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VILLAGE OF PLEASANT HILL, LOUISIANA  
ANNUAL FINANCIAL REPORT  
June 30, 1997

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

Date FEB 24 1999

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**ELLIOTT & ASSOCIATES, INC.**

*A Professional Accounting Corporation*

P. O. Box 1287

Leesville, Louisiana 71496-1287

(318) 239-2535

(318) 238-5135

Fax 239-2295

W. Micheal Elliott, CPA

UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL  
AWARDS-GOVERNMENTAL ENTITY

INDEPENDENT AUDITOR'S REPORT

The Honorable Truman Durr, Mayor  
and the Members of the Board of Aldermen  
Pleasant Hill, Louisiana:

I have audited the accompanying general-purpose financial statements of the Village of Pleasant Hill as of and for the year ended June 30, 1997, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Village of Pleasant Hill'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 the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general-purpose financial 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 respects, the financial position of the Village of Pleasant Hill as of and for the year ended June 30, 1997, and the results of its operations and cash flows for its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated October 28, 1998, on my consideration of the Village of Pleasant Hill's internal control over financial reporting and my tests of its compliance with laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements of the Village of Pleasant Hill taken as a whole. The accompanying financial information listed as additional information in the table of contents, including the schedule of expenditures of federal awards as required by U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, is presented for purposes of additional analysis and is not a required part of the financial statements of the Village of Pleasant Hill. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Elliott & Assoc. "APAC"*  
Leesville, Louisiana  
October 28, 1998

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## REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Honorable Truman Durr, Mayor  
and the Members of the Board of Aldermen  
Pleasant Hill, Louisiana

I have audited the financial statements of the Village of Pleasant Hill as of and for the year ended June 30, 1997, and have issued my report thereon dated October 28, 1998. I conducted my 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 Pleasant Hill's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed four instances of noncompliance that is required to be reported under *Government Auditing Standards* which is described as follows:

1997.1 Finding: This audit report is not being issued within the six months of the close of its June 30, 1997 fiscal year-end. This is a violation of LA R.S. #24:513(A)(5)(a).

Management Response: The CPA performing the examination of accounts had an external quality review performed in December 1997. Based on the results of that review, a specific letter of comment suggested that, due to the firm's size, the firm should consider retaining another qualified CPA firm to review all governmental type reports prior to issuance to improve its quality control features.

The firm adopted the recommendation; however, implementation and coordination of the pre-issuance review has delayed the release of certain reports until after the statutory deadline. Future reports beginning with the next fiscal year will be issued within the statutory time frame.

1997.2 Finding: The General Fund actual expenditures exceeded budget by \$13,878 or 13.77%. This is a violation of budgeting requirements per LSA-RS 39:1310.

Management Response: The Board will more closely monitor any excessive variances in the future and appropriately amend the budget.

1997.3 Finding: During the fiscal year ended June 30, 1997, the Village paid LeRay Durr on four occasions for a cumulative \$240 for trash pickup. LeRay Durr is the Mayor's uncle. Furthermore, the Village paid the Mayor's cousin, Charles Durr, \$100 on February 4, 1997 for a Christmas deer decoration. These payments are violations of LSA-RS 42:1119.

Management Response: The Village will immediately cease any future payments to LeRay Durr. The Village contends that the payment to Charles Durr was necessary since Mr. Durr was the only individual who could carve the Christmas deer. The Village will avoid such future payments to any relatives.

1997.4 Finding: During the fiscal year ended June 30, 1997, the Village on several occasions used Village equipment to:

- Perform mowing services out of the corporate limits, such as mowing lots for the Sabine Parish School Board at their request or mowing private lots for citizens at their request and not charging them for this service. The Mayor and Aldermen contend that these were cut to eliminate "blind corners" at traffic intersections or cut under a inter-agency agreement with the Sabine Parish Police Jury on highway right of ways;
- Install a septic tank outside the corporate limits for a private citizen living in a mobile home, at the request of Alderman Vincent Scott, based on a verbal statement from the citizen's widow. Alderman Scott contends that he never directed the Village employee to do this work. The owner of the property is now deceased and I have only his widow's statement to corroborate that such work was done. It cannot be determined that Alderman Scott directed that this work be done, but Village equipment was used out of the corporate limits and as such is a violation of state statutes.

Other instances of mowing lots for private citizens could not be completely corroborated due to conflicting statements from private citizens I interviewed and a lack of tangible physical evidence.

Management Response: The Village will begin utilizing a "work log" to record any actions by Village employees to mow private lots. This log will contain the service date, name of the employee doing the work and the reason for such work. The entries in this log will be approved by a designated alderman or the Mayor who will then provide, at the monthly meetings, a report to the Board about such action in the past month. This log will then become a permanent attachment to the Village minutes.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Pleasant Hill'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 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.

