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TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA

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AUDIT REPORT  
JUNE 30, 1999

Release Date **DEC 07 1999**

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

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# **GARRETT & GARRETT**

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October 4, 1999

## **UNQUALIFIED OPINION ON GENERAL-PURPOSE FINANCIAL STATEMENTS**

### Independent Auditor's Report

The Honorable Willie Davis, Jr., Mayor  
and Members of the Board of Alderman

We have audited the accompanying general-purpose financial statements of the Town of Farmerville, Louisiana, and the combining individual fund and account group financial statements and supplementary information, of the Town of Farmerville, Louisiana as of an for the year ended June 30, 1999 and 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Town of Farmerville, Louisiana's management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1 *Disclosures about year 2000 Issues*, requires disclosure of certain matters regarding the year 2000 issue. The Town of Farmerville, Louisiana has included such disclosures in Note 15. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Town of Farmerville, Louisiana's disclosures with respect to the year 2000 issue made in Note 15. Further we do not provide assurance that the Town of Farmerville, Louisiana is or will be year 2000 ready, that Town of Farmerville, Louisiana's 2000 remediation efforts will successful in whole or in

The Honorable Willie Davis, Jr., Mayor  
and Members of the Board of Alderman  
October 4, 1999  
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part, or that parties with which the Town of Farmerville, Louisiana does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general-purpose financial statements referred above present fairly, in all material respects, the financial position of the Town of Farmerville, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining and individual fund and account group financial statements referred to above present fairly, in all material respects, the financial position of each of the individual funds and account groups of the Town of Farmerville, Louisiana, as of June 30, 1999, and the results of operations of such funds and the cash flows of individual proprietary funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 4, 1999 on our consideration of the Town of Farmerville, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and individual account group financial statements. The accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Farmerville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, and individual fund and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements of each of the respective individual funds and account groups, taken as whole.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS



Fund Balances:																	
Reserved for Capital Projects						19,512.07	.00	.00	.00	.00	19,512.07	.00	.00		19,512.07	.00	
Reserved for Fire Department		70,990.16	.00	.00	.00	.00	.00	.00	.00	.00	70,990.16	.00	.00		70,990.16	.00	
Reserved for Flag Pole		.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00		.00	.00	
Reserved Designated for Debt Service		.00	.00	305,650.37	.00	.00	.00	.00	.00	.00	305,650.37	.00	.00		305,650.37	.00	
Unreserved/Undesignated		40,934.52	19,095.81	.00	.00	.00	.00	.00	.00	.00	60,030.33	48,571.88		108,602.21			
		<u>\$ 111,924.58</u>	<u>\$ 38,507.88</u>	<u>\$ 305,650.37</u>	<u>\$ 0.00</u>	<u>\$ 2,859,242.74</u>	<u>\$ 0.00</u>	<u>\$ 11,503,284.03</u>	<u>\$ 0.00</u>	<u>\$ 184,792.88</u>	<u>\$ 13,319,505.35</u>	<u>\$ 184,792.88</u>		<u>\$ 11,588,075.91</u>			
		<u>\$ 347,142.88</u>	<u>\$ 127,484.69</u>	<u>\$ 305,650.37</u>	<u>\$ 0.00</u>	<u>\$ 2,859,242.74</u>	<u>\$ 1,292,257.32</u>	<u>\$ 13,319,505.35</u>	<u>\$ 184,792.88</u>	<u>\$ 13,504,299.24</u>							
<b>TOTAL EQUITY AND OTHER CREDITS</b>																	
<u><b>TOTAL LIABILITIES AND EQUITY AND OTHER CREDITS</b></u>																	

The notes to the financial statements are an integral part of this statement. See the accompanying independent auditors' report.



EXHIBIT B

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, OTHER FINANCING SOURCES (USES)  
 AND CHANGES IN FUND BALANCES, ALL GOVERNMENTAL FUND TYPES  
 AND DISCREETLY PRESENTED COMPONENT UNITS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GOVERNMENTAL FUND TYPES				TOTAL	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS		TOTAL
						MEMORANDUM ONLY
Taxes	\$ 269,143.52	\$ 559,458.28	\$ 67,548.00	\$ .00	\$ 896,149.80	
Licenses and Permits	238,469.97	.00	.00	.00	238,469.97	
Intergovernment	49,531.46	.00	.00	22,296.31	71,827.77	
Charges for Services	335,479.06	.00	.00	.00	335,479.06	
Fines and Forfeits	32,371.34	.00	.00	.00	32,371.34	
Miscellaneous Revenues	108,512.79	8,675.82	.00	5,747.63	122,936.24	
Interest Income	4,087.44	2,908.73	9,396.69	1,642.18	18,035.04	
Total Revenues	\$ 1,037,595.58	\$ 571,042.83	\$ 76,944.69	\$ .00	\$ 1,685,583.10	

	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	TOTAL	MEMORANDUM ONLY REPORTING ENTITY		
							MEMORANDUM ONLY	MEMORANDUM ONLY REPORTING ENTITY
Current:								
General Government	\$ 228,567.72	\$ 163,554.26	\$ .00	\$ .00	\$ 392,121.98	\$ 392,121.98		
Transportation	34,898.82	.00	.00	.00	34,898.82	34,898.82		
Public Safety	418,506.20	.00	.00	.00	418,506.20	422,957.97		
Fire	108,134.29	.00	.00	.00	108,134.29	108,134.29		
Sanitation	371,789.17	.00	.00	.00	371,789.17	371,789.17		
Recreation	913.31	.00	.00	.00	913.31	913.31		
Farmerville City Park	.00	.00	.00	.00	.00	.00		
State Park	415.03	.00	.00	.00	416.03	416.03		
Street	.00	241,718.63	.00	.00	241,718.63	241,718.63		
Prison Labor and Expense	.00	4,096.63	.00	.00	4,096.63	4,096.63		
Capital Outlay	.00	.00	.00	.00	.00	.00		
Maintenance Department	.00	14,713.22	.00	.00	14,713.22	14,713.22		
Debt Service:								
Principal Retirement	.00	.00	122,561.82	.00	122,561.82	122,561.82		
Interest and Fiscal Charges	.00	.00	75,207.30	.00	75,207.30	75,207.30		
Total Expenditures	\$ 1,163,225.54	\$ 424,082.74	\$ 198,869.12	\$ .00	\$ 1,786,177.40	\$ 1,790,629.17		

EXCESS OF REVENUE OVER AND (UNDER) EXPENDITURES	\$ (125,629.95)	\$ 146,960.09	\$ (121,924.43)	\$ .00	\$ (100,594.30)	\$ (75,359.95)
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OTHER FINANCING SOURCES (USES)

Operating Transfer in	\$ 120,798.21	\$ .00	\$ 190,708.21	\$ .00	\$ 311,506.42	\$ .00	\$ 311,506.42
Operating Transfer Out	.00	(192,852.30)	.00	.00	(192,852.30)	.00	(192,852.30)
Total Other Financing Sources (Uses)	\$ 120,798.21	\$ (192,852.30)	\$ 190,708.21	\$ .00	\$ 118,654.12	\$ .00	\$ 118,654.12

EXCESS (DEFICIENCY) OF REVENUES AND

OTHER SOURCES OVER (UNDER)

EXPENDITURES AND OTHER (USES)

	\$ (4,831.75)	\$ (45,892.21)	\$ 58,783.78	\$ .00	\$ 18,059.82	\$ 25,234.35	\$ 43,294.17
(Increase) Decrease in Reserves	(28,544.76)	(5,351.44)	(58,783.78)	.00	(103,779.98)	.00	(103,779.98)

Net Change in Unreserved Fund Balances for Year

	\$ (33,476.51)	\$ (52,243.65)	\$ .00	\$ .00	\$ (85,720.16)	\$ 25,234.35	\$ (60,485.81)
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FUND BALANCES - UNRESERVED - JULY 1

	74,411.03	71,339.46	.00	.00	145,750.49	159,588.53	305,309.02
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FUND BALANCES - UNRESERVED - JUNE 30

	\$ 40,934.52	\$ 19,095.81	\$ .00	\$ .00	\$ 60,030.33	\$ 184,792.88	\$ 244,823.21
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The notes to the financial statements are an integral part of this statement. See accompanying independent auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET (GAAP) AND ACTUAL  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND			DEBT SERVICE FUND			CAPITAL PROJECT FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>REVENUES</b>												
Taxes	\$ 249,300.00	\$ 269,143.52	\$ 19,843.52	\$ 550,000.00	\$ 559,459.26	\$ 9,459.26	\$ -	\$ 57,548.00	\$ -	\$ -	\$ -	\$ -
Licenses & Permits	240,000.00	238,459.97	(1,540.03)	.00	.00	.00	.00	.00	.00	.00	.00	.00
Intergovernmental Revenue	40,000.00	49,521.45	9,521.45	.00	.00	.00	.00	.00	.00	.00	.00	.00
Charges for Service	330,220.00	335,479.05	5,259.05	.00	.00	.00	.00	.00	.00	.00	.00	.00
Fines & Forfeits	31,000.00	32,371.34	1,371.34	.00	.00	.00	.00	.00	.00	.00	.00	.00
Miscellaneous	57,150.00	108,512.79	41,362.79	8,500.00	8,575.82	75.82	-	9,396.69	-	-	-	-
Interest Income	2,500.00	4,027.44	1,527.44	10,000.00	2,908.73	(7,091.27)	-	-	-	-	-	-
Grants	.00	.00	.00	.00	.00	.00	-	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 950,170.00</b>	<b>\$ 1,037,595.55</b>	<b>\$ 87,425.55</b>	<b>\$ 568,500.00</b>	<b>\$ 571,042.83</b>	<b>\$ 2,542.83</b>	<b>\$ -</b>	<b>\$ 75,944.69</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXPENDITURES</b>												
General Government	\$ 231,948.00	\$ 228,567.72	\$ 3,380.28	\$ 127,040.00	\$ 153,554.25	\$ (26,514.25)	\$ -	\$ .00	\$ -	\$ -	\$ -	\$ -
Transportation	3,000.00	34,898.82	(31,898.82)	.00	.00	.00	.00	.00	.00	.00	.00	.00
Public Safety	269,100.00	418,505.20	(149,405.20)	.00	.00	.00	.00	.00	.00	.00	.00	.00
Fire	89,800.00	105,134.29	(15,334.29)	.00	.00	.00	.00	.00	.00	.00	.00	.00
Sanitation	270,300.00	371,789.17	(101,489.17)	.00	.00	.00	.00	.00	.00	.00	.00	.00
Recreation	1,000.00	913.31	85.69	.00	.00	.00	.00	.00	.00	.00	.00	.00
State Park	1,900.00	416.03	1,483.97	.00	.00	.00	.00	.00	.00	.00	.00	.00
Farmerville City Park	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00	.00
Street	.00	.00	.00	233,800.00	241,718.53	(7,918.53)	-	-	-	-	-	-
Prison Labor and Expense	.00	.00	.00	4,000.00	4,055.53	(55.53)	-	-	-	-	-	-
Capital Outlay	.00	.00	.00	.00	.00	.00	-	-	-	-	-	-
Maintenance Dept	.00	.00	.00	13,500.00	14,713.22	(1,213.22)	-	-	-	-	-	-
Debt Service	.00	.00	.00	.00	.00	.00	-	-	-	-	-	-
Principal Retirement	.00	.00	.00	.00	.00	.00	-	-	-	-	-	-
Interest and Fiscal Income	.00	.00	.00	.00	.00	.00	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>\$ 957,048.00</b>	<b>\$ 1,155,225.54</b>	<b>\$ (198,177.54)</b>	<b>\$ 378,340.00</b>	<b>\$ 424,082.74</b>	<b>\$ (45,742.74)</b>	<b>\$ -</b>	<b>\$ 198,859.12</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>\$ (6,878.00)</b>	<b>\$ (125,629.99)</b>	<b>\$ (118,751.99)</b>	<b>\$ 190,260.00</b>	<b>\$ 146,960.09</b>	<b>\$ (43,299.91)</b>	<b>\$ -</b>	<b>\$ (121,924.43)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>OTHER FINANCING SOURCES (USES)</b>												
Operating Transfers In	\$ 20,000.00	\$ 129,798.21	\$ 109,798.21	\$ .00	\$ .00	\$ .00	\$ -	\$ 190,708.21	\$ -	\$ -	\$ -	\$ -
Operating Transfers Out	.00	.00	.00	(155,000.00)	(192,852.30)	(37,852.30)	-	.00	-	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 20,000.00</b>	<b>\$ 129,798.21</b>	<b>\$ 109,798.21</b>	<b>\$ (155,000.00)</b>	<b>\$ (192,852.30)</b>	<b>\$ (37,852.30)</b>	<b>\$ -</b>	<b>\$ 190,708.21</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</b>	<b>\$ 13,122.00</b>	<b>\$ (4,831.78)</b>	<b>\$ (17,953.78)</b>	<b>\$ 35,260.00</b>	<b>\$ (45,892.21)</b>	<b>\$ (61,152.21)</b>	<b>\$ -</b>	<b>\$ 58,783.78</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
(Increase) Decrease in Reserves	.00	(26,544.75)	(26,544.75)	(5,000.00)	(5,351.44)	(351.44)	-	(58,783.78)	-	-	-	-
Net Change in Unreserved Fund Balances for Year	\$ 13,122.00	\$ (32,476.53)	\$ (45,598.53)	\$ 29,260.00	\$ (52,243.65)	\$ (61,503.65)	\$ -	\$ .00	\$ -	\$ -	\$ -	\$ -
<b>FUND BALANCES - UNRESERVED - JULY 1</b>	<b>74,411.02</b>	<b>74,411.02</b>		<b>71,259.45</b>	<b>71,259.45</b>			<b>.00</b>				
<b>FUND BALANCES - UNRESERVED - JUNE 30</b>	<b>\$ 87,533.02</b>	<b>\$ 40,934.49</b>	<b>\$ (46,598.53)</b>	<b>\$ 100,500.46</b>	<b>\$ 15,907.80</b>	<b>\$ (84,592.66)</b>	<b>\$ -</b>	<b>\$ .00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

