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VILLAGE OF CLARKS
Clarks, Louisiana

**General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended
June 30, 1999**

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.

Release Date SEP 20 1999

VILLAGE OF CLARKS
Clarks, Louisiana

General Purpose Financial Statements
With Accountant's Compilation Report
and Agreed-Upon Procedures Report
As of and for the Year Ended June 30, 1999

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M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

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Accountant's Compilation Report

MAYOR AND BOARD OF ALDERMEN
Village of Clarks
Clarks, Louisiana

I have compiled the accompanying general purpose financial statements and supplemental information schedules, as listed in the foregoing table of contents, of the Village of Clarks as of June 30, 1999, and for the year then ended, in accordance with standards established by *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and schedules information that is the representation of management. I have not audited or reviewed the accompanying general purpose financial statements and, accordingly, do not express an opinion or any form of assurance on them.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, I have issued a report dated September 3, 1999, on the results of my agreed-upon procedures.

Carleen Dumas

Calhoun, Louisiana
September 3, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(OVERVIEW)**

VILLAGE OF CLARKS
 Clarks, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUND - GENERAL FUND	PROPRIETARY FUND TYPE- ENTERPRISE FUNDS	ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
ASSETS				
Cash	\$1,163	\$50,404		\$51,567
Accounts receivable (net of allowance for doubtful accounts)	1,557	19,032		20,589
Due from Water Fund		4,664		4,664
Property, plant and equipment (net of accumulated depreciation)		2,218,945	\$151,197	2,370,142
TOTAL ASSETS	<u>\$2,720</u>	<u>\$2,293,045</u>	<u>\$151,197</u>	<u>\$2,446,962</u>
LIABILITIES AND FUND EQUITY				
Liabilities:				
Accounts payable	\$1,233	\$6,610		\$7,843
Payroll taxes payable	284	716		1,000
Sales tax payable		493		493
Due to Sewer Fund		4,664		4,664
Customer meter deposits		3,727		3,727
Total liabilities	<u>1,517</u>	<u>16,210</u>	<u>NONE</u>	<u>17,727</u>
(Continued)				

See accompanying notes and accountant's compilation report.

Statement A

VILLAGE OF CLARKS
 Clarks, Louisiana
 ALL FUND TYPES AND ACCOUNT GROUPS
 Combined Balance Sheet, June 30, 1999

	GOVERNMENTAL FUND TYPE- GENERAL FUND	PROPRIETARY FUND TYPE- ENTERPRISE FUNDS	ACCOUNT GROUP- GENERAL FIXED ASSETS	TOTAL (MEMORANDUM ONLY)
Fund Equity:				
Investment in general fixed assets			\$151,197	\$151,197
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grants)		\$2,159,876		2,159,876
Retained earnings - unreserved - undesignated		116,959		116,959
Fund balance - unreserved - undesignated	\$1,203			1,203
Total Fund Equity	<u>1,203</u>	<u>2,276,835</u>	<u>151,197</u>	<u>2,429,235</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$2,720</u>	<u>\$2,293,045</u>	<u>\$151,197</u>	<u>\$2,446,962</u>

(Concluded)

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
GOVERNMENTAL FUND TYPE - GENERAL FUND

Statement of Revenues, Expenditures,
and Changes in Fund Balances - Budget
(GAAP Basis) and Actual
For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES			
Taxes:			
Ad valorem	\$5,500	\$5,752	\$252
Franchise	6,700	7,069	369
Occupational licenses	5,000	4,297	(703)
Traffic fines	300	770	470
Intergovernmental - state funds	7,100	22,115	15,015
Use of money and property:			
Interest earnings		5	5
Rent	2,600	4,472	1,872
Other revenues	4,800	5,055	255
Total revenues	<u>32,000</u>	<u>49,535</u>	<u>17,535</u>
EXPENDITURES			
General government - current:			
Personal services and related benefits	16,000	17,741	(1,741)
Operating services	30,000	25,769	4,231
Materials and supplies	6,800	4,669	2,131
Capital outlay	1,000	14,738	(13,738)
Total expenditures	<u>53,800</u>	<u>62,917</u>	<u>(9,117)</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	(21,800)	(13,382)	8,418
OTHER FINANCING SOURCES			
Transfers in	<u>22,000</u>	<u>14,663</u>	<u>(7,337)</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	200	1,281	1,081
FUND BALANCE (Deficit) AT BEGINNING OF YEAR	<u>(78)</u>	<u>(78)</u>	
FUND BALANCE AT END OF YEAR	<u>\$122</u>	<u>\$1,203</u>	<u>\$1,081</u>

