, Louisiana  
June 3, 1989

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(OVERVIEW)**

VILLAGE OF FOREST  
Forest, Louisiana  
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE - GENERAL FUNDS	PROPRIETARY FUND TYPE - WATER ENTERPRISE FUNDS	ACCOUNTS GROUP - GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
<b>ASSETS</b>				
Current assets:				
Cash	\$2,360	\$31,404		\$33,764
Accounts receivable	5,285	18,135		23,420
Total current assets	13,599	49,539		63,138
Restricted assets - cash and equivalents		88,669		88,669
Water system plant and equipment (net of accumulated depreciation)		463,260		463,260
Land, buildings, and equipment			\$13,172	13,172
<b>TOTAL ASSETS</b>	<b>\$13,599</b>	<b>\$501,499</b>	<b>\$13,172</b>	<b>\$528,270</b>
<b>LIABILITIES AND FUND EQUITY</b>				
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$285	\$2,527		\$2,812
Customer water deposits		19,487		\$19,487
Current liabilities payable from restricted assets - accrued interest payable		1,477		1,477
Revenue bonds payable		168,911		168,911
Total Liabilities	285	184,402		184,687
Fund Equity:				
Investment in general fixed assets			\$13,172	13,172
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grant)		175,840		175,840
Retained earnings - reserved for debt service		35,389		35,389

(Continued)

## VILLAGE OF FOREST

Forest, Louisiana

## ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, December 31, 1998

	GOVERNMENTAL FUND TYPE - GENERAL FUND	PROPERTY FUND TYPE - WATER ENTERPRISE FUND	ACTIVITY GROUP - GENERAL FUND ASSETS	TOTAL (MINUS BANK IN DEBT)
Fund Equity: (Cont'd.)				
Retained earnings - reserved for capital improvements		\$9,925		\$9,925
Retained earnings - unreserved - undesignated		183,723		183,723
Total retained earnings	NONE	193,648	NONE	193,648
Fund balance -				
unreserved-undesignated	\$13,734			13,734
Total Fund Equity	13,734	405,047	\$13,172	431,953
TOTAL LIABILITIES AND FUND EQUITY	\$13,559	\$299,459	\$13,172	\$306,190

(Continued)

The accompanying notes are an integral part of this statement.



**VILLAGE OF FOREST**  
 Forest, Louisiana  
**GOVERNMENTAL FUND TYPE - GENERAL FUND**

**Statement of Revenues, Expenditures,  
 and Changes in Fund Balances**  
**For the Year Ended December 31, 1998**

**REVENUES**

## Taxes:

Tobacco	\$1,778
Franchise	4,987
Occupational licenses	4,090
Use of money and property - interest earnings	125
Intergovernmental - state grant	<u>30,381</u>
Total revenues	<u>41,361</u>

**EXPENDITURES**

## General government - current:

Personal services and related benefits	1,580
Operating services	7,732
Materials and supplies	683
Capital outlay	3,718
Public safety	744
Public works	<u>5,059</u>
Total expenditures	<u>19,516</u>

**EXCESS OF REVENUES**

**OVER EXPENDITURES** 605

**FUND BALANCE AT BEGINNING OF YEAR** 12,607

**FUND BALANCE AT END OF YEAR** \$13,212

The accompanying notes are an integral part of this statement.

**VILLAGE OF FOREST**  
**Forest, Louisiana**  
**GOVERNMENTAL FUND TYPE -**  
**GENERAL FUND**

**Statement of Revenues, Expenditures, and**  
**Changes in Fund Balance - Budget**  
**(Cash Basis and Actual)**  
**For the Year Ended December 31, 1998**