The notes to the financial statements are an integral part of this statement. See the accompanying independent auditors' report.

TOWN OF FARMERVILLE, LOUISIANA EXHIBIT D  
FARMERVILLE, LOUISIANA  
COMBINED STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

<u>OPERATING REVENUES</u>	<u>PROPRIETARY FUND TYPES</u>	
	<u>ENTERPRISE</u>	
	<u>1999</u>	<u>1998</u>
Charges for Services		
Water Sales	\$ 817,400.63	\$ 719,961.26
Penalties & Reconnections/Connections	39,095.93	22,313.95
Sewer Sales	190,741.03	174,014.43
Tapping Fees	5,803.60	7,750.57
Miscellaneous	1,780.44	.00
Total Operating Revenues	<u>\$ 1,054,821.63</u>	<u>\$ 924,040.21</u>
<u>OPERATING EXPENSES</u>		
Cost of Sales and Services	\$ 513,750.44	\$ 414,785.24
Administrative	344,993.85	295,022.58
Depreciation	240,073.19	221,839.14
Total Operating Expenses	<u>\$ 1,098,817.48</u>	<u>\$ 931,646.96</u>
<u>OPERATING INCOME (LOSS)</u>	<u>\$ (43,995.85)</u>	<u>(7,606.75)</u>
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 25,964.86	\$ 17,397.18
Sale of Assets	2,300.00	.00
Total Nonoperating Revenue (Expenses)	<u>\$ 28,264.86</u>	<u>\$ 17,397.18</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>\$ (15,730.99)</u>	<u>\$ 9,790.43</u>
<u>TRANSFER TO/FROM OTHER FUNDS</u>		
General Fund	<u>\$ (115,992.23)</u>	<u>\$ (19,813.40)</u>
<u>NET (LOSS) BEFORE NON-OPERATING ADDITIONS (DEDUCTIONS)</u>	<u>\$ (131,723.22)</u>	<u>\$ (10,022.97)</u>
Add Back Depreciation on Assets Acquired With Capital Grants	187,239.49	162,588.64
<u>NET INCOME (LOSS)</u>	<u>\$ 55,516.27</u>	<u>\$ 152,565.67</u>
(Increase) Decrease in Reserves	<u>(22,322.44)</u>	<u>(116,511.43)</u>
Net Change in Unreserved Retained Earnings for the Year	<u>\$ 33,193.83</u>	<u>\$ 36,054.24</u>
<u>RETAINED EARNINGS - UNRESERVED - JULY 1</u>	<u>1,019,636.71</u>	<u>983,582.47</u>
<u>RETAINED EARNINGS - UNRESERVED - JUNE 30</u>	<u>\$ 1,052,830.54</u>	<u>\$ 1,019,636.71</u>

The notes to the financial statements are an integral part of this statement. See the accompanying independent auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
COMBINED STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

EXHIBIT E

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>1999</u>	<u>1998</u>
Cash Received from Customers	\$ 1,036,173.58	\$ 836,595.80
Cash Paid to Suppliers	(493,702.56)	(459,795.24)
Cash Paid to Employees	(177,513.29)	(151,583.12)
Payment of Staff and Administrative Expenses	<u>(182,999.62)</u>	<u>(104,188.32)</u>
<u>NET CASH FROM OPERATING ACTIVITIES</u>	<u>\$ 181,958.11</u>	<u>\$ 121,029.12</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Loans to Other Funds	\$ (6,322.51)	.00
Payments to Other Funds	<u>(115,992.23)</u>	<u>(19,813.40)</u>
<u>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</u>	<u>\$ (122,314.74)</u>	<u>\$ (19,813.40)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
LCDBG Funds	\$ .00	\$ 224,844.00
Acquisition of Capital Assets	<u>(112,266.18)</u>	<u>(344,787.57)</u>
<u>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>\$ (112,266.18)</u>	<u>\$ (119,943.57)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest on Investments and Other Income	<u>\$ 28,264.86</u>	<u>\$ 17,397.18</u>
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>\$ 28,264.86</u>	<u>\$ 17,397.18</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>\$ (24,357.95)</u>	<u>\$ (1,330.67)</u>
<u>CASH AND CASH EQUIVALENTS, JULY 1</u>	<u>356,056.16</u>	<u>357,386.83</u>
<u>CASH AND CASH EQUIVALENTS, JUNE 30</u>	<u>\$ 331,698.21</u>	<u>\$ 356,056.16</u>

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
COMBINED STATEMENTS OF CASH FLOWS  
PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

EXHIBIT E  
CONTINUED

	1999	1998
<u>RECONCILIATION OF OPERATING INCOME TO</u>		
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating Income	\$ (43,995.85)	\$ (7,606.75)
Adjustments		
Depreciation	240,073.19	221,839.14
(Increase)Decrease in Assets		
Receivables	(17,919.93)	44,771.96
Restricted Assets	(51,991.97)	(125,532.35)
Increase(Decrease) in Liabilities		
Accounts Estimates & Retainage Payable	23,136.49	(19,535.60)
Trust Liabilities and Deposits	27,892.66	6,832.34
Accrued Compensated Absences	4,763.52	260.38
	\$ 181,958.11	\$ 121,029.12
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 181,958.11</u>	<u>\$ 121,029.12</u>
Noncash Transactions Affecting Financial		
Bond Retirement in Excess of Refunding		
Issuance	\$ .00	\$ .00
<u>CASH AND CASH EQUIVALENTS</u>		
Cash	\$ 155,831.66	\$ 132,479.78
Investments - Certificates of Deposits	175,866.55	223,576.38
<u>TOTAL CASH AND CASH EQUIVALENTS</u>	<u>\$ 331,698.21</u>	<u>\$ 356,056.16</u>

The notes to the financial statements are an integral part of this statement. See the accompanying independent auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

INTRODUCTION

The Town of Farmerville operates under an elected Mayor/Council form of government. The Town's major operations include water and sewer, public safety, fire protection, recreation and parks, and general administrative services.

The council consist of five members who are elected for a four year term. See note number nine for a detail of compensation for the mayor and council.

The Town of Farmerville is located in Union Parish surrounded by D'Arbonne Lake recreation area. The Town's major industry is timber and poultry, which includes Conagra processing plant.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

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

Governmental Accounting Standards Board (GASB) Statement No,. 14 established criteria for determining which component units should be considered part of the Town of Farmerville 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 include:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the municipality 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 municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the Town of Farmerville (the primary government) and its

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

components units. The components units included in the accompanying financial statements are either blended with the municipality funds or discretely presented.

FUNDS INCLUDED WITHIN THE REPORTING ENTITY

The Town of Farmerville Water Department

The Town of Farmerville rates for user charges are approved by the Town Council and the legal liability for the general obligations portion of the water authority's debt remain with the Town of Farmerville.

The Town of Farmerville Sewer Department

The sewer charges are approved by the Town Council, but are regulated by the EPA. The sewer system was financed by FHA. The FHA notes were sold to General Electric Credit in 1990. Bonds in the amount of \$935,000 was refinanced.

The Town of Farmerville Sales Tax Department

The citizens of the Town of Farmerville approved a 1% sales and use tax. Proceeds of the tax have been pledged and dedicated to the retirement of sales tax Bonds dated May 1, 1985. Also the fund could be used for streets and sanitation expenditures.

The Town of Farmerville Dual State Drug Task Force

The Town pays expenditures, for one police officer, which is partially reimbursed, by the Dual State Drug Task Force.

The Town of Farmerville Capital Projects

The Town of Farmerville did not have any Capital Projects at June 30, 1999.

BLENDED COMPONENT UNITS

The Town of Farmerville has no blended units.

DISCRETELY PRESENTED COMPONENT UNITS

Component units are legally separate from the municipality but are financially accountable to the municipality, or whose relationship with the municipality are such that exclusion would cause the municipality's financial statements to be misleading or incomplete are discretely presented. The Component Units column of the combined financial statements include the financial data of these discretely presented components units. They are reported in a separate column to emphasize that they are legally separate from the municipality.



TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

The following component units are discretely presented in the accompany financial statements:

Farmerville Volunteer Fire Department, Inc.

The volunteer fire department expenditures for operating the fire department is paid by the Town of Farmerville's General Fund. The transactions in the Volunteer Fire Department, Inc. is for miscellaneous fund raisers and miscellaneous expense for the volunteer fireman. The Town transfers the State of Louisiana 2% rebate to the volunteer fire department, and is accumulated for purchase of equipment.

Contributors to the Volunteer Fire Department elect all the members of the governing board. The governing board is solely responsible for the Volunteer Fire Department Operations. The accounting records are maintained by an employee of the Town of Farmerville.

B. FUND ACCOUNTING

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

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

Funds of the municipality are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category 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 municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

1. General Fund--the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. In addition, the General Fund of each blended component unit is reported as a special revenue fund.