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

*Elliott + Assoc. "APAC"*  
Leesville, Louisiana  
October 28, 1998



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W. Micheal Elliott, CPA

## REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Truman Durr, Mayor  
and the Members of the Board of Aldermen  
Pleasant Hill, Louisiana:

### Compliance

I have audited the compliance of the Village of Pleasant Hill with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1997. The Village of Pleasant Hill's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the Village of Pleasant Hill's management. My responsibility is to express an opinion on the Village of Pleasant Hill's compliance based on my audit.

I conducted my audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Village of Pleasant Hill's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion. My audit does not provide a legal determination on the Village of Pleasant Hill's compliance with those requirements.

In my opinion, the Village of Pleasant Hill complied, in all material respects, with the requirements referred to above that are applicable to its major federal program of the year ended June 30, 1997.

Internal Control Over Compliance

The management of the Village of Pleasant Hill is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing my audit, I considered the Village of Pleasant Hill's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine my auditing procedures for the purpose of expressing my opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

My consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that I consider to be material weaknesses.

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

Elliott & Assoc. "APAC"  
Leesville, Louisiana  
October 28, 1998

Village of Pleasant Hill  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Fiscal Year Ended June 30, 1997

I have audited the financial statements of the Village of Pleasant Hill as of and for the year ended June 30, 1997, and have issued my report thereon dated October 28, 1998. I conducted my 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. My audit of the financial statements as of June 30, 1997 resulted in an unqualified opinion.

**Section I Summary of Auditor's Reports**

*a. Report on Internal Control and Compliance  
 Material to the Financial Statements*

Internal Control

Material Weaknesses ( ) Yes (X) No  
 Reportable Conditions ( ) Yes (X) No

Compliance

Compliance Material to Financial Statements (X) Yes ( ) No

*b. Federal Awards*

Internal Control

Material Weaknesses ( ) Yes ( ) No (X) N/A  
 Reportable Conditions ( ) Yes ( ) No (X) N/A

Type of Opinion On Compliance For Major Programs

Unqualified (X) Qualified ( )  
 Disclaimer ( ) Adverse ( )  
 N/A ( )

Are there findings required to be reported in accordance with Circular A-133, Section .510(a)?

( ) Yes (X) No ( ) N/A

*c. Identification of Major Programs*

CFDA Number(s)                  Name of Federal Program

14.228                  Community Development Block Grant

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000

Is the auditee a "low-risk" auditee, as defined by OMB Circular A-133?

( ) Yes (X) No ( ) N/A

## Section II Financial Statement Findings

- 1997.1 Late Filing: This audit report is not being issued within the six months of the close of its June 30, 1997 fiscal year-end. This is a violation of LA R.S. #24:513(A)(5)(a), but does not have any effect on the financial statements. All future reports should be issued within the required time frame.
- 1997.2 Finding: The General Fund actual expenditures exceeded budget by \$13,878 or 13.77%. This is a violation of budgeting requirements per LSA-RS 39:1310.
- 1997.3 Finding: During the fiscal year ended June 30, 1997, the Village paid LeRay Durr on four occasions for a cumulative \$240 for trash pickup. LeRay Durr is the Mayor's uncle. Furthermore, the Village paid the Mayor's cousin, Charles Durr, \$100 on February 4, 1997 for a Christmas deer decoration. These payments are violations of LSA-RS 42:1119.
- 1997.4 Finding: During the fiscal year ended June 30, 1997, the Village on several occasions used Village equipment to:
- Perform mowing services out of the corporate limits, such as mowing lots for the Sabine Parish School Board at their request or mowing private lots for citizens at their request and not charging them for this service. The Mayor and Aldermen contend that these were cut to eliminate "blind corners" at traffic intersections or cut under a inter-agency agreement with the Sabine Parish Police Jury on highway right of ways;
  - Install a septic tank outside the corporate limits for a private citizen living in a mobile home, at the request of Alderman Vincent Scott, based on a verbal statement from the citizen's widow. Alderman Scott contends that he never directed the Village employee to do this work. The owner of the property is now deceased and I have only his widow's statement to corroborate that such work was done. It cannot be determined that Alderman Scott directed that this work be done, but Village equipment was used out of the corporate limits and as such is a violation of state statutes.

Other instances of mowing lots for private citizens could not be completely corroborated due to conflicting statements from private citizens I interviewed and a lack of tangible physical evidence.

## Section III Federal Award Findings and Questioned Costs

N/A

See independent auditor's report.