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 1999

OPERATING REVENUES	
Service fees	\$134,475
Other income	5,345
Total operating revenues	<u>139,820</u>
OPERATING EXPENSES	
Salaries	27,975
Payroll taxes	1,781
Utilities	14,047
Lab fees	1,684
Insurance	1,139
Supplies	21,662
Repairs	1,756
Postage	643
Sales tax	2,620
Miscellaneous	18,030
Depreciation	59,811
Total operating expenses	<u>151,148</u>
OPERATING LOSS	(11,328)
NON-OPERATING REVENUE - interest income	158
OPERATING TRANSFERS OUT	<u>(14,663)</u>
NET INCOME (Loss)	(25,833)
Adjustment for depreciation on fixed assets acquired with federal grant	<u>53,948</u>
NET INCREASE IN RETAINED EARNINGS	28,115
RETAINED EARNINGS AT BEGINNING OF YEAR	<u>88,844</u>
RETAINED EARNINGS AT END OF YEAR	<u><u>\$116,959</u></u>

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

Combined Statement of Cash Flows
For the Year Ended June 30, 1999

CASH FLOWS FROM OPERATING ACTIVITIES

Operating Loss	<u>(\$11,328)</u>
Adjustments to Reconcile Operating Loss to Net Cash	
Provided (Used) by Operating Activities:	
Depreciation	59,811
Disposal of fixed asset	459
Decrease in accounts receivable	48
Decrease in customer deposits	(154)
Decrease in accounts and taxes payable	(1,892)
Decrease in due from other funds	750
Total adjustments	<u>59,022</u>
Net cash provided by operating activities	<u>47,694</u>

**CASH FLOWS FROM NON-CAPITAL
FINANCING ACTIVITIES**

Operating transfers out	(14,663)
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**CASH FLOWS FROM INVESTING
ACTIVITIES**

Interest income	<u>158</u>
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NET INCREASE IN CASH

33,189

CASH AT BEGINNING OF PERIOD17,215**CASH AT END OF PERIOD**\$50,404

See accompanying notes and accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana

Notes to the Financial Statements
As of and for the Year Ended June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of Clarks is governed by the mayor-board of aldermen form of government. The village provides public safety, public works and general government services to its residents. The village has two employees and a chief of police.

A. BASIS OF PRESENTATION

The accompanying general purpose financial statements of the Village of Clarks 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 established governmental accounting and financial reporting principles. The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. REPORTING ENTITY

As the governing authority of the village, for reporting purposes, the Village of Clarks 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 Clarks 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:

See accountant's compilation report.

VILLAGE OF CLARKS

Clarks, Louisiana

Notes to the Financial Statements (Continued)

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.
3. Organizations for which the reporting entity's 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. Considered in the determination of component units of the reporting entity were the Caldwell Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board, and the District Attorney and Judges for the Thirty-Seventh Judicial District. It was determined that these governmental entities are not component units of the Village of Clarks reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Village of Clarks.

C. 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

See accountant's compilation report.

VILLAGE OF CLARKS

Clarks, Louisiana

Notes to the Financial Statements (Continued)

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. The fund classifications and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets. Governmental funds include:

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.

Proprietary Funds

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

Enterprise Funds

The Enterprise Funds account for operations where the intent of the governing body is that the cost (expenses, including depreciation) of providing services to customers in the village on a continuing basis be financed or recovered primarily through user charges.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current

See accountant's compilation report.

VILLAGE OF CLARKS

Clarks, Louisiana

Notes to the Financial Statements (Continued)

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 and decreases in net current assets.

The modified accrual basis of accounting is used for reporting all governmental fund types. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the village and billed to taxpayers in October or November. Billed taxes become delinquent on January 1 of the following year. The taxes are normally collected in December, January and February of the current year.

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

Substantially all other revenues are recorded when they become available to the village.

Based on the above criteria, ad valorem taxes and intergovernmental revenues are treated as susceptible to accrual.

Expenditures

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

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). The transactions are recorded when the underlying events occur.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds

See accountant's compilation report.