3. Debt service funds--account for transactions relating to resources retained and used of the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

4. Capital projects funds--account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in other governmental 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 the their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary funds include:

1. Enterprise funds--account for operations (a) 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 that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

2. Internal service funds--account for the financing of goods or services provided by one department to other departments or governments on a cost-reimbursement basis. The Town of Farmerville does not have an internal service fund.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. The Town of Farmerville does not have any fiduciary funds.

ACCOUNT GROUPS

1. General Fixed Assets Account Group--This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

2. General Long-Term Debt Account Group--This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. BASIS OF ACCOUNTING

Governmental funds utilized the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenue are reported as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available). Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service, prepaid expenses, and other long-term obligations which are recognized when paid.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. Interest on revenue bonds, proceeds of which are used in financing the construction of certain assets, is capitalized during the construction period net of interest on the investment of unexpended bond proceeds.

D. BUDGETARY DATA /ENCUMBRANCES

Formal budgetary accounting is employed as a management control for all funds of the Town annual operating budgets are adopted each fiscal year through passage of an annual budget ordinance and amended as required for the General Fund, Special Revenues Funds, Debt Service Funds, and Proprietary funds, and the same basis of accounting is used to reflect actual revenues and expenditures/expenses recognized on a generally accepted accounting principles basis. Budgets for certain Special Revenues Funds and Capital Projects Funds are made on a project basis, spanning more than one fiscal year. Budgetary control is exercised at the departmental level or by projects.

All unencumbered budget appropriations, except project budgets, lapse at the end of each fiscal year. See additional information in note 2.

E. BALANCE SHEET ACCOUNTS

Cash includes amounts in demand deposits as well as short-term investments, with maturity date within three months of the date acquired by the government.

State statutes authorized the government to invest in obligations of the U. S. Treasury, commercial paper, corporate bonds, and repurchase agreement.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Receivables All receivables are reported at their realizable value. Uncollectible amounts from customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. An allowance of \$7,026.04 was recorded at June 30, 1999 and \$10,137.29 for the year ended June 30, 1998. The allowance is based on 75% of accounts over 90 days old.

Investments Debt securities are valued at amortized cost since it is generally the policy of the Town to hold such investments until they mature.

Short-Term Interfund Receivables/Payables During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables".

Interest Receivable Interest on investments and certain receivables are recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Advances to Other Funds Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

Inventory The Town of Farmerville does not maintain inventories of parts and supplies used for water and sewer.

Prepaid Items Payments made to vendors for services that will benefit periods beyond June 30, 1999, are recorded as prepaid items.

Restricted Assets Certain proceeds of 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 "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond future debt service" account is used to report resources set aside to make up potential future deficiencies in the revenue bond current debt service account. The "revenue bond renewal and replacement" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacement.

Fixed Assets General Fixed Assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and constructions are reflected as expenditures in governmental funds, and the related assets are

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

reported in the general fixed assets account group. All purchased fixed assets are valued at cost where historical records are available and at an estimated historical cost where no historical record exist. Donated fixed assets are valued at their estimated fair market value on the date received.

The costs of maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related fixed assets, as applicable.

Public domain ("infrastructure") general fixed assets consisting of roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized, as these assets are immovable and of value only to the government.

Assets in the general fixed assets account group are not depreciated. Depreciation of building, equipment and vehicles in the proprietary fund types is computed using the straight-line method.

Interest is capitalized on proprietary fund assets acquired with tax-exempt debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period.

Compensated Absences Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it.

Amount of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees. In accordance with the provisions of Statement of Financial Accounting Standards No. 43, Accounting for Compensated Absences, no liability is recorded for nonvesting accumulating rights to receive sick pay benefits. All accumulated vacation leave is expected to be taken before December 31, 1999.

Long-Term Obligations Long-term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long-term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The remaining portion of such obligations is reported in the general long-term debt account group. Long-term liabilities expected to be financed from proprietary fund operations are accounted for in those funds.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Fund Equity The unreserved fund balances for governmental funds represent the amount available for budgeting future operations. The reserved fund balances for governmental funds represent the amount that has been legally identified for specific purposes. Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distribution. Reserved retained earnings for proprietary funds represent the net assets that have been legally identified for specific purposes. See additional information in Note 11.

Interfund Transactions Quasi-external transactions are accounted for as revenues, expenditures of expense. Transactions that constitute reimbursements to a fund for expenditures/expense initially made from it that are properly applicable to another fund, are recorded as expenditures/expenses in the reimbursing fund and as reduction of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonrouting permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

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

Comparative Data Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

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

Use Of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. According, actual results could differ from those estimates.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 2. LEGAL COMPLIANCE - BUDGET The budget for the year ended June 30, 1999 was adopted in June 1998 and revised June 1999. The budgets were prepared based on generally accepted accounting principles (GAAP), except depreciation is not budgeted. Budgets are adopted as totals rather than line item.

	<u>Income</u>	<u>Expense</u>
General Fund - Budget	\$ 1,000,170.00	\$ 967,548.00
- Actual	1,037,596.00	1,163,225.00
Sales Tax - Budget	568,600.00	539,340.00
- Actual	571,042.83	424,083.00
Debt Service - Budget	-	-
- Actual	-	-
Water Department - Budget	921,000.00	883,000.00
- Actual	890,642.00	624,539.50
Sewer Department - Budget	224,000.00	222,400.00
- Actual	192,444.00	234,204.79

The budget excess was largely due to the emergency purchase of a garbage truck for \$81,000 on June 29, 1999.

NOTE 3. DEPOSITS AND INVESTMENTS

Deposits At year end, the carrying amount of the government's deposits were \$1,273,431.00. Of this balance, \$1,177,859.00 was covered by federal depository insurance or by collateral held by the government's agent in the government's name. The State of Louisiana Banking Regulations require the FDIC to insure \$100,000 of checking and \$100,000 of savings for each municipality. The excess of \$98,572.00 was transferred in August 1999.

Investments The government's investments are categorized as either (1) insured or registered or for which the securities are held by the government or his agent in the government's name, (2) uninsured and unregistered for which the securities are held by the broker's or dealer's trust department or agent in the government's name or (3) uninsured and unregistered for which the securities are held by the broker or dealer, or by its trust department or agent but not in the government's name.

	<u>CATEGORIES</u>			<u>CARRYING AMOUNT</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Government Security Certificates of Deposit	\$ .00	\$ .00	\$ .00	\$ .00
Total Investments	<u>678,084.58</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
	<u>\$678,084.58</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ .00</u>

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 3. DEPOSITS AND INVESTMENTS CONTINUED

The State requires collateral pledged for deposits to be held in the government's name by the trust department.

The trust department reviews collateral pledged on a quarterly basis.

NOTE 4. RECEIVABLES Receivables at June 30, 1999 consist of the following:

	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>ENTERPRISE</u>
Gross Receivables	\$ 787.28	\$ 113.82	\$ .00	139,501.82
Less: Allowance for Uncollectables	.00	.00	.00	.00
<u>NET TOTAL RECEIVABLES</u>	<u>\$ 787.28</u>	<u>\$ 113.82</u>	<u>\$ .00</u>	<u>\$ 139,501.82</u>

Property taxes are levied as of January 1 on property values assessed as of the same date. The billing are mailed in October or November and is due on January 1. The delinquent taxes are sold each year, therefore, an allowance for uncollectible was not recorded.

NOTE 5. FIXED ASSETS The following is a summary of changes in the general fixed assets account group during the fiscal year.

	<u>BALANCE JUNE 30, 1998</u>	<u>ADDITIONS</u>	<u>RETIREMENTS</u>	<u>BALANCE JUNE 30, 1999</u>
Land	\$ 108,313.79	\$ .00	\$ .00	\$ 108,313.79
Buildings	383,780.04	.00	.00	383,780.04
Improvements Other Than Buildings	1,010,981.56	.00	.00	1,010,981.56
Machinery & Equipment	1,197,848.68	172,309.78	32,512.06	1,337,646.40
Other Assets	28,520.95	.00	.00	28,520.95
<u>TOTAL GENERAL FIXED ASSETS</u>	<u>\$2,729,445.02</u>	<u>\$172,309.78</u>	<u>\$ 32,512.06</u>	<u>\$2,869,242.74</u>



TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS  
 JUNE 30, 1999

NOTE 5. FIXED ASSETS CONTINUED

The following is a summary of proprietary fund-types fixed assets at June 30.

	ENTERPRISE FUNDS		
	1999		
	COST	ACCUMULATED DEPRECIATION	NET
Land	\$ 25,752.00	\$ .00	\$ 25,752.00
Buildings	\$ .00	\$ .00	\$ .00
Improvements Other Than Buildings	\$ .00	\$ .00	\$ .00
<u>Water/Sewer Systems</u>			
Sewer System	\$ 5,479,985.02	\$ 1,692,777.72	\$ 3,787,207.30
Water Plant/System	4,442,714.69	840,749.74	3,601,964.95
<u>Machinery/Equipment</u>			
Sewer	56,019.90	43,734.30	12,285.60
Water	410,641.85	201,258.91	209,382.94
Totals	<u>\$10,389,361.46</u>	<u>\$ 2,778,520.67</u>	<u>\$ 7,610,840.79</u>

	ENTERPRISE FUNDS		
	1998		
	COST	ACCUMULATED DEPRECIATION	NET
Land	\$ 25,752.00	\$ .00	\$ 25,752.00
Buildings	\$ .00	\$ .00	\$ .00
Improvements Other Than Buildings	\$ .00	\$ .00	\$ .00
<u>Water/Sewer Systems</u>			
Sewer System	\$ 5,479,985.02	\$ 1,579,052.36	\$ 3,900,932.66
Water Plant/System	4,475,312.12	762,159.19	3,713,152.93
<u>Machinery/Equipment</u>			
Sewer	65,269.90	48,198.49	17,071.41
Water	308,497.93	201,007.09	107,490.84
Totals	<u>\$10,354,816.97</u>	<u>\$ 2,590,417.13</u>	<u>\$ 7,764,399.84</u>

In proprietary funds, the following estimated useful lives are used to compute depreciation: See Schedule E7 for depreciation.

Investments	25 - 60 years
Equipment	10 - 20 years
Vehicles	4 - 5 years

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 5. FIXED ASSETS CONTINUED

FASB-34 (Capitalization of Interest Costs) requires that interest expenditures incurred during construction of assets be capitalized. FASB-62 (Capitalization of Interest Cost in Situations Involving Certain Tax-Exempt Borrowings and Certain Gifts and Grants) concludes that constructed assets financed with the proceeds of tax-exempt debt (if those funds are externally restricted to finance the acquisition of the asset or used to service the related debt) should include capitalized interest only to the extent that interest cost exceeds interest earned of the tax-exempt borrowing. During 1999, no interest costs were capitalized because the Town had no interest expenditures related to constructed assets.