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)

VILLAGE OF PLEASANT HILL  
 COMBINED BALANCE SHEET -- ALL FUND TYPES AND ACCOUNT GROUP  
 June 30, 1997

	<u>Governmental Fund Type</u>	
ASSET	<u>General</u>	<u>Capital Projects</u>
Cash (Note 2)	\$29,896	\$ 1,898
Receivables (net) (Note 3)		
Accounts	---	---
Taxes	7,200	---
Intergovernmental	---	21,468
Restricted assets (Note 2):		
Cash	---	---
Investments	---	---
Prepaid asset		
Property, plant, and equipment (Note 5)		
Due from general fund (Note 4)	---	---
Total assets	<u>\$37,096</u>	<u>\$23,366</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts payable	\$ 4,574	\$25,264
Taxes payable	1,244	---
Customer deposits	---	---
Accrued interest	---	---
Revenue bonds payable (Note 6)	---	---
Due to utility fund (Note 4)	567	---
Total liabilities	<u>6,385</u>	<u>25,264</u>
Fund equity:		
Investment in general fixed assets	---	---
Contributed capital	---	---
Retained earnings -		
Reserved for contingency funds	---	---
Unreserved (Note 8)	---	---
Total retained earnings	<u>---</u>	<u>---</u>
Fund balances -		
Unreserved - undesignated	30,711	(1,898)
Total fund balance	<u>30,711</u>	<u>(1,898)</u>
Total fund equity	<u>30,711</u>	<u>(1,898)</u>
Total liabilities and fund equity	<u>\$37,096</u>	<u>\$23,366</u>

The accompanying notes are an integral part of this statement.

Exhibit A

Proprietary Fund Type Enterprise	Account Group General Fixed Assets	Totals (Memorandum Only)
\$ 20,224	\$ ---	\$ 52,018
12,113	---	12,113
---	---	7,200
103	---	21,571
83,944	---	83,944
---	---	---
1,640	---	1,640
803,427	788,255	1,591,682
567	---	567
<u>\$ 922,018</u>	<u>\$788,255</u>	<u>\$1,770,735</u>
\$ 4,133	\$ ---	\$ 33,971
757	---	2,001
6,035	---	6,035
315	---	315
27,000	---	27,000
---	---	567
<u>38,240</u>	<u>---</u>	<u>69,889</u>
---	788,255	788,255
<u>972,473</u>	<u>---</u>	<u>972,473</u>
76,594	---	76,594
(165,289)	---	(165,289)
<u>(88,695)</u>	<u>---</u>	<u>(88,695)</u>
---	---	28,813
---	---	28,813
<u>883,778</u>	<u>788,255</u>	<u>1,700,846</u>
<u>\$ 922,018</u>	<u>\$788,255</u>	<u>\$1,770,735</u>

VILLAGE OF PLEASANT HILL  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - GOVERNMENTAL FUND TYPE  
 Year Ended June 30, 1997

	<u>General</u>	<u>Capital Project</u>
Revenues:		
Taxes	\$64,996	\$ ---
Licenses and permits	24,236	---
Intergovernmental	14,455	300,141
Fines and forfeits	7,324	---
Miscellaneous revenues	<u>2,627</u>	<u>---</u>
Total revenues	<u>113,638</u>	<u>300,141</u>
Expenditures:		
Current:		
General government	64,935	---
Public safety -		
Police department	15,221	---
Streets	21,823	---
Capital outlay	<u>12,680</u>	<u>302,039</u>
Total expenditures	<u>114,659</u>	<u>302,039</u>
Excess (deficiency) of revenues over expenditures	(1,021)	(1,898)
Other financing sources (uses)		
Transfers in	4,875	---
Transfers out	<u>---</u>	<u>---</u>
Excess (deficiency) of revenues over expenditures and other uses	3,854	(1,898)
Fund balances, beginning	<u>26,857</u>	<u>---</u>
Fund balances, ending	<u>\$30,711</u>	<u>\$(1,898)</u>

The accompanying notes are an integral part of this statement.



TOTALS  
(MEMORANDUM ONLY)  
1997

\$ 64,996  
24,236  
314,596  
7,324  
2,627

413,779

64,935

15,221  
21,823  
314,719

416,698

(2,919)

4,875  
---

1,956  
26,857

\$ 28,813

VILLAGE OF PLEASANT HILL  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
 GENERAL FUND TYPE

Year Ended June 30, 1997

	General Fund		Variance -
	Budget	Actual	Favorable (Unfavorable)
Revenues:			
Taxes	\$ 68,957	\$ 64,996	\$(3,961)
Licenses and permits	13,529	24,236	10,707
Intergovernmental	14,455	14,455	---
Fines and forfeits	3,840	7,324	3,484
Miscellaneous revenues	---	2,627	2,627
Total revenues	<u>100,781</u>	<u>113,638</u>	<u>12,857</u>
Expenditures:			
Current:			
General government	47,751	64,935	(17,184)
Public safety -			
Police department	13,106	15,221	(2,115)
Streets	29,924	21,823	8,101
Capital outlay	10,000	12,680	(2,680)
Total expenditures	<u>100,781</u>	<u>114,659</u>	<u>(13,878)</u>
Excess (deficiency) of revenues over expenditures	---	(1,021)	(1,021)
Other financing sources (uses):			
Transfers in	---	4,875	4,875
Transfers out	---	---	---
Excess (deficiency) of revenues over expenditures and other uses	---	3,854	3,854
Fund balances, beginning	<u>26,857</u>	<u>26,857</u>	<u>---</u>
Fund balances, ending	<u>\$ 26,857</u>	<u>\$ 30,711</u>	<u>\$ 3,854</u>

The accompanying notes are an integral part of this statement.