VILLAGE OF CLARKS

Clarks, Louisiana

Notes to the Financial Statements (Continued)

are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

E. BUDGET PRACTICES

A proposed budget for the General Fund, prepared on the modified accrual basis of accounting, was presented to the board of aldermen in October 1998. The budget was legally adopted by the board of aldermen at the October board meeting. Budgets are established and controlled by the board at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended.

Formal budgetary integration is not employed as a management control device during the year. Budgeted amounts included in the accompanying financial statements include the original adopted budget amounts. There were no budget amendments.

F. CASH

Cash includes amounts in demand deposits. Under state law, the village may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with banks 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.

G. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, transactions which occur between individual funds are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as due to/from other funds.

H. FIXED ASSETS

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general

See accountant's compilation report.

VILLAGE OF CLARKS

Clarks, Louisiana

Notes to the Financial Statements (Continued)

fixed assets account group. All fixed assets are valued at cost where historical records are available and at estimated cost based on the actual costs of like items where no historical cost records exist. Public domain or infrastructure general fixed assets are capitalized. No depreciation has been provided on general fixed assets.

Fixed assets used in proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method over estimated useful lives of 40 years for the water and sewer systems and from 5 to 10 years for equipment.

I. CONTRIBUTED CAPITAL

Federal grants that are restricted for the acquisition or construction of capital assets are recorded as contributed capital in the proprietary funds. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired from such grants. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

**J. TOTAL COLUMN ON THE
COMBINED STATEMENTS**

The total columns on the combined statement is captioned Memorandum Only (overview) to indicate that it is presented only to facilitate financial analysis. Data in this column does not present 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.

2. CASH

At June 30, 1999, the village has cash in demand deposits (book balances) totaling \$51,567. 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. Cash (bank balances) at June 30, 1999, are \$53,987, and are fully secured from risk by federal deposit insurance.

See accountant's compilation report.

VILLAGE OF CLARKS
 Clarks, Louisiana
 Notes to the Financial Statements (Continued)

3. LEVIED TAXES

For the year ended June 30, 1999, the village levied 6.31 mills for the General Fund on the assessed value of property totaling \$927,140.

4. RECEIVABLES

The following is a summary of receivables at June 30, 1999:

	General Fund	Enterprise Funds	Total
Ad valorem taxes	\$364		\$364
Other	1,193		1,193
Accounts		\$19,032	19,032
Total	<u>\$1,557</u>	<u>\$19,032</u>	<u>\$20,589</u>

There was no provision for bad debts recorded in the accompanying financial statements.

5. CHANGES IN GENERAL FIXED ASSETS

The following presents the changes in general fixed assets for the year ended June 30, 1999:

	Balance at July 1, 1998	Additions	Deletions	Balance at June 30, 1999
Land	\$2,000			\$2,000
Buildings	30,000			30,000
Improvements	31,980			31,980
Equipment	13,216	\$14,738		27,954
Streets, parks and bridges	26,819			26,819
Fire Department	32,444			32,444
Total	<u>\$136,459</u>	<u>\$14,738</u>	<u>NONE</u>	<u>\$151,197</u>

A summary of proprietary fund type property, plant, and equipment at June 30, 1999, follows:

See accountant's compilation report.

VILLAGE OF CLARKS
 Clarks, Louisiana
 Notes to the Financial Statements (Continued)

	<u>Basis</u>	<u>Accumulated Depreciation</u>	<u>Net Book Value</u>
Land	\$1,500	NONE	\$1,500
Waterworks distribution system	1,093,199	(162,139)	931,060
Sewer system	1,479,988	(197,440)	1,282,548
Equipment	68,774	(64,937)	3,837
Total	<u>\$2,643,461</u>	<u>(\$424,516)</u>	<u>\$2,218,945</u>

6. 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. The village does not guarantee the benefits granted by the Social Security System.