VOLUNTEER FIRE DEPARTMENT. The fixed assets of the Volunteer Fire Department is as follows:

	<u>JUNE 1, 1998</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JULY 31, 1999</u>
1990 Ford Reserve Unit	\$ 58,898.00	\$ .00	\$ .00	\$ 58,898.00
Truck	73,480.00	.00	.00	73,480.00
Other	3,843.00	.00	.00	3,843.00
	<u>\$ 136,221.00</u>	<u>\$ .00</u>	<u>\$ .00</u>	<u>\$ 136,221.00</u>

NOTE 6. LONG-TERM DEBT The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both general government and proprietary activities. These bonds therefore are reported in the proprietary funds if they are expected to be repaid from proprietary revenues. In addition, general obligation bonds have been insured to refund both general obligation and revenue bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 25-year serial bonds, except for refunds in issues, with equal amount of principal maturing each year. General obligation bonds currently outstanding are as follows:

<u>PURPOSE</u>	<u>INTEREST RATES</u>	<u>AMOUNTS</u>
General Government-City Hall	6.40% - 11.00%	\$ 25,000.00
General Government-Public Safety	6.40% - 11.00%	20,000.00

Annual debt service requirements to maturity for general obligation bonds, including interest of \$3,150.00, are as follows:

<u>FISCAL YEAR</u>	<u>PUBLIC IMPROVEMENT BONDS</u>		
<u>ENDING</u>	<u>CITY HALL</u>	<u>PUBLIC SAFETY</u>	<u>TOTAL</u>
<u>JUNE 30</u>			
<u>2000</u>	<u>26,750.00</u>	<u>21,400.00</u>	<u>48,150.00</u>

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

Revenue Bonds The government also issues bonds where the government pledges income to pay debt service. A \$.01 Sales tax is pledge to pay the revenue bonds. Revenue bonds outstanding, at June 30, 1999 are as follows:

<u>PURPOSE</u>	<u>INTEREST RATES</u>	<u>AMOUNTS</u>
Wastewater Treatment - Sewer	5.00% - 7.50%	\$ 1,205,000.00

Revenue bonds debt service requirements to maturity, including \$ 430,767.50 of interest as follows:

<u>FISCAL YEAR ENDING</u> <u>JUNE 30</u>	<u>AMOUNT</u>
2000	\$ 150,177.50
2001	150,935.00
2002	151,395.00
2003	151,515.00
2004	146,235.00
2005	145,885.00
Thereafter	739,625.00
Total	<u>\$ 1,635,767.50</u>

Changes in Long-Term Liabilities. During the year ended June 30, 1999, the following changes occurred in liabilities reported in the general long-term debt account group:

	<u>BALANCE</u> <u>JULY 1,</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30</u>
General Obligation Debt	<u>\$1,370,000.00</u>	<u>\$ .00</u>	<u>\$120,000.00</u>	<u>\$1,250,000.00</u>

NOTE 7. INTERFUND ASSETS/LIABILITIES

Due From/To Other Funds:

<u>RECEIVABLE FUND</u>	<u>PAYABLE FUND</u>	<u>AMOUNT</u>	
		<u>1999</u>	<u>1998</u>
General Fund - Fire	Water	\$ 22,216.79	\$ .00
General Fund - Garbage	Water - Garbage Fees	53,044.49	41,592.04
Sewer - Enterprise	Water - Ent. Fund	22,333.02	24,578.52
Bond Fund	General Fund	51,686.46	27,447.46
Water - Enterprise Fund	General Fund	.00	1,435.58
Volunteer Fire Dept.	General Fund	11,476.94	.00

NOTE 8. FIRE DEPARTMENT The Volunteer Fire Department is an incorporated enterprise, and funds are transferred to this entity to be spent for materials and supplies. The Town transfers the 2% state insurance funds.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 9. COMPENSATION The amount paid the mayor and council during the audit year is as follows:

	<u>1999</u>	<u>1998</u>
<u>Mayor, Willie Davis, Jr.</u> Salary and Expenses	<u>\$ 16,999.84</u>	<u>\$ 16,999.84</u>
<u>Police Chief (A)</u> Bim Culbertson	<u>\$ 600.00</u>	<u>\$ 600.00</u>
	<u>1999</u>	<u>1998</u>
<u>Alderman</u> Jerry Taylor	\$ 3,650.00	\$ 3,750.00
Tommy J. Johnson	2,500.00	2,500.00
Kenneth Dixson	2,500.00	2,500.00
Gerome Nation	2,500.00	2,500.00
Kendal Terral	2,500.00	2,500.00
	<u>\$ 13,650.00</u>	<u>\$ 13,750.00</u>

(A) The Police Chief is also the elected Marshall. In that capacity he receives \$50 a month. He also receives a salary for his position as chief of police.

NOTE 10. EMPLOYEE RETIREMENT

Substantially all employees of the Town of Farmerville are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana and Social Security. These systems are multiple-employer public employee retirement systems(PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan as follows:

A. Municipal Employees Retirement System of Louisiana (System)--The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 per cent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 per cent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 per cent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 10. EMPLOYEE RETIREMENT CONTINUED

Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one per cent of the taxes shown to be collectible by the tax rolls of each municipality. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

B. Municipal Police Employees Retirement System of Louisiana (System)--All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the system. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

C. Firefighters Retirement System of Louisiana--Membership in the Louisiana Firefighters Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1990, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 per cent of their final-average salary for each year of creditable service, not to exceed 100 per cent of their final-average salary. Final-average salary is the employee's average salary over the 39 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 10. EMPLOYEE RETIREMENT CONTINUED

accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the System. Employer contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for any dedicated tax monies or appropriated funds.

The following provides certain disclosures for the municipality and the retirement systems that are required by GASB Codification Section P20-129:

	YEAR ENDED JUNE 30, 1999					
	%	EMPLOYEES	%	POLICE	%	FIREFIGHTERS
Total Current Year Payroll	-	\$579,520.46	-	\$252,318.56	-	\$ 19,518.13
Total Current Year Covered Payroll		407,400.39	-	68,095.68	-	18,928.00
Contributions: Required by statute:						
Employees		20,369.96	-	5,107.28	-	1,514.24
Employer Total		15,277.79	-	6,128.58	-	1,506.96

NOTE 11. EQUITY Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures. Specific reservations of the fund balance accounts are summarized below.

Reserve for Debt Service This reserve was created to segregate a portion of the fund balance account for debt service, including both principal payments and interest payments. The reservation was established to satisfy legal restrictions imposed by various bond agreements.

Reserve for Fire Department This reserve was created for the property taxes allocated to the fire department.

Reserve for Water and Sewer Repair This fund was established by order of FHA for major repairs to the new system. The balance at June 30, 1999 was \$43,796.14.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 11. EQUITY CONTINUED

Reserve for Flag Pole Account This account was created by the citizens of Farmerville for maintenance of the flag and flag pole located in front of Town Hall. The total funds were expended during the fiscal year ended.

Reserve for Capital Improvements The Council approved transferring monies from water, sewer, and sales tax funds for future capital improvements. The total reserves at June 30, 1999 amounted to \$143,436.01.

NOTE 12. SUMMARY DISCLOSURES OF SIGNIFICANT CONTINGENCIES Risk Management Insurance handles all defense, for the Town. The Mayor advises us that the Town has several lawsuits. The Town's legal council advises us that they have not received the information from Risk Management concerning the status of the lawsuits.

NOTE 13. ENTERPRISE FUND The Enterprise working capital is as follows:

	1999			1998
	WATER	SEWER	TOTAL	
Current Assets	\$ 466,663.37	\$ 4,626.66	\$ 471,290.03	\$ 477,728.05
Current Liabilities	69,408.87	19,387.18	88,796.05	92,025.50
Net Working Capital	<u>\$ 397,254.50</u>	<u>\$ (14,760.52)</u>	<u>\$ 382,493.98</u>	<u>\$ 385,702.55</u>

NOTE 14. ECONOMIC DEPENDENCY A large portion of the increase in water and garbage revenues are due to the agreement with Con Agra Poultry Processing Plant.

The Town received \$109,015.10 in Video Poker receipts for the fiscal year. The parish voted to terminate Video Poker in the parish. The receipts terminated at June 30, 1999.

NOTE 15. YEAR 2000

The management of the Town of Farmerville has addressed part of the year 2000 problem. As of the audit date total corrections had not been made to the year 2000 problem.

In the water department, the water meters are read with hand held machines that are not year 2000 compatible. Because of the year 2000 problem with these units, the entire meter reading system will be upgraded. This system will cost between \$40,000 and \$45,000.

Cost for training and other hidden cost is estimated to be \$8,000, which does not include installation cost. The estimated total for all year 2000 costs will be approximately \$65,000.

The Town of Farmerville, Louisiana has addressed only problems with their systems. At this time, the Town does not know what effect the year 2000 will have on them from outside sources or if they have addressed all of their year 2000 problems.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

NOTE 16. ATTORNEY GENERAL OPINION

The Legislative Auditor Advisory Committee requested that the Town request an opinion from the Louisiana Attorney General concerning the Town's policy on water and sewer services for employees and former employees. At the audit date the Town's legal council had not requested an opinion.

NOTE 17. GOVERNMENTAL GRANTS

The Town had not received any Federal Grants during the audit period. All prior grants were completed prior to audit period.



GENERAL FUND

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

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
GENERAL FUND  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 1999 AND 1998

STATEMENT A-1

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 252,514.78	\$ 75,209.42
Accounts Receivable		
Property Taxes	56.32	1,640.85
Other	730.96	804.55
Restricted Assets		
Property Tax Escrow	2,500.90	.00
Cash	16,078.64	94,517.38
Accounts Receivable - Water Dept.	22,216.79	.00
Investments	.00	22,866.23
Due From Other Funds	53,044.49	41,592.04
<u>TOTAL ASSETS</u>	<u>\$ 347,142.88</u>	<u>\$ 236,630.47</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	\$ 137,372.99	\$ 54,929.66
Accrued Liabilities	32,180.91	19,921.34
Payable from Restricted Assets		
Deposit - Garbage Containers	.00	16,140.00
Transfer to Bond Fund	51,686.46	27,447.46
Due to Other Funds	11,476.94	1,435.58
Deferred Revenue	2,500.90	.00
Total Liabilities	<u>\$ 235,218.20</u>	<u>\$ 119,874.04</u>
 <u>EQUITY</u>		
Fund Balance		
Reserve for Fire Department	\$ 70,990.16	\$ 41,756.35
Reserve for Flag Pole	.00	589.05
Unreserved	40,934.52	74,411.03
Total Equity	<u>\$ 111,924.68</u>	<u>\$ 116,756.43</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 347,142.88</u>	<u>\$ 236,630.47</u>

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
GENERAL FUND

STATEMENT A-2

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	1999	1998
<u>REVENUES</u>		
Taxes		
Property	\$ 152,184.06	\$ 155,259.95
Franchise	116,959.46	107,333.30
Licenses and Permits	238,469.97	234,794.72
Intergovernment Revenues	49,531.46	40,957.24
Charges For Services	335,479.06	274,601.87
Fines and Forfeits	32,371.34	21,934.70
Miscellaneous Revenue	108,512.79	90,437.78
Interest Revenue	4,087.44	6,458.21
<u>TOTAL REVENUES</u>	<u>\$ 1,037,595.58</u>	<u>\$ 931,777.77</u>
<u>EXPENDITURES</u>		
Current		
General and Administrative	\$ 228,567.72	\$ 218,770.84
Transportation	34,898.82	.00
Police Department	418,506.20	389,685.66
Fire Department	108,134.29	100,953.28
Recreation Department	913.31	2,801.47
Farmerville City Park	.00	8,643.62
State Park	416.03	499.04
Garbage Department	371,789.17	264,220.05
<u>TOTAL EXPENDITURES</u>	<u>\$ 1,163,225.54</u>	<u>\$ 985,573.96</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>OVER (UNDER) EXPENDITURES</u>	<u>\$ (125,629.96)</u>	<u>\$ (53,796.19)</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In		
Water - Fire Department Reserve	\$ 22,216.79	\$ .00
Sales Tax - Garbage Dept.	4,805.92	12,165.89
Sewer - Administrative Fee	6,532.33	8,441.11
Water Department	87,243.17	11,372.29
<u>TOTAL OTHER FINANCING SOURCES (USES)</u>	<u>\$ 120,798.21</u>	<u>\$ 31,979.29</u>
<u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER</u> <u>SOURCES OVER (UNDER) EXPENDITURES AND</u> <u>OTHER (USES)</u>	<u>\$ (4,831.75)</u>	<u>\$ (21,816.90)</u>
(Increase) Decrease in Reserves:		
Fire Department	(29,233.81)	1,995.53
Flag Pole	589.05	470.03
Net Change in Unreserved Fund Balances for the Year	<u>\$ (33,476.51)</u>	<u>\$ (19,351.34)</u>
<u>FUND BALANCES - UNRESERVED - JULY 1</u>	<u>74,411.03</u>	<u>93,762.37</u>
<u>FUND BALANCES - UNRESERVED - JUNE 30</u>	<u>\$ 40,934.52</u>	<u>\$ 74,411.03</u>