<u>Capital Projects Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
\$ ---	\$ ----	\$ ---
---	---	---
300,141	300,141	---
---	---	---
---	---	---
<u>300,141</u>	<u>300,141</u>	<u>---</u>
---	---	---
---	---	---
---	---	---
<u>302,039</u>	<u>302,039</u>	<u>---</u>
<u>302,039</u>	<u>302,039</u>	<u>---</u>
---	---	---
---	---	---
---	---	---
<u>---</u>	<u>---</u>	<u>---</u>
(1,898)	(1,898)	---
---	---	---
<u>\$ (1,898)</u>	<u>\$ (1,898)</u>	<u>\$ ---</u>

VILLAGE OF PLEASANT HILL  
 STATEMENT OF REVENUES, EXPENSES AND CHANGES  
 IN RETAINED EARNINGS (DEFICIT) - PROPRIETARY FUND TYPE  
 Year Ended June 30, 1997

Operating revenues:	
Charges for services	<u>\$ 93,951</u>
Operating expenses:	36,633
Personal services	8,957
Utilities	4,106
Maintenance and repairs	5,540
Professional fees	7,711
Insurance	12,419
Supplies	28
Truck expense	3,466
Sales tax expense	24,460
Depreciation	<u>2,537</u>
Other costs	
Total operating expenses	<u>105,857</u>
Operating income (loss)	<u>(11,906)</u>
Nonoperating revenues (expenses):	1,487
Interest income	(1,100)
Interest expense	2,461
Ad valorem tax	10
Miscellaneous income	---
Other income	<u>---</u>
Total nonoperating revenues (expenses)	<u>2,858</u>
Income (loss) before operating transfers	<u>(9,048)</u>
operating transfers in	---
operating transfers out	<u>(4,875)</u>
Total operating transfers in (out)	<u>(4,875)</u>
Net income (loss)	(13,923)
Retained earnings (deficit), beginning	<u>(74,772)</u>
Retained earnings (deficit), ending	<u>\$(88,695)</u>

The accompanying notes are an integral part of this statement.

## VILLAGE OF PLEASANT HILL

## Statement of Cash Flows - Proprietary Fund Type

For the year ended December 31, 1997

CASH FLOWS FROM OPERATING ACTIVITIES	
Operating income	\$ (11,906)
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation	24,460
Changes in assets and liabilities:	
Accounts receivable	(472)
Other current assets	(403)
Accounts payable	1,603
Other current liabilities	(111)
Customer deposits	<u>(1,495)</u>
Net cash provided by operating activities	<u>11,676</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Operating transfers out	<u>(4,875)</u>
CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES	
Ad valorem taxes	2,461
Acquisition of property, plant and equipment	(8,633)
Payments of revenue bonds and other indebtedness	(1,000)
Interest paid on long-term debt	(1,111)
Other income	<u>10</u>
Net cash provided by capital financing activities	<u>(8,273)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest received	<u>1,530</u>
Increase in cash	58
CASH, BEGINNING OF YEAR	<u>104,110</u>
CASH, END OF YEAR	<u>\$104,168</u>
CLASSIFIED AS	
Current Assets	\$ 20,224
Restricted Assets	<u>83,944</u>
Totals	<u>\$104,168</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLEASANT HILL  
NOTES TO FINANCIAL STATEMENTS  
June 30, 1997

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Village of Pleasant Hill conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide, and to the industry audit guide, Audits of State and Local Government Units.

The following is a summary of certain significant accounting policies.

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

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

Governmental Funds -

General Fund

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

Capital Projects Fund

The Village entered into a Louisiana Community Development Block Grant program contract (#101-5061) on October 26, 1994 for a total contract of \$424,629. The funding purpose was to improve and replace and repair existing sewer lines in the Village. The project is being accounted for as a capital projects fund by the Village and thus as a general governmental fund type.

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Capital Projects Fund (Continued)

During the year ended June 30, 1997, \$302,039 was received and spent under CDBG funding and was capitalized as utility plant and equipment additions at June 30, 1997.