7. CHANGES IN CONTRIBUTED CAPITAL

The following is a summary of changes in contributed capital for the year ended June 30, 1999:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Balance at July 1, 1998	\$901,875	\$1,311,949	\$2,213,824
Reductions - depreciation on fixed assets acquired with federal grant	<u>(24,511)</u>	<u>(29,437)</u>	<u>(53,948)</u>
Balance at June 30, 1999	<u>\$877,364</u>	<u>\$1,282,512</u>	<u>\$2,159,876</u>

8. RESTATED FUND BALANCE

Certain fund balances at July 1, 1998, have been restated as follows:

	<u>LCDBG #101-5009 FUND</u>	<u>LCDBG #101-6026 FUND</u>	<u>LCDBG #101-3067 FUND</u>	<u>TOTAL</u>
Fund balance at July 1, 1998, as previously reported	(\$40)	(\$7)	(\$40)	(\$87)

See accountant's compilation report.

VILLAGE OF CLARKS
 Clarks, Louisiana
 Notes to the Financial Statements (Continued)

	LCDBG #101-5009 FUND	LCDBG #101-6026 FUND	LCDBG #101-3067 FUND	TOTAL
Close out inactive funds	<u>\$40</u>	<u>\$7</u>	<u>\$40</u>	<u>\$87</u>
Fund balance at July 1, 1998, as reported in the accompanying financial statements	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>	<u>NONE</u>

9. LITIGATION, CLAIMS, AND RISK OF LOSS

The village is not involved in any litigation nor aware of any unasserted claims at June 30, 1999. The village maintains commercial insurance to reduce the risk of loss resulting from property damage or liability claims.

10. ON-BEHALF PAYMENTS FOR SALARIES

During the year ended June 30, 1999, the village police chief received supplemental compensation in the amount of \$3,600, from the Louisiana Department of Public Safety. In accordance with GASB Statement 24 that amount has been reported as intergovernmental revenue and personal services expenditures in the General Fund in the accompanying financial statements.

11. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data-processing systems and other equipment that may adversely affect the village's operations in the year 1999 and beyond. The village uses a computer system for billing its water and sewer charges to customers. The village has been informed by the hardware and software vendors that its billing system is Year 2000 compliant. However, there is no assurance that the systems of other governmental agencies or companies on which the village relies will be timely converted or that any such failure to convert by a governmental agency or other company would not have an adverse effect on the village's operations.

See accountant's compilation report.

SUPPLEMENTAL INFORMATION

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana

SUPPLEMENTAL INFORMATION SCHEDULES
As of and for the Year Ended June 30, 1999

ENTERPRISE FUNDS

Water Fund - The Water Fund is used to account for the operation of the village water system.

Sewer Fund - The Sewer Fund is used to account for the operation of the village sewer system.

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
ENTERPRISE FUNDS

Combining Balance Sheet, June 30, 1999

	WATER FUND	SEWER FUND	TOTAL
ASSETS			
Cash	\$25,448	\$24,956	\$50,404
Accounts receivable	14,178	4,854	19,032
Due from Water Fund		4,664	4,664
Property, plant, and equipment (net of accumulated depreciation)	936,397	1,282,548	2,218,945
TOTAL ASSETS	\$976,023	\$1,317,022	\$2,293,045
LIABILITIES AND FUND EQUITY			
Liabilities:			
Accounts payable	\$6,034	\$576	\$6,610
Payroll taxes payable	429	287	716
Sales tax payable	493		493
Due to Sewer Fund	4,664		4,664
Customer meter deposits	3,727		3,727
Total liabilities	15,347	863	16,210
Fund Equity:			
Contributed capital (net of accumulated depreciation on fixed assets acquired with federal grants)	877,365	1,282,511	2,159,876
Retained earnings - unreserved	83,311	33,648	116,959
Total fund equity	960,676	1,316,159	2,276,835
TOTAL LIABILITIES AND FUND EQUITY	\$976,023	\$1,317,022	\$2,293,045

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
ENTERPRISE FUNDS

Combining Schedule of Revenues, Expenses,
and Changes in Retained Earnings
For the Year Ended June 30, 1999