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
GENERAL FUND

STATEMENT A-3

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
<b>REVENUES</b>					
<b>Taxes</b>					
Advalorem - General	\$ 51,000.00	\$ 62,928.76	\$ 51,000.00	\$ 61,869.03	\$ 10,869.03
Advalorem - Fire Department	78,800.00	89,255.30	78,800.00	88,520.92	9,720.92
Franchise	115,000.00	116,959.46	110,000.00	107,333.30	(2,666.70)
Housing Authority in Lieu of Taxes	4,500.00	.00	4,870.00	4,870.00	.00
Total Taxes	\$ 249,300.00	\$ 269,143.52	\$ 244,670.00	\$ 252,593.25	\$ 17,923.25
<b>Licenses &amp; Permits</b>					
Alcoholic Beverages	\$ 7,000.00	\$ 7,995.00	\$ 10,000.00	\$ 9,860.00	\$ (140.00)
Occupational	60,000.00	57,760.00	64,000.00	63,704.00	(296.00)
Occupational - Insurance	60,000.00	60,693.46	60,000.00	61,426.41	1,426.41
Other	3,000.00	3,006.41	3,000.00	2,833.50	(166.50)
Video Poker	110,000.00	109,015.10	100,000.00	96,970.81	(3,029.19)
Total Licenses & Permits	\$ 240,000.00	\$ 238,469.97	\$ 237,000.00	\$ 234,794.72	\$ (2,205.28)
<b>Intergovernmental Revenues</b>					
Tobacco	\$ 17,000.00	\$ 16,935.00	\$ 17,000.00	\$ 16,935.00	\$ (65.00)
State Revenue Sharing	4,000.00	2,633.00	3,200.00	3,280.00	80.00
Alcoholic Beverage	8,000.00	7,667.15	8,000.00	10,305.41	2,305.41
State 2% Insurance Fund	11,000.00	22,296.31	10,436.83	10,436.83	.00
Total Intergovernmental Revenue	\$ 40,000.00	\$ 49,531.46	\$ 38,636.83	\$ 40,957.24	\$ 2,320.41
<b>Charges for Services</b>					
Municipal Court Cost	\$ 13,500.00	\$ 13,651.00	\$ 10,000.00	\$ 9,252.00	\$ (748.00)
Accident Report	1,000.00	960.00	1,000.00	1,077.00	77.00
Drug Task Force	15,000.00	15,000.00	15,000.00	15,000.00	0.00
Pager Service	720.00	720.00	720.00	720.00	.00
Garbage Fees	300,000.00	305,148.06	250,000.00	248,552.87	(1,447.13)
Total Charges for Service	\$ 330,220.00	\$ 335,479.06	\$ 276,720.00	\$ 274,601.87	\$ (2,118.13)
<b>Fines and Forfeits</b>					
DWI Fines	\$ 1,000.00	\$ 922.96	\$ 2,000.00	\$ 1,910.32	\$ (89.68)
Municipal Court Fines	30,000.00	31,448.38	20,000.00	19,833.00	(167.00)
Restitution - Police	.00	.00	.00	191.38	191.38
Total Fines and Forfeits	\$ 31,000.00	\$ 32,371.34	\$ 22,000.00	\$ 21,934.70	\$ (65.30)
<b>Miscellaneous</b>					
Miscellaneous	\$ 1,100.00	\$ 1,340.50	\$ 6,000.00	\$ 5,993.78	\$ (6.22)
Supplemental Pay - State of Louisiana	.00	28,800.00	30,600.00	30,590.00	(10.00)
Rural Development Grant	.00	.00	.00	8,000.00	8,000.00
Transportation Grant	24,800.00	24,800.00	.00	9,500.00	9,500.00

Farmerville City Park	50.00	42.00	(8.00)	200.00	97.00	(103.00)
FEMA	.00	12,149.81	12,149.81	.00	.00	.00
Oil & Mineral Lease	1,500.00	1,498.48	(1.52)	.00	.00	.00
Collection Service	4,200.00	4,200.00	.00	4,200.00	4,200.00	.00
Sale of Assets	4,500.00	4,585.00	85.00	.00	.00	.00
Fees - Farmers' Market	500.00	453.00	(37.00)	700.00	724.00	24.00
Administrative Fees & Mechanic	30,000.00	30,000.00	.00	30,000.00	30,000.00	.00
Interest Income	2,500.00	4,087.44	1,587.44	4,000.00	5,458.21	2,458.21
JTPA Program	.00	174.00	174.00	.00	313.00	313.00
Zoning Changing	500.00	450.00	(40.00)	1,500.00	920.00	(580.00)
Total Miscellaneous	\$ 69,650.00	\$ 112,600.23	\$ 42,950.23	\$ 77,200.00	\$ 96,895.99	\$ 19,695.99
<b>TOTAL REVENUE</b>	\$ 960,170.00	\$ 1,037,595.58	\$ 77,425.58	\$ 896,226.83	\$ 931,777.77	\$ 35,550.94

<b>EXPENDITURES</b>						
<b>General and Administrative</b>						
Salaries and Expenses	\$ 100,000.00	\$ 92,565.22	\$ 7,434.78	\$ 88,000.00	\$ 88,984.95	\$ (984.95)
Employee Benefit Expense						
Dental	700.00	884.85	(184.85)	800.00	1,374.39	(574.39)
Medicare	1,300.00	1,301.00	(1.00)	1,300.00	1,328.01	(28.01)
FICA Contributions	5,580.00	5,563.45	16.54	5,700.00	5,677.90	22.10
Unemployment Contributions	300.00	127.58	172.42	200.00	109.61	90.39
Retirement	1,600.00	1,685.66	(85.66)	1,400.00	1,127.74	272.26
Hospital Insurance	6,000.00	10,606.10	(4,606.10)	5,000.00	9,295.92	(4,295.92)
Workmens Compensation Insurance	1,000.00	1,550.00	(550.00)	950.00	989.28	(39.28)
Auditing	5,000.00	5,750.00	(750.00)	4,750.00	5,125.00	(375.00)
Bad Debts	.00	14.40	(14.40)	.00	800.63	(800.63)
Cash Short and Over	.00	.00	.00	.00	17.16	(17.16)
Civil Defense	268.00	267.48	.52	267.48	267.48	.00
Dues & Subscription	3,000.00	2,907.00	93.00	3,500.00	4,372.97	(872.97)
Economic Development	.00	320.00	(320.00)	500.00	500.00	.00
Insurance	8,000.00	6,443.32	1,556.68	12,000.00	3,865.92	8,114.08
Office Supplies	5,000.00	4,910.55	89.45	6,000.00	6,374.38	(374.38)
City Hall Maintenance & Supplies	10,000.00	11,147.01	(1,147.01)	10,000.00	11,355.05	(1,355.05)
Telephone	10,000.00	10,023.49	(23.49)	10,000.00	9,132.90	867.10
Travel and Education - Clerk	4,000.00	1,781.54	2,218.46	4,000.00	4,780.94	(780.94)
Travel and Education - Mayor	14,000.00	11,933.49	2,066.51	11,000.00	9,358.36	1,641.64
Travel - Attorney	1,000.00	745.12	254.88	1,000.00	1,174.18	(174.18)
Travel - Others	2,500.00	2,800.08	(300.08)	3,000.00	3,182.87	(182.87)
Utilities	15,000.00	15,621.29	(621.29)	17,000.00	15,414.13	1,585.87
Current Year Asset Purchases	4,000.00	3,997.24	2.76	5,000.00	3,763.75	1,236.25
Coroner Expense	1,000.00	960.00	40.00	200.00	135.00	65.00
Computer Expense	.00	2,741.00	(2,741.00)	2,000.00	1,505.33	494.67
Advertising and Filing	5,000.00	5,258.95	(1,258.95)	6,500.00	8,309.00	(1,809.00)
Election Expense	.00	309.62	(309.62)	.00	604.16	(604.16)
Mechanics & Major Truck Expense	.00	.00	.00	.00	2,237.72	(2,237.72)
Maintenance of Equipment	6,500.00	6,266.24	233.76	5,000.00	5,548.70	(548.70)
Farmers Market Building	.00	68.56	(68.56)	.00	58.86	(58.86)
Old City Hall Expense	.00	301.00	(301.00)	50.00	12.74	37.26
Employee Drug Testing	100.00	.00	100.00	50.00	55.00	(5.00)
Triad Phone Service	1,100.00	1,233.37	(133.37)	1,300.00	1,233.90	66.10
Shop Supplies	.00	.00	.00	.00	1,250.21	(1,250.21)
Miscellaneous						
Christmas Tree	15,000.00	12,761.02	2,238.98	.00	.00	.00
Others	5,000.00	4,712.08	287.92	5,000.00	5,027.05	(1,027.05)
Total General and Administration	\$ 231,948.00	\$ 228,567.72	\$ 3,380.28	\$ 211,467.48	\$ 215,371.20	\$ (3,903.72)