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE</u> <u>(FAVORABLE)</u> <u>(UNFAVORABLE)</u>
<b>REVENUES</b>			
Taxes :			
Tobacco	\$3,500	\$1,422	(\$2,078)
Franchise	3,000	4,064	1,064
Occupational license	4,000	4,090	90
Use of money and property - interest earnings	300	135	(165)
Intergovernmental - state grant	10,000	5,262	(4,738)
Total revenues	<u>20,800</u>	<u>15,983</u>	<u>(4,817)</u>
<b>EXPENDITURES</b>			
General government - contract:			
Personal services and related benefits	2,000	1,890	110
Operating services	15,000	15,832	(832)
Material and supplies	3,300	2,399	1,000
Public safety	3,500	744	2,756
Total expenditures	<u>23,800</u>	<u>20,765</u>	<u>3,035</u>
<b>EXCESS (Deficiency) OF REVENUES</b>			
<b>OVER EXPENDITURES</b>	<u>(3,000)</u>	<u>(4,802)</u>	<u>(1,802)</u>
<b>FUND BALANCE AT BEGINNING OF YEAR</b>	<u>12,732</u>	<u>12,948</u>	<u>216</u>
<b>FUND BALANCE AT END OF YEAR</b>	<u>9,732</u>	<u>8,146</u>	<u>(1,586)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
FOREST, Louisiana  
PROPRIETARY FUND TYPE -  
WATER ENTERPRISE FUND

Statement of Revenues, Expenses,  
and Changes in Retained Earnings  
For the Year Ended December 31, 1998

<b>OPERATING REVENUES</b>	
Water sales	<u>\$109,752</u>
<b>OPERATING EXPENSES</b>	
Salaries	28,190
Payroll taxes	2,821
Office	5,081
Sales tax	4,185
Utilities	40,375
Repairs and maintenance	4,089
Insurance	6,046
Materials and supplies	4,260
Telephone	1,479
Other expenses	1,978
Depreciation	<u>18,138</u>
Total operating expenses	<u>98,528</u>
<b>OPERATING INCOME</b>	<u>11,224</u>
<b>NON-OPERATING REVENUES (Expenses)</b>	
Interest income	2,607
Interest expense	<u>(11,509)</u>
Total non-operating revenues (expenses)	<u>(8,902)</u>
<b>NET INCOME</b>	5,320
Adjustment for depreciation on fixed assets recovered with federal grant	3,485
<b>RETAINED EARNINGS AT BEGINNING OF YEAR</b>	<u>218,382</u>
<b>RETAINED EARNINGS AT END OF YEAR</b>	<u>\$223,702</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
FOREST, Louisiana  
PROPRIETARY FUND TYPE -  
WATER ENTERPRISE FUND

Statement of Cash Flows  
For the Year Ended December 31, 1998

<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>	
Operating Loss	<u>\$14,723</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:	
Depreciation	16,138
Decrease in accounts receivable	28
Increase in accounts payable	130
Increase in customer meter deposits	<u>1,140</u>
Total adjustments	<u>17,436</u>
Net cash provided by operating activities	<u>30,699</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>	
Decrease in bonds payable	(10,697)
Interest expense	<u>(11,500)</u>
Total cash flows from capital and related financing activities	<u>(22,197)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>	
Interest earnings	<u>2,600</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	12,099
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<u>105,614</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<u>\$117,683</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF FOREST  
Forest, Louisiana

Notes to the Financial Statements  
As of and for the Year Ended December 31, 2000

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The Village of Forest was incorporated under the provisions of the Louisiana Act in 1966. The village operates under a Mayor-Board of Aldermen form of government. The mayor and aldermen serve four-year terms which expire on December 31, 2000.

**A. REPORTING ENTITY**

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Village of Forest 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. This criteria includes:

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.
2. Organizations for which the village does not appoint a voting majority but are fiscally dependent on the village.

## VILLAGE OF FOREST

Forest, Louisiana

### Notes to the Financial Statements (Continued)

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 has determined that there are no component units that are part of the reporting entity.

## 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 related to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts that comprises its assets, liabilities, fund equity, revenues, and expenditures. An account group, on the other hand, is a financial reporting device designed to provide accountability for certain assets and liabilities (general fixed assets and general long-term debt) that are not recorded in the "funds" because they do not directly affect net expendable available financial resources. They are concerned only with the measurement of financial position, not with the measurement of results of operations.