	WATER FUND	SEWER FUND	TOTAL
OPERATING REVENUES			
Service fees	\$83,626	\$50,849	\$134,475
Other income		5,345	5,345
Total operating revenues	83,626	56,194	139,820
OPERATING EXPENSES			
Salaries	16,250	11,725	27,975
Payroll taxes	1,058	723	1,781
Utilities	7,508	6,539	14,047
Lab fees		1,684	1,684
Insurance		1,139	1,139
Supplies	16,225	5,437	21,662
Repairs	1,756		1,756
Postage	643		643
Sales tax	2,620		2,620
Miscellaneous	13,138	4,892	18,030
Depreciation	30,374	29,437	59,811
Total operating expenses	89,572	61,576	151,148
OPERATING LOSS	(5,946)	(5,382)	(11,328)
NON-OPERATING REVENUE - interest income	89	69	158
OPERATING TRANSFERS OUT	(4,058)	(10,605)	(14,663)
NET INCOME (Loss)	(9,915)	(15,918)	(25,833)
Adjustment for depreciation on fixed assets acquired with federal grant	24,511	29,437	53,948
NET INCREASE IN RETAINED EARNINGS	14,596	13,519	28,115
RETAINED EARNINGS AT BEGINNING OF YEAR	68,715	20,129	88,844
RETAINED EARNINGS AT END OF YEAR	\$83,311	\$33,648	\$116,959

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
ENTERPRISE FUNDS

Combining Schedule of Cash Flows
For the Year Ended June 30, 1999

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTAL</u>
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating Loss	<u>(\$5,946)</u>	<u>(\$5,382)</u>	<u>(\$11,328)</u>
Adjustments to Reconcile Operating Loss to Net Cash Provided (Used) by Operating Activities:			
Depreciation	30,374	29,437	59,811
Disposal of fixed asset	459		459
(Increase)Decrease in accounts receivable	531	(483)	48
Decrease in customer deposits	(154)		(154)
Decrease in accounts and taxes payable	(1,417)	(475)	(1,892)
Decrease in due from other funds	105	645	750
Total adjustments	<u>29,898</u>	<u>29,124</u>	<u>59,022</u>
Net cash provided by operating activities	<u>23,952</u>	<u>23,742</u>	<u>47,694</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES			
Operating transfers out	(4,058)	(10,605)	(14,663)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest income	<u>89</u>	<u>69</u>	<u>158</u>
NET INCREASE IN CASH	<u>19,983</u>	<u>13,206</u>	<u>33,189</u>
CASH AT BEGINNING OF PERIOD	<u>5,465</u>	<u>11,750</u>	<u>17,215</u>
CASH AT END OF PERIOD	<u><u>\$25,448</u></u>	<u><u>\$24,956</u></u>	<u><u>\$50,404</u></u>

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and for the Year Ended June 30, 1999

COMPENSATION PAID ALDERMEN

The schedule of compensation paid to aldermen is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the aldermen is included in the legislative expenditures of the General Fund. Aldermen receive a per diem \$30 for attending each regular and special meeting.

PRIOR YEAR FINDINGS

The follow-up and corrective action taken on all prior year findings is presented in the summary schedule of prior year findings (Schedule 5).

CURRENT YEAR FINDINGS

The corrective action plan for current year findings is presented in Schedule 6.

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana
SUPPLEMENTAL INFORMATION SCHEDULE
As of and For the Year Ended June 30, 1999

COMPENSATION PAID ALDERMEN
Schedule of Per Diem Paid Aldermen

Murphy Ballard	\$360
Bryan Girod	180
James King	360
Danny Thomas	180
Total	<u>\$1,080</u>

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana

Summary Schedule of Prior Year Findings
For the Year Ended June 30, 1999

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Additional Explanation
Procedure 4	1998	The village purchased supplies from a business owned by the mayor's wife.	Yes	N/A
Procedure 5	1997	The village did not adopt a budget for its General Fund for the year ended June 30, 1998.	Yes	N/A
Procedure 8(a)	1998	One of the six selected disbursements was not adequately supported.	Yes	N/A

See accountant's compilation report.

VILLAGE OF CLARKS
Clarks, Louisiana

Corrective Action Plan
For Current Year Findings
For the Year Ended June 30, 1999

<u>Reference Number</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
Procedure 5	The village did not adopt a budget for the General Fund for the year ended June 30, 1999 prior to July 1, 1998.	The village will adopt a budget for the General Fund for the year ending June 30, 2001 prior to July 1, 2000.	John Eason, Mayor	June 30, 2000
Procedure 7	Actual General Fund expenditures exceeded budgeted expenditures by 17%.	For the year ending June 30, 2000, the village will adopt a budget amendment when actual expenditures exceed budgeted expenditures by 5% or more.	John Eason, Mayor	June 30, 2000

See accountant's compilation report.