Proprietary Fund -

Enterprise funds

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

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

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

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

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

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Water Utility -	
Wells	15-35 years
Storage tanks	35 years
Pumps	15 years
Distribution system	10-35 years
Autos and trucks	10 years
Other equipment	10 years
Sewer Operations -	
Pump stations	40 years
Lines	40 years
Buildings	40 years
Intangibles	40 years

All fixed assets are stated at historical cost. Donated fixed assets are stated at their estimated fair market value on the date donated.

Basis of accounting

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

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

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due. Purchase of various operating supplies are regarded as expenditures at the time purchased.



VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Proprietary funds follow GAAP prescribed by the Governmental Accounting Standards Board and all Financial Accounting Standards Board's standards issued prior to November 30, 1989. All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets associated with the operation of the funds are included on the balance sheet. Fund equity, (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Cash and cash equivalents.

Cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits with maturities of three months or less.

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. The restricted assets include revenue bond reserve accounts and customer's meter deposits.

Budgets and budgetary accounting.

The Village has set forth the following policy in establishing the budgetary data reflected in these financial statements:

1. The Village Clerk prepares a proposed budget and submits the same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 1--SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budgets and budgetary accounting.

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

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

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

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

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

Bad debts.

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

Total columns on combined statements - overview.

Total columns on the combined statements - overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 2--CASH AND CASH EQUIVALENTS

At June 30, 1997, the bank balance of the Village's cash and cash equivalents was \$139,510 and the book balance was \$135,962. Of the combined bank balance, \$139,510 was covered by federal depository insurance and none was uncollateralized.

NOTE 3--RECEIVABLES

Receivables at June 30, 1997 consist of the following:

	<u>General</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Receivables:				
Accounts	\$ ---	\$ ---	\$ 16,392	\$16,392
Taxes	7,200	---	---	7,200
Intergovernmental	---	21,468	103	21,571
Gross receivables	7,200	21,468	16,495	45,163
Less: allowance for uncollectibles	---	---	(4,279)	(4,279)
Net total receivables	<u>\$ 7,200</u>	<u>\$ 21,468</u>	<u>\$12,216</u>	<u>\$40,884</u>

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied to the taxpayers in November. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Village bills and collects property taxes using the assessed values determined by the tax assessor of Sabine Parish. For the year ended June 30, 1997 taxes of 17.05 mills were levied on property with assessed valuation totaling \$1,307,200 and were dedicated as follows:

General corporate purposes	12.05 mills
Utility fund	5.00 mills

Total taxes levied were \$18,367.

For the year ended June 30, 1997, the Village also collected a 1% sales tax that is dedicated to general corporate purposes.

VILLAGE OF PLEASANT HILL  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 4--INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ ---	\$ 567
Enterprise Fund -		
Utility Fund	<u>567</u>	<u>---</u>
	<u>\$ 567</u>	<u>\$ 567</u>

NOTE 5--PROPERTY, PLANT AND EQUIPMENT

A summary of proprietary fund type plant and equipment at June 30, 1997 follows:

Water system	\$ 190,588
Water system improvements	98,509
Sewer system	1,032,749
Other equipment	<u>12,351</u>
Total	1,334,197
Less accumulated depreciation	<u>(530,770)</u>
Net	<u>\$ 803,427</u>

VILLAGE OF PLEASANT HILL  
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 6--CHANGES IN LONG TERM DEBT

The following is a summary of bond and mortgage transactions of the Village of Pleasant Hill for the year ended June 30, 1997:

Bonds payable, June 30, 1996	\$ 28,000
Bonds retired	<u>(1,000)</u>
Bonds payable, June 30, 1997	<u>\$ 27,000</u>

Bonds payable at June 30, 1997 are comprised of the following individual issues:

Revenue bonds:

\$190,000 Water and Sewer Revenue bonds dated September 1, 1973 due in annual installments of \$1,000 through November 1, 2013; Interest at 7 percent (issue secured by a pledge of water and sewer revenues)

\$ 27,000

The annual requirements to amortize all debts outstanding as of June 30, 1997, including interest payments of \$25,515 are as follows:

<u>Year ending</u> <u>June 30,</u>	<u>Total</u>
1998	\$ 2,855
1999	2,785
2000	2,715
2001	2,645
2002	2,575
2003-2007	11,825
2008-2012	10,075
2013-2017	8,325
2018-2022	6,575
2023	<u>2,140</u>
	<u>\$ 52,515</u>

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 7--ACCUMULATED UNPAID VACATION AND SICK LEAVE

The Village does not accumulate vacation pay or sick leave.

NOTE 8--ENTERPRISE FUND RETAINED EARNINGS (DEFICIT)

The Enterprise Fund as of June 30, 1997 has an unrestricted retained earnings deficit of \$165,289, exclusive of various reserves for contingencies. This deficit is attributable to current year depreciation expense of \$24,460. The total accumulated depreciation of the proprietary fund type property, plant and equipment as of June 30, 1997 is \$530,770 thus accounting for all of the unrestricted retained earnings deficit of \$165,289 as of June 30, 1997.