Funds are classified into three categories: governmental, proprietary, and fiduciary. Each category, in turn, is divided into separate "fund types". Governmental funds are used to account for a government's general activities, where the focus of attention is on the providing of services to the public as opposed to proprietary funds where the focus of attention is on recovering the cost of providing services to the public or other agencies through service charges or user fees. Fiduciary funds are used to account for assets held for others. The village's current operations require the use of governmental and proprietary fund types described as follows:

### Governmental Funds

#### General Fund

The General Fund is the general operating fund of the village. It accounts for all financial resources, except those required to be accounted for in other funds.

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**Proprietary Fund Type - Water Enterprise Fund**

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

**C. FIXED ASSETS AND LONG-TERM DEBT**

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction are reflected as expenditures (capital outlay) in governmental funds and the related assets are reported in the general fixed assets account group. All purchased fixed assets are valued at actual cost where historical records are available. Approximately 42 per cent of the general fixed assets are valued at actual historical cost, while the remaining 58 per cent are valued at estimated cost, based on the actual cost of like items. No depreciation has been provided on general fixed assets. There are no general long-term obligations at December 31, 1998.

The cost of normal maintenance and repairs that do not add to the value of fixed assets or materially extend their useful lives are not capitalized but are only recognized as a normal current expenditure of the governmental funds. Public domain or infrastructure general fixed assets consisting of roads, sidewalks, bridges, parking lots, and drainage systems are not capitalized, as these assets are immovable and of value only to the village.

The fixed assets used in the proprietary fund type operations are included on the balance sheet of the fund. Depreciation of all exhaustible fixed assets used by the proprietary fund type operations is charged as an expense against operations. Depreciation is computed using the straight-line method over the estimated useful lives as follows:

Water system	40 years
Equipment	5 years

Long-term liability is expected to be financed from enterprise fund operations and accounted for in the enterprise fund.

## VILLAGES OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

### **II. BASIS OF ACCOUNTING**

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

The modified accrual basis of accounting is used for reporting all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The village uses the following practices in recognizing and reporting revenues and expenditures:

#### **Revenues**

Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds.

Interest income on bank deposits is recorded when the interest has been earned and the amount is determinable.

Substantially all other revenues are recorded when they are received by the village.

Based on the above criteria, tobacco taxes and franchise taxes have been treated as susceptible to accrual.

#### **Expenditures**

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.



VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**Proprietary Fund Type - Water Enterprise Fund**

The Water Enterprise Fund is accounted for using the accrual basis of accounting. Revenues are recognized when they are earned, and expenses are recognized when they are incurred.

**II. BUDGET PRACTICES**

A preliminary budget for the ensuing year is prepared for the General Fund by the mayor prior to December 31 of each year and is made available for public inspection at least fifteen days prior to the beginning of each fiscal year. The budget is established and controlled by the board of aldermen at the functional level of expenditure. Encumbrance accounting is not used by the village. Appropriations lapse at year end and must be reappropriated for the following year to be expended. All changes in the budget must be approved by the board of aldermen.

For the year ended December 31, 1998, the village adopted a cash basis budget for the General Fund.

The budget comparison statement included in the accompanying financial statements includes the original budget and all subsequent amendments. The following reconciles the excess of revenues and other sources over expenditures as shown on budgetary comparison Statement C (budget basis) to the same amount shown on Statement B (GAAP basis):

Excess of revenues and other sources over expenditures - (budget basis)	(\$5,685)
Adjustments:	
Receivables	6,298
Payables	<u>    (4)</u>
Excess (deficiency) of revenues and other sources over expenditures - (GAAP basis)	<u>    567</u>

## VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

### F. CASH AND CASH EQUIVALENTS

Under state law, the village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the union, or the laws of the United States. The village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana.

At December 31, 1998, the village has cash (bank balances) totaling \$124,846, as follows:

Demand deposits	\$58,538
Time deposits	<u>32,510</u>
Total	<u>\$124,846</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, or the resulting bank balances, must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. Deposit balances (bank balances) at December 31, 1998, total \$128,846 and are fully secured by federal deposit insurance.

For purposes of the statement of cash flows, cash equivalents include all highly liquid investments with a maturity date of three months or less when purchased.

### G. VACATION AND SICK LEAVE

The Village of Forest has not adopted vacation and sick leave policies; therefore, there is no liability for compensated absences.