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	1999			1998			VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	
<b>EXPENDITURES</b>							
<u>Transportation</u>							
Salaries	\$ .00	\$ 10,806.02	\$ (10,806.02)	\$ .00	\$ .00	\$ .00	.00
Employee Benefit Expense	.00	669.99	(669.99)	.00	.00	.00	.00
FICA	.00	276.97	(276.97)	.00	.00	.00	.00
Retirement	.00	156.72	(156.72)	.00	.00	.00	.00
Medicare	.00	21.61	(21.61)	.00	.00	.00	.00
Unemployment	.00	132.42	(132.42)	.00	.00	.00	.00
Telephone	.00	2,980.09	19.91	.00	3,399.64	(3,399.64)	.00
Vehicle, Gas & Oil	3,000.00	19,855.00	(19,855.00)	.00	.00	.00	.00
Fixed Asset Purchases	.00	34,898.82	(31,898.82)	.00	3,399.64	(3,399.64)	.00
Total Transportation	\$ 3,000.00	\$ 34,898.82	\$ (31,898.82)	\$ .00	\$ 3,399.64	\$ (3,399.64)	
<u>Police Department</u>							
Salaries	\$ 235,000.00	\$ 245,537.03	\$ (10,537.03)	\$ 210,000.00	\$ 206,366.43	\$ 3,633.57	(268.28)
Salaries - Overtime	.00	6,781.53	(6,781.53)	25,000.00	25,268.28	268.28	10.00
Salaries - Supplemental Pay	.00	25,200.00	(25,200.00)	27,000.00	26,990.00	10.00	
Employee Benefit Expense							
Dental	2,700.00	3,259.77	(559.77)	2,500.00	2,343.00	157.00	
Medicare Tax	3,400.00	3,522.08	(122.08)	3,400.00	3,350.47	49.53	
FICA Contributions	14,500.00	15,027.10	(527.10)	14,570.00	14,325.29	244.71	
Retirement	6,000.00	6,128.58	(128.58)	7,000.00	6,036.88	963.12	
Unemployment	400.00	349.11	50.89	1,200.00	512.22	687.78	
Hospitalization Insurance	19,000.00	18,681.05	318.95	16,000.00	17,042.52	(1,042.52)	
Life Insurance	2,500.00	1,377.60	1,122.40	2,500.00	1,317.00	1,183.00	
Worker's Compensation Insurance	20,000.00	20,481.40	(481.40)	18,000.00	18,412.19	(412.19)	
Drug Control	.00	.00	.00	.00	200.00	(200.00)	
Dues and Subscriptions	300.00	244.95	55.05	.00	300.00	(300.00)	
Insurance	5,000.00	11,639.27	(6,639.27)	5,000.00	13,970.38	(8,970.38)	
Office Supplies	5,000.00	5,842.27	(842.27)	4,000.00	4,349.18	(349.18)	
Travel & Training	4,000.00	4,794.09	(794.09)	5,000.00	6,532.19	(1,532.19)	
Radio - Operations	500.00	791.25	(291.25)	300.00	618.25	(318.25)	
Uniforms	2,000.00	1,210.60	789.40	2,000.00	2,431.94	(431.94)	
Current Year Asset Purchases	5,000.00	3,538.10	1,461.90	6,000.00	6,350.17	(350.17)	
Telephone	4,000.00	4,365.05	(365.05)	4,000.00	3,723.56	276.44	
Supplies	4,500.00	4,927.95	(427.95)	4,000.00	4,384.05	(384.05)	
Employee Drug Testing	300.00	.00	300.00	50.00	25.00	25.00	
Special Investigation	.00	.00	.00	.00	32.69	(32.69)	
Vehicle - Gas & Oil	10,000.00	9,329.34	670.65	9,000.00	9,946.59	(946.59)	
Vehicle Repair	25,000.00	25,478.07	(478.07)	13,000.00	14,857.38	(1,857.38)	
Total Police Department	\$ 359,100.00	\$ 418,505.20	\$ (49,405.20)	\$ 379,520.00	\$ 389,685.65	\$ (10,165.65)	

<u>Fire Department</u>						
Salary & Expense Fire Dept.	\$ 20,000.00	\$ 19,518.13	\$ 481.87	\$ 20,000.00	\$ 18,450.00	\$ 1,540.00
Salaries - Supplemental Pay	.00	3,600.00	(3,600.00)	3,600.00	3,600.00	.00
Employee Benefit Expense						
Dental	250.00	225.65	24.35	200.00	213.01	(13.01)
Medicare Tax	250.00	274.69	(14.69)	260.00	267.11	(7.11)
Fireman's Retirement	1,500.00	1,315.78	284.22	1,600.00	1,551.00	(51.00)
FICA Contribution	1,150.00	1,174.12	(24.12)	1,150.00	1,142.37	7.63
Unemployment	50.00	37.99	12.01	50.00	35.82	13.18
Hospitalization Insurance	1,500.00	1,745.58	(245.58)	1,500.00	1,549.32	(49.32)
Worker's Compensation Insurance	2,100.00	2,133.00	(33.00)	2,200.00	2,294.92	(94.92)
Employee Drug Testing	100.00	.00	100.00	.00	.00	.00
Uniforms	200.00	.00	200.00	150.00	121.08	28.92
Vehicle - Gas & Oil	500.00	1,055.84	(555.84)	1,000.00	754.87	245.13
Vehicle - Repairs	.00	2,644.55	(2,644.55)	14,000.00	14,497.86	(497.86)
Equipment Repairs	25,990.00	24,096.15	1,893.85	200.00	6,254.81	(6,054.81)
Radios	.00	.00	.00	150.00	149.00	1.00
Telephone	1,500.00	1,491.54	8.46	1,500.00	1,383.42	116.58
Supplies	3,500.00	3,558.22	(58.22)	1,000.00	1,543.58	(543.58)
Travel & Training	1,000.00	1,923.49	(923.49)	500.00	663.10	(163.10)
Asset Purchases	.00	.00	.00	1,000.00	6,090.98	(5,090.98)
Major Purchase	.00	.00	.00	12,923.83	12,923.83	.00
Fire Station Repairs	100.00	75.64	24.36	500.00	304.65	195.35
Clothing Allowance	7,000.00	5,588.00	312.00	6,674.00	6,674.00	.00
Utilities Fire Department	2,000.00	1,585.16	414.84	2,200.00	1,977.88	222.12
Transfer to Volunteer Fire Department	11,000.00	22,296.31	(11,296.31)	10,479.00	10,479.00	.00
Insurance	10,000.00	12,693.45	(2,693.45)	10,000.00	20,844.50	(10,844.50)
Total Fire Department	\$ 89,800.00	\$ 108,134.29	\$ (18,334.29)	\$ 92,836.83	\$ 100,953.28	\$ (8,116.45)
<u>Recreation Department</u>						
Insurance	\$ .00	\$ 127.63	\$ (127.63)	\$ .00	\$ 166.00	\$ (166.00)
Utilities	400.00	315.84	84.16	400.00	378.73	21.27
Supplies	600.00	459.84	130.16	2,500.00	2,255.74	243.26
Total Recreation	\$ 1,000.00	\$ 913.31	\$ 85.69	\$ 2,900.00	\$ 2,801.47	\$ 98.53
<u>Farmerville City Park</u>						
Maintenance	\$ .00	\$ .00	\$ .00	\$ 100.00	\$ 8,543.62	\$ (8,543.62)
Utilities	.00	.00	.00	400.00	.00	400.00
Total State Park	\$ 1,900.00	\$ 416.03	\$ 1,483.97	\$ .00	\$ 499.04	\$ (1,404.96)
<u>Garbage</u>						
Salaries	\$ 134,000.00	\$ 134,167.10	\$ (167.10)	\$ 110,000.00	\$ 107,445.11	\$ 2,554.89
Employee Benefit Expenses						
Dental Insurance	1,000.00	558.05	341.95	900.00	.00	900.00
Medicare Taxes	2,000.00	1,915.49	83.51	1,600.00	1,551.13	38.87
Municipal Retirement	3,400.00	3,259.04	140.96	2,500.00	2,193.65	306.34
FICA Taxes	8,300.00	8,194.72	105.28	6,500.00	6,643.90	(143.90)
Unemployment Taxes	300.00	264.25	35.75	300.00	215.45	84.55
Hospital Insurance	5,000.00	5,505.15	(505.15)	6,500.00	4,751.06	1,748.94
Worker's Compensation Insurance	22,500.00	22,482.92	17.08	18,500.00	17,596.92	903.08
Employee Drug Testing	300.00	290.00	10.00	50.00	50.00	.00
Truck & Equipment - Gas & Oil	10,000.00	10,669.11	(669.11)	9,000.00	9,219.23	(219.23)

STATEMENT A-3  
(CONTINUED)

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
GENERAL FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
Garbage Continued					
Truck & Repairs	\$ 20,000.00	\$ 23,078.91	\$ 22,000.00	\$ 38,156.15	\$ (16,156.15)
Fixed Assets	.00	90,933.95	.00	10,703.00	(10,703.00)
Garbage Container Expense	5,000.00	10,988.77	\$ 16,000.00	15,885.24	114.76
Uniforms	500.00	.00	150.00	274.40	(124.40)
Miscellaneous	4,000.00	5,270.78	3,500.00	3,496.61	3.39
Insurance	9,000.00	8,101.00	.00	8,932.00	(8,932.00)
Lease Payment - Bond Fund	.00	3,009.48	.00	3,009.48	(3,009.48)
Compactor Expense	45,000.00	42,999.45	40,000.00	34,086.71	5,913.29
Total Sanitary Landfill: & Garbage	\$ 270,300.00	\$ 371,789.17	\$ 237,500.00	\$ 264,220.05	\$ (26,720.05)
TOTAL EXPENDITURES	\$ 967,048.00	\$ 1,163,225.54	\$ 924,724.31	\$ 985,573.96	\$ (60,849.65)
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	\$ (5,878.00)	\$ (125,629.96)	\$ (28,497.48)	\$ (53,796.19)	\$ (25,298.71)
OTHER FINANCING SOURCES (USES)					
Operating Transfer In:					
Water - Fire Department Reserve	.00	\$ 22,216.79	.00	.00	\$ 22,216.79
Sales Tax - Garbage Department	.00	4,805.92	.00	12,165.89	12,165.89
Sewer - Administrative Fee	.00	5,532.33	.00	8,441.11	8,441.11
Water Department	20,000.00	87,243.17	.00	11,372.29	11,372.29
Total Other Financing Sources (Uses)	\$ 20,000.00	\$ 120,798.21	\$ 100,798.21	\$ 31,979.29	\$ 3,979.29
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	\$ 13,122.00	\$ (4,831.75)	\$ (28,497.48)	\$ (21,816.90)	\$ 5,680.58
(Increase) Decrease in Reserves:					
Fire Department	.00	\$ (29,233.81)	-	1,995.53	1,995.53
Flag Pole	.00	589.05	-	470.03	470.03
Net Change in Unreserved - Fund Balances for the year	\$ 13,122.00	\$ (33,476.51)	\$ (28,497.48)	\$ (19,351.34)	\$ 9,120.66
FUND BALANCES - UNRESERVED - JULY 1	74,411.03	74,411.03	93,762.37	93,762.37	-
FUND BALANCES - UNRESERVED - JUNE 30	\$ 87,533.03	\$ 40,934.52	\$ 65,264.89	\$ 74,411.03	\$ 12,146.14

See accompanying notes and auditors' report.



## SPECIAL REVENUE FUNDS

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Special revenue funds are used to account for special revenues that are legally restricted to expenditures for particular purposes.

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### SALES TAX FUND

Proceeds of the 1% sales tax are to be used for costs incurred in operating a Sanitary Landfill Site for Garbage and Waste Disposal; for Street Repair and Maintenance; and for Sewer Repair and Maintenance.