NOTE 9--CAPITAL PROJECTS FUND DEFICIT

The \$1,898 deficit in the capital projects fund at June 30, 1997 will be supplemented by a general fund transfer in the fiscal year ending June 30, 1998.

NOTE 10--RETIREMENT COMMITMENTS

Police employees of the Village of Pleasant Hill are members of the state retirement system for municipal police employees. Contributions to the system are made by both employees and the Village as a percentage of salaries. Future deficits in the system will be financed by the state and the Village has no further liability to the system. Data concerning the actuarial status of the system are not available. All other employees of the Village of Pleasant Hill are members of the Social Security System.

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 11--FLOW OF FUNDS: RESTRICTIONS ON USE - UTILITIES REVENUES

Under the terms of the bond indenture on outstanding Water and Sewer Revenue Bonds dated September 1, 1973, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Water and Sewer system are pledged and dedicated to the retirement of said bonds, and are to be used in the following order of priority:

The payment of all reasonable expense of administration, operation and maintenance of the system.

The monthly transfer to the Revenue Bond Sinking Fund of a sum equal to one-sixth of the interest falling due on the next interest payment date and one-twelfth of the principal falling due on the next principal payment date. Such amounts are to be used for the payment of principal and interest on the bonds as it becomes due.

The monthly transfer to the Revenue Bond Reserve Fund of a sum at least equal to twenty percent of the amount required to be paid into the aforementioned Sinking Fund until such a time as there has been accumulated a sum equal to the highest combined principal and interest requirements for any succeeding twelve month period. These funds shall be used solely for the purpose of paying the principal and interest on bonds coming due where the aforementioned Sinking Fund is insufficient.

The establishment of a Capital Additions and Contingencies Fund to care for extensions, additions, improvements, renewals and replacements necessary to operate the System. Monthly payments to this fund are to continue until there has been accumulated \$4,000. In no case shall there be less than \$1,000 in the Fund.

NOTE 12--RISK MANAGEMENT

The Village is exposed to various risks of loss related to torts, theft or damage and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Village carries commercial insurance.

VILLAGE OF PLEASANT HILL

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

NOTE 13--COMMITMENTS AND CONTINGENCIES

The Village covers all losses, claim settlements, and judgments from General Fund resources. The Village currently reports all of its risk management activities in its General Fund. Claims, expenditures, and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated.

The Village is party to legal proceedings involving suits filed against the Village for various reasons. The administration does not believe the Village is exposed to any material losses in these proceedings. No provision for losses, if any, is included in the financial statements.

NOTE 14--CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in fixed assets for the year ended June 30, 1997:

	Balance at <u>6/30/96</u>	<u>Additions</u>	<u>Deletions</u>	Balance at <u>6/30/97</u>
Land	\$ 3,100	\$ ---	\$ ---	\$ 3,100
Buildings	30,230	---	---	30,230
Improvements other than Buildings	89,947	10,000	---	99,947
Equipment	652,298	2,680	---	654,978
Construction-in- progress	<u>121,394</u>	<u>---</u>	<u>(121,394)</u>	<u>---</u>
Total	<u>\$ 896,969</u>	<u>\$ 12,680</u>	<u>\$(121,394)</u>	<u>\$ 788,255</u>

NOTE 15--LEGAL COMPLIANCE

See pages two, four and five for two matters of legal compliance violations.



FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUP

GENERAL FUND

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

## VILLAGE OF PLEASANT HILL

## GENERAL FUND

STATEMENT OF REVENUES COMPARED TO BUDGET (GAAP BASIS)  
Year Ended June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Taxes:			
Ad valorem	\$ 14,799	\$ 16,047	\$ 1,248
Interest and penalties	250	65	(185)
Sales tax	30,000	29,352	(648)
Franchise tax	<u>23,908</u>	<u>19,532</u>	<u>(4,376)</u>
Total taxes	<u>68,957</u>	<u>64,996</u>	<u>(3,961)</u>
Licenses and permits:			
Occupational	<u>13,529</u>	<u>24,236</u>	<u>10,707</u>
Intergovernmental:			
Tobacco taxes	4,455	4,455	---
Rural Development Grant	<u>10,000</u>	<u>10,000</u>	<u>---</u>
Total intergovernmental	<u>14,455</u>	<u>14,455</u>	<u>---</u>
Fines and forfeits:			
Traffic fines	<u>3,840</u>	<u>7,324</u>	<u>3,484</u>
Miscellaneous:			
Miscellaneous	<u>---</u>	<u>2,627</u>	<u>2,627</u>
Total revenue	<u>\$100,781</u>	<u>\$113,638</u>	<u>\$ 12,857</u>

|  
|

The accompanying notes are an integral part of this statement.