### H. RISK MANAGEMENT

The village is exposed to various risk of loss related to torts; theft of, damage to, and destruction of assets; and injuries to employees. To handle such risk of loss, the fire district maintains a commercial insurance policy covering property, employee liability, and public officials liability. No claims were paid on any of the policies during the past three years which exceeded the policies' coverage amounts. There were no significant reductions in insurance coverage during the year ended December 31, 1998.

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

**L. TOTAL COLUMNS ON THE  
COMBINED STATEMENTS**

Total columns on the combined statements are captioned Memorandum Only (overview) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position nor results of operations in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. RECEIVABLES**

The following is a summary of receivables at December 31, 1998:

	General Fund	Water Utility Fund	Total
Taxes:			
Tobacco	\$784		\$784
Franchise	928		928
Intergovernmental - state grant	5,013		5,013
Accounts		\$10,116	10,116
<b>Total</b>	<b>\$6,725</b>	<b>\$10,116</b>	<b>\$16,841</b>

**3. FIXED ASSETS**

The following presents changes in general fixed assets for the year ended December 31, 1998:

	Land and Buildings	Improvements other than buildings	Equipment	Total
Balance, January 1, 1997	\$6,438	NONE	\$3,008	\$9,446
Additions	1,615	\$102	2,009	3,726
Deletions				\$6,890
<b>Balance, December 31, 1998</b>	<b>\$8,053</b>	<b>\$102</b>	<b>\$5,017</b>	<b>\$13,172</b>

A summary of proprietary fund type property, plant, and equipment at December 31, 1998, follows:

VILLAGE OF POULIST

Forest, Louisiana

Notes to the Financial Statements (Continued)

	<u>Basic</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Water system Equipment	\$637,588	(\$175,442)	\$462,146
	590	(876)	114
Total	<u>\$638,178</u>	<u>(\$176,318)</u>	<u>\$461,860</u>

4. PENSION PLAN

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65 per cent of gross salary, the village contributes an equal amount to the Social Security System. For the year ended December 31, 1988, employer contributions were \$2,821. Total salaries paid for 1988, were \$38,183. The village does not guarantee the benefits granted by the Social Security System.

5. REVENUE BONDS PAYABLE

At December 31, 1988, the village has two outstanding issues of long-term revenue bonds. The purpose of the bonds was to provide financing for the construction of the water system and extensions and improvements to the system. The issue dated May 8, 1989 was for \$302,260. The issue bears interest at 9.0 per cent per annum and the principal is to be repaid in annual payments ranging from \$1,670 to \$13,110 through October 1, 2002.

In 1990 the village sold an additional revenue bond to the United States Department of Agriculture, Farmers Home Administration. The issue dated November 14, 1990 was for \$130,200. The issue bears interest at 8.125 per cent per annum and the principal and interest is to be repaid in annual payments of \$8,848 through November 14, 2030. All long-term debt is to be repaid solely from the income and revenues derived from the operation of the water system.

The following is a summary of revenue bonds payable transactions for the year ended December 31, 1988:

Revenue bonds payable at January 1, 1988	\$171,688
Additions	80901
Reductions	<u>(68,672)</u>
Long-term debt at December 31, 1988	<u>\$183,917</u>

**VILLAGE OF FOREST**

Forest, Louisiana

**Notes to the Financial Statements (Continued)**

The annual requirements to amortize the revenue bonds outstanding at December 31, 1998, including interest of \$165,493, are as follows:

Year	
1999	\$72,697
2000	72,699
2001	72,696
2002	70,391
2003 - 2007	44,329
2008 - 2012	44,329
2013 - 2017	44,329
2018 - 2022	44,329
2023 - 2027	44,329
2028 - 2030	<u>56,327</u>
Total	<u>\$726,564</u>

**6. CONTRIBUTED CAPITAL**

In 1990, the village received a grant totaling \$215,800 from the United States Department of Agriculture, Farmers Home Administration to finance the construction of its water system. The grant amount, shown as contributed capital on the balance sheet, is reduced each year by the amount of depreciation expense recognized on fixed assets constructed or acquired with the grant funds. At December 31, 1998, accumulated depreciation on these assets is \$43,960.