SALES TAX FUND - SPECIAL REVENUE FUND

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
SALES TAX FUND - SPECIAL REVENUE FUND  
COMPARATIVE BALANCE SHEET  
JUNE 30, 1999 AND 1998

STATEMENT B-1

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 107,858.80	\$ 97,808.69
Receivables:		
Union Parish School Board	113.82	423.72
Others	.00	549.51
Restricted Assets		
Certificate of Deposit	<u>19,512.07</u>	<u>13,160.63</u>
<u>TOTAL ASSETS</u>	<u>\$ 127,484.69</u>	<u>\$ 111,942.55</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Vouchers Payable	\$ 37,008.59	\$ 21,764.46
Accrued Liabilities	10,441.22	5,678.00
Due Other Funds	<u>41,427.00</u>	<u>.00</u>
<u>Total Liabilities</u>	<u>\$ 88,876.81</u>	<u>\$ 27,442.46</u>
<u>EQUITY</u>		
Fund Balance		
Reserved for Capital Projects	\$ 19,512.07	\$ 13,160.63
Unreserved	<u>19,095.81</u>	<u>71,339.46</u>
<u>Total Equity</u>	<u>\$ 38,607.88</u>	<u>\$ 84,500.09</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 127,484.69</u>	<u>\$ 111,942.55</u>

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA

SALES TAX - SPECIAL REVENUE FUND  
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	1999		1998		VARIANCE FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	BUDGET	ACTUAL	
<b>REVENUES</b>					
Taxes - Sales Tax	\$ 550,000.00	\$ 559,458.28	\$ 510,000.00	\$ 528,404.28	\$ 18,404.28
Interest Income	10,000.00	2,908.73	10,000.00	9,658.63	(341.37)
Miscellaneous Reimbursements	8,600.00	8,675.82	8,675.82	8,675.82	.00
<b>TOTAL REVENUES</b>	<b>\$ 568,600.00</b>	<b>\$ 571,042.83</b>	<b>\$ 528,675.82</b>	<b>\$ 546,738.73</b>	<b>\$ 18,062.91</b>
<b>EXPENDITURES</b>					
<b>General Government</b>					
Salaries	\$ 60,000.00	\$ 55,966.76	\$ 52,000.00	\$ 51,790.48	\$ 209.52
Employee Benefits Expenses					
Medicare Taxes	870.00	858.46	750.00	761.54	(11.54)
Municipal Retirement	2,000.00	1,813.02	1,200.00	1,014.20	185.80
FICA Taxes	3,720.00	3,670.71	3,300.00	3,394.86	(94.85)
Unemployment Taxes	200.00	155.08	200.00	87.62	112.38
Hospital Insurance	5,000.00	5,487.46	3,200.00	4,454.30	(1,254.30)
Dental	700.00	790.33	600.00	514.75	85.25
Worker's Compensation Insurance	2,500.00	2,518.00	2,000.00	2,075.52	(75.52)
Employee Drug Testing	100.00	.00	.00	.00	.00
Office Expense	3,500.00	4,842.53	4,000.00	3,465.48	534.52
Auditing	5,000.00	5,000.00	4,750.00	4,750.00	.00
Insurance	6,000.00	5,486.78	14,000.00	.00	14,000.00
Current Year Assets Purchases	15,000.00	53,985.16	2,500.00	4,002.36	(1,502.36)
Telephone	1,200.00	1,110.11	1,000.00	922.28	77.72
Travel	250.00	226.34	120.00	111.25	8.75
Computer	1,000.00	1,925.00	1,000.00	875.33	124.67
Sales Tax Collection Cost	4,000.00	4,000.00	.00	4,000.00	(4,000.00)
Miscellaneous	1,000.00	718.42	100.00	205.16	(105.16)
Administrative Fees	15,000.00	15,000.00	15,000.00	15,000.00	.00
LCDBG - Grant Expenses	.00	0.00	.00	42.48	(42.48)
<b>Total General Government</b>	<b>\$ 127,040.00</b>	<b>\$ 163,554.26</b>	<b>\$ 105,720.00</b>	<b>\$ 97,457.61</b>	<b>\$ 8,252.39</b>
<b>Street Repair</b>					
Salaries	\$ 90,000.00	\$ 98,309.88	\$ 85,000.00	\$ 87,320.56	\$ (2,320.56)
Employee Benefits Expenses					
Medicare Taxes	1,300.00	1,309.92	1,250.00	1,241.32	8.58
Municipal Retirement	2,500.00	2,288.91	1,700.00	1,459.04	240.96
FICA Taxes	5,600.00	5,601.65	5,500.00	5,307.26	192.74
Unemployment Taxes	200.00	145.72	250.00	171.25	78.75
Hospital Insurance	7,000.00	7,965.52	3,500.00	4,454.29	(954.29)
Dental	1,000.00	1,138.45	650.00	638.88	11.12
Worker's Compensation Insurance	17,500.00	17,323.73	16,000.00	16,172.11	(172.11)
Insurance	6,000.00	7,327.00	.00	8,892.54	(8,892.54)

Street Maintenance	12,000.00	9,157.54	2,832.36	12,000.00	12,727.32	(727.32)
Truck Equipment - Oil & Gas	5,000.00	5,597.40	(597.40)	7,000.00	7,519.89	(519.89)
Truck Equipment - Repairs	25,000.00	26,562.54	(1,562.54)	15,000.00	16,994.37	(1,994.37)
Employee Drug Testing	200.00	25.00	175.00	100.00	65.00	35.00
Utilities	55,000.00	52,990.68	2,009.32	54,000.00	53,083.50	916.50
Miscellaneous	2,500.00	2,952.12	(452.12)	2,500.00	1,880.37	619.63
Uniforms	3,000.00	2,912.37	87.63	400.00	516.42	(116.42)
Total Street Repair	\$ 233,800.00	\$ 241,718.63	\$ (7,918.63)	\$ 204,850.00	\$ 218,444.12	\$ (13,594.12)
<u>Maintenance Department</u>						
Truck Expense	\$ 3,500.00	\$ 4,003.71	\$ (503.71)	\$ 1,800.00	2,037.89	(237.89)
Shop Supplies	10,000.00	10,709.51	(709.51)	10,000.00	11,491.67	(1,491.67)
Total Maintenance Department:	\$ 13,500.00	\$ 14,713.22	\$ (1,213.22)	\$ 11,800.00	\$ 13,529.56	\$ (1,729.56)
<u>Prison Labor and Expenses</u>						
Labor	\$ -	\$ -	\$ -	\$ -	\$ 802.79	\$ -
Meals/Food/Supplies	-	-	-	-	4,340.94	-
Insurance	-	-	-	-	148.38	-
Total Prison Labor and Expenses	\$ 4,000.00	\$ 4,096.63	\$ (96.63)	\$ 5,000.00	\$ 5,292.11	\$ (292.11)
<u>TOTAL EXPENDITURES</u>	\$ 378,340.00	\$ 424,082.74	\$ (45,742.74)	\$ 327,370.00	\$ 334,733.40	\$ (7,363.40)
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	\$ 190,250.00	\$ 145,950.09	\$ (43,299.91)	\$ 201,305.82	\$ 212,005.33	\$ (10,699.51)
<u>OTHER FINANCING SOURCES (USES)</u>						
Operating Transfers To:						
Debt Service Funds	\$ (155,000.00)	\$ (188,046.38)	\$ (33,046.38)	\$ (150,000.00)	\$ (156,107.65)	\$ (16,107.65)
Transfer General Fund - Garbage	.00	(4,805.92)	(4,805.92)	(20,000.00)	(12,155.88)	7,834.12
Total Other Financing Sources (Uses)	\$ (155,000.00)	\$ (192,852.30)	\$ (37,852.30)	\$ (170,000.00)	\$ (178,273.53)	\$ (8,273.53)
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	\$ 35,250.00	\$ (45,892.21)	\$ (81,152.21)	\$ 31,305.82	\$ 33,731.80	\$ (2,425.98)
<u>(INCREASE) DECREASE IN RESERVES</u>	\$ (5,000.00)	\$ (6,351.44)		\$ .00	\$ (13,150.63)	
<u>NET CHANGE IN UNRESERVED FUND BALANCES FOR YEAR</u>	29,250.00	(52,243.65)		.00	20,571.17	
<u>FUND BALANCES - UNRESERVED - JULY 1</u>	71,339.46	71,339.46		50,768.29	50,768.29	
<u>FUND BALANCES - UNRESERVED - JUNE 30</u>	\$ 100,599.46	\$ 19,095.81		\$ 82,074.11	\$ 71,339.46	

TOWN OF FARMERVILLE, LOUISIANA STATEMENT B-3  
FARMERVILLE, LOUISIANA  
SPECIAL REVENUES - SALES TAX FUND  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

	1999	1998
<u>REVENUES</u>		
<u>Taxes</u>		
Sales Tax	\$ 559,458.28	\$ 528,404.28
<u>Miscellaneous</u>		
Interest Earned	2,908.73	9,658.63
Reimbursements	8,675.82	8,675.82
<u>TOTAL REVENUES</u>	<u>\$ 571,042.83</u>	<u>\$ 546,738.73</u>
 <u>EXPENDITURES</u>		
<u>General Government</u>		
Salaries	\$ 55,966.76	\$ 51,790.48
Employee Benefits Expenses		
Medicare Tax	858.46	761.54
Municipal Retirement	1,813.02	1,014.20
FICA Taxes	3,670.71	3,394.86
Unemployment	155.08	87.62
Hospital Insurance	5,487.46	4,454.30
Dental	790.33	514.75
Worker's Compensation Insurance	2,518.00	2,075.52
Office Expense	4,842.63	3,465.48
Auditing	5,000.00	4,750.00
Insurance - Liability	5,486.78	.00
Current Year Asset Purchases	53,985.16	4,002.36
Telephone	1,110.11	922.28
Travel	226.34	111.25
Computer	1,925.00	875.33
Sales Tax Collection Cost	4,000.00	4,000.00
Miscellaneous	718.42	205.16
Administrative Fees	15,000.00	15,000.00
LCDBG - Grant Expense	.00	42.48
Total General Government	<u>\$ 163,554.26</u>	<u>\$ 97,467.61</u>
<u>Prison Labor and Expense</u>		
Labor	\$ -	\$ 802.79
Meals/Food/Supplies	-	4,340.94
Insurance	-	148.38
Total Prison Labor and Expense	<u>\$ 4,096.63</u>	<u>\$ 5,292.11</u>

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
SPECIAL REVENUES - SALES TAX FUND  
STATEMENT B-3  
CONTINUED  
COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

	<u>1999</u>	<u>1998</u>
<u>Street Repair</u>		
Salaries	\$ 98,309.88	\$ 87,320.56
Employee Benefits Expenses		
Medicare Taxes	1,309.92	1,241.32
Municipal Retirement	2,288.91	1,459.04
FICA Taxes	5,601.65	5,307.26
Unemployment Taxes	145.72	171.25
Hospital Insurance	7,965.52	4,454.29
Dental	1,138.45	638.88
Worker's Compensation Insurance	17,323.73	16,172.11
Insurance	7,327.00	8,892.54
Street Maintenance	9,167.64	12,727.32
Truck Equipment - Oil and Gas	5,597.40	7,519.89
Truck Equipment - Repairs	26,662.64	16,994.37
Employee Drug Testing	25.00	65.00
Utilities	52,990.68	53,083.50
Miscellaneous	2,952.12	1,880.37
Uniforms	2,912.37	516.42
Total Street Repair	<u>\$ 241,718.63</u>	<u>\$ 218,444.12</u>
 <u>Maintenance Department</u>		
Truck Expense	\$ 4,003.71	2,037.89
Shop Supplies	10,709.51	11,491.67
Total Maintenance Department	<u>\$ 14,713.22</u>	<u>\$ 13,529.56</u>
 <u>TOTAL EXPENDITURES</u>	 <u>\$ 424,082.74</u>	 <u>\$ 334,733.40</u>
 <u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	 <u>\$ 146,960.09</u>	 <u>\$ 212,005.33</u>
 <u>OTHER FINANCING SOURCES (USES)</u>		
Operating Transfers In(Out):		
Debt Service Funds	\$ (188,046.38)	\$ (166,107.65)
Transfer to Other Funds - Garbage	(4,805.92)	(12,165.88)
Total Other Financing Sources (Uses)	<u>\$ (192,852.30)</u>	<u>\$ (178,273.53)</u>
 <u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	 <u>\$ (45,892.21)</u>	 <u>\$ 33,731.80</u>
 <u>(INCREASE) DECREASE IN RESERVE</u>	 <u>(6,351.44)</u>	 <u>(13,160.63)</u>
 <u>NET CHANGE IN UNRESERVED FUND BALANCES FOR YEAR</u>	 <u>\$ (52,243.65)</u>	 <u>\$ 20,571.17</u>
 <u>FUND BALANCES - UNRESERVED - JULY 1</u>	 <u>71,339.46</u>	 <u>50,768.29</u>
 <u>FUND BALANCES - UNRESERVED - JUNE 30</u>	 <u>\$ 19,095.81</u>	 <u>\$ 71,339.46</u>

See accompanying notes and auditors' report.