## VILLAGE OF PLEASANT HILL

## GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)  
June 30, 1997

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
General government:			
Personal services	\$ 11,352	\$ 26,923	\$(15,571)
Supplies	3,847	5,160	(1,313)
Other services and charges	23,198	20,573	2,625
Heat, light and power	9,354	12,279	(2,925)
Capital outlay	<u>10,000</u>	<u>10,380</u>	<u>(380)</u>
Total general government	<u>57,751</u>	<u>75,315</u>	<u>(17,564)</u>
Public safety:			
Police -			
Personal services	10,897	10,000	897
Supplies	18,100	2,389	15,711
Other services and charges	927	2,440	(1,513)
Heat, light and power	---	392	(392)
Capital outlay	<u>---</u>	<u>2,300</u>	<u>(2,300)</u>
Total police	<u>29,924</u>	<u>17,521</u>	<u>12,403</u>
Streets:			
Personal services	7,200	9,108	(1,908)
Supplies	---	9,737	(9,737)
Other services and charges	5,386	2,978	2,408
Heat, light and power	520	---	520
Capital outlay	<u>---</u>	<u>---</u>	<u>---</u>
Total streets	<u>13,106</u>	<u>21,823</u>	<u>(8,717)</u>
Total expenditures	<u>\$100,781</u>	<u>\$114,659</u>	<u>\$(13,878)</u>

The accompanying notes are an integral part of this statement.

#### CAPITAL PROJECTS FUND

Capital projects fund is used to account for specific revenues that are legally restricted to expenditures for particular purposes.

Community development  
block grant fund -

To account for the proceeds and disbursements of community development block grant funds received from the State of Louisiana to renovate the existing sewer system.

## VILLAGE OF PLEASANT HILL

CAPITAL PROJECTS FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND  
 CHANGES IN FUND BALANCES  
 CDBG Grant-#101-5061  
 Year Ended June 30, 1997

Revenues:	
State grants	<u>\$300,141</u>
Total revenues	<u>300,141</u>
Expenditures:	
Capital outlay:	
Administration	15,195
Acquisition	335
Public works-sewer	<u>286,509</u>
Total expenditures - capital outlay	<u>302,039</u>
Excess (deficiency) of revenues over expenditures	(1,898)
Fund balances, beginning	<u>---</u>
Fund balances, ending	<u>\$ (1,898)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLEASANT HILL  
 COMMUNITY DEVELOPMENT BLOCK GRANT-PROGRAM #101-5061  
 SCHEDULE OF PROGRAM COSTS

For the fiscal year ended June 30, 1997

	<u>Authorized Costs</u>	<u>Expenditures</u>	<u>Prior Year Expenditures</u>	<u>Remaining to be Expended</u>
Administration	\$ 33,954	\$ 15,195	\$ 18,759	\$ ---
Acquisition	6,590	335	6,255	---
Public works-sewer	<u>382,889</u>	<u>286,509</u>	<u>96,380</u>	<u>---</u>
Totals	<u>\$423,433</u>	<u>\$302,039</u>	<u>\$121,394</u>	<u>\$ ---</u>

ENTERPRISE FUND

Water and Sewer Utility Fund

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



VILLAGE OF PLEASANT HILL  
ENTERPRISE FUND - UTILITY FUND

BALANCE SHEET  
June 30, 1997

ASSETS

Current assets:

Cash	\$ 20,224
Receivables, net	
Accounts	12,113
Interest	103
Due from general fund	<u>567</u>

Total current assets 33,007

Restricted assets:

Customer deposits	4,191
Reserve account	28,620
Capital additions and contingency fund	23,503
Revenue bond reserve fund	345
Revenue bond sinking fund	<u>27,285</u>

Total restricted assets 83,944

Prepaid asset 1,640

Fixed assets:

Water system	289,097
Sewer system	609,316
Other equipment	12,351
Construction-in-progress	<u>423,433</u>

1,334,197

Accumulated depreciation (530,770)

Net fixed assets 803,427

Total assets \$ 922,018

The accompanying notes are an integral part of this statement.