**7. RESERVE FOR RETAINED EARNINGS**

The bond covenant for the 1989 revenue bonds discussed in note 4 above, requires the village to establish the following reserve accounts:

- A. A "Sinking Fund". The village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.
- B. A "Reserve Fund". The village must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Sinking Fund each month and \$64,440 has been accumulated therein. Such amounts may be used only for the payment of maturing bonds and interest for which sufficient funds are not available in the Sinking Fund.

VILLAGE OF FOREST

Forest, Louisiana

Notes to the Financial Statements (Continued)

- C. A "Waterworks Depreciation and Contingency Fund". The village must transfer, each month, an amount equal to 5 per cent of the amount to be paid into the Sinking Fund. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

The bond covenant with the United States Department of Agriculture, Farmers Home Administration for the 1990 revenue bond discussed in note 4 above, requires the village to establish the following reserve accounts:

- A. A "Water Revenue Bond and Interest Sinking Fund". The village must transfer into this fund, each month, one-twelfth of the principal and interest due on the next principal and interest payment date. This fund is used to pay bond principal and interest as they become due.
- B. A "Water Reserve Fund". The village must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund. Such amounts may be used only for the payment of matured bonds and interest when sufficient funds are not available in the Water Revenue Bond and Interest Sinking Fund.
- C. A "Water Depreciation and Contingency Fund". The village must transfer into this fund, each month, an amount equal to 5 per cent of the amount to be paid into the Water Revenue Bond and Interest Sinking Fund. The deposits in this fund may be used for unusual or extraordinary maintenance, repairs, replacements, and extensions and for the cost of improvements to the system. Money in this fund may also be used to pay principal and interest on bonds falling due at any time there is not sufficient funds in the other reserve funds.

At December 31, 1998 the village has \$85,669 in restricted accounts to meet reserve requirements. The following is a summary of transactions in the bond reserve accounts for the year ended December 31, 1998:

**VILLAGE OF FOREST**

Forest, Louisiana

**Notes to the Financial Statements (Continued)**

Reserve for interest bonds payable at January 1, 1998	\$51,799
Deposits	26,234
Interest earnings	2,336
Debt service	<u>(22,700)</u>
Reserve for bonds payable at December 31, 1998	<u>\$57,669</u>

**8. LITIGATION AND CLAIMS**

The village is not involved in any lawsuits at December 31, 1998, nor is it aware of any unasserted claims.

**9. YEAR 2000 ISSUE**

The year 2000 issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999. The Village of Forest has completed an inventory of computer systems that may be affected by the year 2000 issue and that are critical to conducting operations of the village's office. The village has identified the financial reporting system requiring 2000 remediation. All testing and validation of this system has been completed.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management concurs that the village is or will be Year 2000 ready, that the village's remediation efforts will be successful in whole or part, or that parties with whom the village does business will be year 2000 ready.

**SUPPLEMENTAL INFORMATION SCHEDULES**



VILLAGE OF FOREST  
FOREST, Louisiana

Schedule of Water Rates  
For the Year Ended December 31, 1998

Classification	Tariff	Rate
Residential	Monthly minimum for first 2,000 gallons	\$7.50
	Per 1,000 gallons for the next 4,000 gallons	2.00
	Per 1,000 gallons for the next 4,000 gallons	1.50
	Per 1,000 gallons for all over 10,000 gallons	1.00
Commercial	Monthly minimum for first 10,000 gallons	\$0.00
	Per 1,000 gallons for all over 10,000 gallons	1.50

VILLAGE OF FOREST  
FOREST, Louisiana

Schedule of Insurance Coverage  
As of December 31, 1998

Type of Coverage	Name of Insurer	Policy Number	Amount of Coverage	Expiration Date
Commercial General Liability	Louisiana Municipal Risk Management Agency	LML-124	Aggregate - \$500,000 Each Occurrence - \$200,000 Medical Payments - \$10,000 per person - \$10,000 per accident Fire Legal Liability - \$50,000 per occurrence	5/1/00
Law Enforcement Officers Comprehensive Liability	Louisiana Municipal Risk Management Agency	LML-124	\$200,000	5/1/00
Public Officials Errors and Omissions Liability	Louisiana Municipal Risk Management Agency	LML-124	\$200,000	5/1/00
Worker's Compensation and Employers Liability	Louisiana Municipal Risk Management Agency	WC-0164	Statutory	1/1/99
Standard Fire	Farm Bureau	SP187734	\$268,000	4/30/99
Property Damage	State Farm	58-13-6829-5	\$21,200	3/30/99