**Independent Accountant's Report on Applying
Agreed-Upon Procedures**

The following independent accountant's report on applying agreed upon procedures is presented in compliance with the requirements of the *Louisiana Governmental Audit Guide* and the *Louisiana Attestation Questionnaire*, issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor.

M. Carleen Dumas
CERTIFIED PUBLIC ACCOUNTANT

369 DONALDSON ROAD • CALHOUN, LOUISIANA 71225 • TELEPHONE 318/644-5726

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

MAYOR AND BOARD OF ALDERMEN
VILLAGE OF CLARKS
Clarks, Louisiana

I have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of the Village of Clarks and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Clarks' compliance with certain laws and regulations during the year ended June 30, 1999 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for materials and supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

A review was made of all disbursement journals for the year. There were no disbursements exceeding \$15,000 made during the year.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Village of Clarks
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 1999

Management provided me with the required list including the noted information.

3. Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4. Determine whether any of the employees included in the listing obtained from management in procedure (3) above were also included in the listing obtained from management in procedure (2) above as immediate family members.

The elected chief of police is the father of one of the aldermen. The spouse of the village clerk is also employed by the village.

Budgeting

5. Obtain a copy of the legally adopted budget and all amendments.

I obtained a copy of the legally adopted budget. There were no budget amendments.

6. Trace the budget adoption and amendments to the minute book.

I traced the adoption of the budget to the October 10, 1998 board meeting.

7. Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues failed to meet budgeted revenues by 5% or more or if actual expenditures exceed budgeted amounts by 5% or more.

Actual expenditures exceeded budgeted expenditures by \$9,117, or 17%.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and;
 - (a) trace payments to supporting documentation as to correct amount and payee;
 - (b) determine if payments were properly coded to the correct fund and general ledger account;
 - (c) determine whether payments received approval from proper authorities.

Village of Clarks
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 1999

An examination of six randomly selected disbursements disclosed the following:

- (a) All six of the selected disbursements were adequately supported.
- (b) All six of the selected disbursements were properly coded to the correct fund and general ledger account.
- (c) The minutes of the board of aldermen meetings reflected that all six disbursements were approved by the mayor and board of aldermen.

Meetings

9. Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LSA-RS 42:1-12 (the opening meetings law).

Agendas for the meetings are posted as required by LSA-RS 42:7.

Debt

10. Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

Advances and Bonuses

11. Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

A reading of the minutes of the board meetings and an examination of payroll records indicated no payments which may constitute bonuses, advances, or gifts.

The accompanying schedule of prior year findings provides details on the actions taken by management with regards to the findings reported in my prior year report dated September 14, 1998.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion.

Village of Clarks
Independent Accountant's Report on
Applying Agreed-Upon Procedures
June 30, 1999

Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of the Village of Clarks and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

Carleen Dumas

Calhoun, Louisiana
September 3, 1999

Louisiana Attestation Questionnaire

The accompanying *Louisiana Attestation Questionnaire* has been completed by management and is included in this report as required by the *Louisiana Governmental Audit Guide*.

M. Carleen Dumas
Certified Public Accountant
369 Donaldson Rd.
Calhoun, La 71225

Mrs. Dumas,

In connection with your compilation of the financial statements of the Village of Clarks as of June 30, 1999 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on information available to us as of 8/10/99.

PUBLIC BID LAW

It is true that we have complied with the public bid law, LSA-RS Title 38:2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes [] No [] N/A []

CODE OF ETHICS FOR PUBLIC OFFICIALS AND PUBLIC EMPLOYEES

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes [] No [] N/A []

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980 under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes [] No [] N/A []

BUDGETING

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:34.

Yes [] No [] N/A []

ACCOUNTING AND REPORTING

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes [] No [] N/A []

We have filed our annual financial statements in accordance with LSA-RS 24:514, LSA-RS 33:463, and/or LSA-RS 39:92, as applicable.

Yes [] No [] N/A []

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes [] No [] N/A []

MEETINGS

We have complied with the provisions of the Opening Meetings Law, provided in LSA-RS 42:1-12.

Yes [] No [] N/A []

DEBT

It is true that we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 39:1410.60 -1410.65.

Yes [] No [] N/A []

ADVANCES AND BONUSES

It is true that we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes [] No [] N/A []

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known non-compliance which may occur subsequent to the issuance of your report.

Jason
Mayor

8/10/99
Date