## LIABILITIES AND FUND EQUITY

## Liabilities:

## Current liabilities:

Accounts payable	\$ 4,133
Sales tax payable	<u>757</u>

Total current liabilities	<u>4,890</u>
---------------------------	--------------

## Current liabilities payable from restricted assets:

Customer deposits payable	6,035
Revenue bonds payable	1,000
Accrued interest payable	<u>315</u>

Total current liabilities payable from restricted assets	<u>7,350</u>
--	--------------

Revenue bonds payable, long-term	<u>26,000</u>
----------------------------------	---------------

Total liabilities	<u>38,240</u>
-------------------	---------------

## Fund equity:

## Contributed capital:

Village	53,417
Federal grants	<u>919,056</u>

Total contributed capital	<u>972,473</u>
---------------------------	----------------

## Retained earnings:

Reserved for contingency funds	76,594
Unreserved	<u>(165,289)</u>

Total retained earnings	<u>(88,695)</u>
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Total fund equity	<u>883,778</u>
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Total liabilities and fund equity	<u>\$ 922,018</u>
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GENERAL FIXED ASSETS ACCOUNT GROUP

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

VILLAGE OF PLEASANT HILL  
 STATEMENT OF GENERAL FIXED ASSETS  
 June 30, 1997

## General fixed assets, at cost:

Land	\$ 3,100
Buildings	30,230
Improvements	99,947
Equipment	654,978
Construction-in-progress	<u>---</u>
Total general fixed assets	<u>\$788,255</u>

## Investment in general fixed assets:

Property acquired prior to 7/1/83*	\$149,021
Property acquired after 7/1/83 from -	
General fund revenues	80,950
Contributions	<u>558,284</u>

Total investment in general fixed assets	<u>\$788,255</u>
--	------------------

\*Records reflecting source from which assets were acquired were not maintained prior to 7/1/83

VILLAGE OF PLEASANT HILL  
 STATEMENT OF CHANGES IN GENERAL FIXED ASSETS  
 Year Ended June 30, 1997

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other than Buildings</u>	<u>Equipment</u>
Balance, 6-30-96	\$3,100	\$30,230	\$89,947	\$652,298
Additions:				
General fund revenues	---	---	10,000	2,680
Contributions	---	---	---	---
Balance, 6-30-97	<u>\$3,100</u>	<u>\$30,230</u>	<u>\$99,947</u>	<u>\$654,978</u>

<u>Construction in Progress</u>	<u>Total</u>
\$ 121,394	\$ 896,969
---	12,680
<u>(121,394)</u>	<u>(121,394)</u>
<u>\$ ---</u>	<u>\$ 788,255</u>

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF PLEASANT HILL  
SUPPLEMENTARY INFORMATION

June 30, 1997

Schedule 1--Compensation of Board Members

The schedule of per diem paid to board members was prepared in compliance with House Concurrent Resolution No. 54 of the 1979 session of the Legislature.

	<u>Amount</u>
O.O. Callens, Alderman	\$ 700
Truman Durr, Mayor	7,000
Jim Elliott, Alderman	700
Donna Poimboeux, Alderwoman	1,750
Ida Mae Price, Alderwoman	1,050
Vincent Scott, Alderman	<u>1,050</u>
Total	<u>\$12,250</u>



VILLAGE OF PLEASANT HILL  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year ended June 30, 1997

<u>FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>AGENCY OR PASS-THROUGH GRANT NUMBER</u>	<u>AWARD OR AMOUNT</u>
U.S. Department of Housing and Urban Development: Subrecipient: Louisiana Community Services Block Grant: Sewer Improvement	14.228	101-5061	<u>\$424,629</u>
Total			<u>\$424,629</u>

Note: All expenditures reported on the Schedule of Expenditures of Federal Awards are reported on the modified accrual basis of accounting. Note 1 to the financial statements provides additional information relative to the Village's accounting policies.

See independent auditor's report.

CASH/ACCRUED  
OR (DEFERRED)  
AMOUNT  
EXPENDED

AMOUNT  
PROVIDED TO  
SUBRECIPIENTS

\$ 302,039

\$ ---

\$ 302,039

\$ ---

Village of Pleasant Hill  
SCHEDULE OF PRIOR YEAR FINDINGS

For the Fiscal Year Ended June 30, 1997

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENTS**

There were no prior year findings relating to internal control and compliance material to the financial statements.

**SECTION II           INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

There were no prior year findings relating to internal control and compliance material to federal awards.

**SECTION III         MANAGEMENT LETTER**

There was no management letter with prior year audit report.

See independent auditor's report.

Village of Pleasant Hill  
MANAGEMENT'S CORRECTIVE ACTION PLAN

For the Fiscal Year Ended June 30, 1997

**SECTION I            INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE  
FINANCIAL STATEMENT**

- 1997.1      The Board will more closely will closely monitor the timely completion of the June 30, 1998 audit by December 31, 1998 and require the auditor to complete it in a timely fashion.
- 1997.2      The Board will more closely monitor expenditures for the year ended June 30, 1998 and amend the budget as necessary.
- 1997.3      The Village will immediately cease payments to relatives of village officials and/or employees.
- 1997.4      The Board will begin utilizing the "work log" authorization process for using Village equipment and document such authorization at future monthly meetings by a recorded vote of the Board.

**SECTION II           INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL  
AWARDS**

N/A

**SECTION III          MANAGEMENT LETTER**

N/A

See independent auditor's report.