VILLAGE OF FOREST  
 FOREST, Louisiana  
 PROPRIETARY FUND TYPE - ENTERPRISE FUND

Proposed Operating Budget  
 For the Year Ending December 31, 1999  
 (Unaudited)

<b>REVENUES</b>	
Water	\$116,000
Other	2,000
Interest income	2,000
Total revenues	<u>120,000</u>
<b>EXPENSES</b>	
Insurance	8,000
Interest expense	12,000
Depreciation expense	17,400
Fondule	400
Payroll taxes	3,000
Office	5,000
Sales tax	4,100
Repairs and maintenance	10,000
Salaries	28,000
Supplies	4,500
Utilities and telephone	<u>10,700</u>
Total expenses	<u>132,100</u>
<b>NET INCOME</b>	<u>\$7,500</u>

VILLAGE OF FOREST  
Forest, Louisiana  
SUPPLEMENTAL INFORMATION SCHEDULE  
As of and For the Year Ended December 31, 1998

**COMPENSATION PAID ALDERMEN**

The schedule of compensation paid aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. In accordance with Louisiana Revised Statute 33:485, aldermen receive \$10.00 for each regular meeting and \$5.00 for each special meeting they attend. Compensation of aldermen is included in personal services and related benefits expenditures of the General Fund.

VILLAGE OF FOREST  
Forest, LouisianaSchedule of Compensation Paid Aldermen  
For the Year Ended December 31, 1998

Sam Glidewell	\$135
Dorothy Koon	140
Mike Jones	<u>80</u>
Total	<u>\$355</u>

**Independent Auditor's Reports Required  
by Government Auditing Standards**

The following independent auditor's reports on compliance with laws, regulations, contracts, and grants and internal control are presented in compliance with the requirements of *Government Auditing Standards*, issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.



## Independent Auditor's Report on Compliance and Internal Control Over Financial Reporting

### MAYOR AND BOARD OF ALDERMEN VILLAGE OF FOREST Forest, Louisiana

I have audited the general purpose financial statements of the Village of Forest as of and for the year ended December 31, 1998 ended and have issued my report thereon dated June 3, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Governor's Auditing Standards*, issued by the Comptroller General of the United States.

#### **Compliance**

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

#### **Internal Control Over Financial Reporting**

In planning and performing my audit, I considered the Village of Forest's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

VERNON COON  
REGISTERED ACCOUNTANT  
FOURTH AND BROADWAY

OFFICE OF ACCOUNTS  
FOURTH AND BROADWAY  
BIRMINGHAM

FINANCIAL SERVICES TO  
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MAYOR AND BOARD  
OF ALDERMEN  
VILLAGE OF FOREST  
Forest, Louisiana

Independent Auditor's Report on Compliance  
And Internal Control Over Financial Reporting, etc.  
December 31, 1998

This report is intended for the information of the Village of Forest. This is not intended to limit the distribution of this report, which is a matter of public record.



West Monroe, Louisiana  
June 3, 1999



VILLAGE OF FOREST  
Forest, Louisiana

Schedule of Findings and Questioned Costs  
For the Year Ended December 31, 1998

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of Village of Forest.
2. No instances of noncompliance material to the financial statements of Village of Forest were disclosed during the audit.
3. No reportable conditions relating to the audit of the financial statements are reported on the Independent Auditor's Report on Internal Control.

**B. FINDINGS - FINANCIAL STATEMENTS AUDIT**

Name:

VILLAGE OF FOREST  
Forest, Louisiana

Summary Schedule of Prior Audit Findings  
For the Year Ended December 31, 1997

There were no findings reported in the audit report for the year ended December 31, 1997.