DEBT SERVICE FUNDS



TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
DEBT SERVICE FUNDS  
COMPARATIVE BALANCE SHEETS  
JUNE 30, 1999 AND 1998

STATEMENT C-1

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 35,570.86	\$ 37,980.92
Due from General Fund - Bonds	51,686.46	27,447.46
Investments, at cost or amortized cost	<u>218,403.05</u>	<u>171,448.21</u>
<u>TOTAL ASSETS</u>	<u>\$ 305,660.37</u>	<u>\$ 236,876.59</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Matured Bonds Payable	\$ .00	\$ .00
Matured Interest Payable	<u>.00</u>	<u>.00</u>
<u>Total Liabilities</u>	<u>\$ .00</u>	<u>\$ .00</u>
 <u>EQUITY</u>		
Fund Balances		
Reserved-		
Designated for Debt Service	<u>\$ 305,660.37</u>	<u>\$ 236,876.59</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 305,660.37</u>	<u>\$ 236,876.59</u>

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
DEBT SERVICE FUNDS

STATEMENT C-2

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>		
Interest Earned	\$ 9,396.69	\$ 8,951.15
Property Taxes	67,548.00	66,991.91
Total Revenues	<u>\$ 76,944.69</u>	<u>\$ 75,943.06</u>
<u>EXPENDITURES</u>		
Debt Service		
Principal Retirement	\$ 122,661.82	\$ 117,649.29
Interest and Fiscal Charges	76,207.30	84,070.06
Total Expenditures	<u>\$ 198,869.12</u>	<u>\$ 201,719.35</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ (121,924.43)</u>	<u>\$ (125,776.29)</u>
<u>OTHER FINANCING SOURCES (USED):</u>		
Operation Transfers In:		
Sales Tax	\$ 188,046.39	\$ 156,840.22
Other	2,661.82	3,009.48
Total Other Financing Sources (Uses)	<u>\$ 190,708.21</u>	<u>\$ 159,849.70</u>
<u>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING USES</u>	<u>\$ 68,783.78</u>	<u>\$ 34,073.41</u>
(Increase) Decrease in Reserves for Debt Service	<u>(68,783.78)</u>	<u>(34,073.41)</u>
Net Change in Unreserved Fund Balances for the Year	\$ .00	\$ .00
<u>FUND BALANCES - UNRESERVED - JULY 1</u>	<u>.00</u>	<u>.00</u>
<u>FUND BALANCES - UNRESERVED - JUNE 30</u>	<u>\$ .00</u>	<u>\$ .00</u>

See accompanying notes and auditors' report.

STATEMENT C-3

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEETS

JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1998)

		<u>PUBLIC IMPROVEMENTS BONDS</u>	<u>PUBLIC IMPROVEMENTS BONDS FIRE #2</u>	<u>SALES TAX BONDS</u>	<u>CITY HALL BONDS</u>	<u>PUBLIC SAFETY BONDS</u>	<u>TOTALS</u>
					<u>08/01/90</u>	<u>08/01/90</u>	<u>1999</u> <u>1998</u>
<u>ASSETS</u>							
Cash	\$	200.00	2,072.98	.00	14,064.14	19,233.74	\$ 37,980.92
Due from/to General Fund		.00	.00	.00	29,331.11	22,355.35	27,447.46
Investments, at cost or Amortized Cost		.00	.00	218,403.05	.00	.00	171,448.21
<u>TOTAL ASSETS</u>	\$	<u>200.00</u>	<u>2,072.98</u>	<u>218,403.05</u>	<u>43,395.25</u>	<u>41,589.09</u>	<u>\$ 305,560.37</u>
<u>LIABILITIES AND EQUITY</u>							
<u>LIABILITIES</u>							
Matured Bonds Payable	\$	.00	.00	.00	.00	.00	.00
Matured Interest Payable		.00	.00	.00	.00	.00	.00
Total Liabilities	\$	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>	<u>.00</u>
<u>EQUITY</u>							
Reserved							
Designated for Debt Service	\$	<u>200.00</u>	<u>2,072.98</u>	<u>218,403.05</u>	<u>43,395.25</u>	<u>41,589.09</u>	<u>\$ 236,876.59</u>
<u>TOTAL LIABILITIES AND EQUITY</u>	\$	<u>200.00</u>	<u>2,072.98</u>	<u>218,403.05</u>	<u>43,395.25</u>	<u>41,589.09</u>	<u>\$ 236,876.59</u>

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA

DEBT SERVICE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
(WITH COMPARATIVE TOTALS FOR JUNE 30, 1998)

	LEASE PURCHASE	SALES TAX BONDS	CITY HALL BONDS 08/01/90	PUBLIC SAFETY BONDS 08/01/90	TOTALS 1999	TOTALS 1998
<b>REVENUES</b>						
Interest Earned	\$ .00	\$ 8,498.45	\$ 380.56	\$ 517.68	\$ 9,395.69	\$ 8,951.15
Property Taxes	.00	.00	34,063.00	33,485.00	67,548.00	66,991.91
Total Revenues	\$ .00	\$ 8,498.45	\$ 34,443.56	\$ 34,002.68	\$ 76,944.59	\$ 75,943.06
<b>EXPENDITURES</b>						
Debt Service						
Principal Retirement	\$ 2,561.82	\$ 80,000.00	\$ 20,000.00	\$ 20,000.00	\$ 122,561.82	\$ 117,649.29
Interest and Fiscal Charges	.00	59,590.00	3,484.52	3,132.78	76,207.30	84,070.05
Total Expenditures	\$ 2,561.82	\$ 149,590.00	\$ 23,484.52	\$ 23,132.78	\$ 198,859.12	\$ 201,719.35
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	\$ (2,561.82)	\$ (141,091.55)	\$ 10,959.04	\$ 10,869.90	\$ (121,924.43)	\$ (125,776.29)
<b>OTHER FINANCING SOURCES (USES)</b>						
Operation Transfer In:						
Sales Tax	\$ .00	\$ 188,045.39	\$ .00	\$ .00	\$ 188,045.39	\$ 156,840.22
General Fund	2,561.82	.00	.00	.00	2,561.82	3,009.48
Total Other Financing Sources (Uses)	\$ 2,561.82	\$ 188,045.39	\$ .00	\$ .00	\$ 190,708.21	\$ 159,849.70
<b>EXCESS (DEFICIENCY) OF REVENUE AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES AND OTHER FINANCING SOURCES (USES)</b>	\$ .00	\$ 46,954.84	\$ 10,959.04	\$ 10,869.90	\$ 68,783.78	\$ 34,073.41
(Increase) Decrease in Reserve For Debt Service	\$ .00	\$ (46,954.84)	\$ (10,959.04)	\$ (10,869.90)	\$ (68,783.78)	\$ (34,073.41)
Net Change in Unreserved Fund Balances for the year	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00
<b>FUND BALANCES - UNRESERVED - JULY 1</b>	.00	.00	.00	.00	.00	.00
<b>FUND BALANCES - UNRESERVED - JUNE 30</b>	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00	\$ .00

See accompanying notes and auditors' report.

GENERAL LONG-TERM DEBT

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 GENERAL LONG-TERM DEBT  
 COMBINING BALANCE SHEETS

JUNE 30, 1999  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1998)

	LEASE PURCHASE	PUBLIC IMPROVEMENTS BONDS	PUBLIC IMPROVEMENTS BONDS FIRE #2	SALES TAX BONDS	CITY HALL BONDS 08/01/90	SAFETY BONDS 08/01/90	TOTALS
							1999
AMOUNT AVAILABLE IN THE DEBT SERVICE FUND	\$ .00	\$ 200.00	\$ 2,072.98	\$ 218,403.05	\$ 43,395.25	\$ 41,589.09	\$ 305,660.37
RESOURCES TO BE PROVIDED IN FUTURE YEARS							
1% Sales and Use Tax	.00	.00	.00	986,596.95	.00	.00	986,596.95
General Obligation Bonds	.00	.00	.00	.00	.00	.00	21,844.60
General Fund	.00	.00	.00	.00	.00	.00	2,561.82
TOTAL AVAILABLE AND TO BE PROVIDED	\$ .00	\$ 200.00	\$ 2,072.98	\$ 1,205,000.00	\$ 43,395.25	\$ 41,589.09	\$ 1,292,257.32
GENERAL LONG-TERM DEBT PAYABLE							
Bonds Payable	\$ .00	\$ .00	\$ .00	\$ 1,205,000.00	\$ 25,000.00	\$ 20,000.00	\$ 1,250,000.00
Lease Payment	.00	.00	.00	.00	.00	.00	2,561.82
Accumulated Funds in Excess of Bond Payable	.00	200.00	2,072.98	.00	18,395.25	21,589.09	42,257.32
TOTAL GENERAL LONG-TERM DEBT PAYABLE	\$ .00	\$ 200.00	\$ 2,072.98	\$ 1,205,000.00	\$ 43,395.25	\$ 41,589.09	\$ 1,292,257.32
							\$ 1,374,934.80

See accompanying notes and auditors' report.

ENTERPRISE FUNDS

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEETS

JUNE 30, 1999  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1998)

	WATER	SEWER	TOTALS
	1999	1998	
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Cash			
Investments	\$ 151,205.00	\$ 4,626.66	\$ 155,831.66
Accounts Receivable (Net of Allowance for Uncollectible of \$7,026.04 for 1999 and \$10,137.29 for 1998)	175,866.55	.00	175,866.55
Other	139,501.82	.00	139,501.82
Estimates and Retainage Receivable	90.00	.00	90.00
Total Current Assets	\$ 456,563.37	\$ 4,626.66	\$ 471,290.03
<b>RESTRICTED ASSETS</b>			
Customer's Deposit	\$ 8,631.91	\$ .00	\$ 8,631.91
Demand Account	93,483.55	.00	93,483.55
Certificates of Deposit			
Depreciation and Contingency Fund			
Certificates of Deposit - Water/Sewer Reserve	123,923.94	43,796.14	167,720.08
Total Restricted Assets	\$ 226,039.40	\$ 43,796.14	\$ 269,835.54
<b>FIXED ASSETS</b>			
Land			
Machinery and Equipment	\$ 25,752.00	\$ .00	\$ 25,752.00
Sewer/Water Plant	410,641.85	56,019.90	466,661.75
Total	4,442,714.69	5,479,985.02	9,922,699.71
Less: Accumulated Depreciation	4,879,108.54	5,536,004.92	10,415,113.46
Net Property, Plant and Equipment	1,042,008.55	1,736,512.02	2,778,520.67
	3,837,099.89	3,799,492.90	7,636,592.79
<b>TOTAL ASSETS</b>	\$ 4,529,802.55	\$ 3,847,915.70	\$ 8,377,718.35
			\$ 8,459,971.42



LIABILITIES AND EQUITY

CURRENT LIABILITIES

Vouchers Payable	\$ 58,829.79	\$ 16,080.56	\$ 74,910.45	\$ 46,011.22
Estimates and Retainage Payable	.00	.00	.00	4,852.48
Other Accrued Expenses	95.08	.00	95.08	1,005.34
Due To/From - Other Funds	33,833.95	.00	33,833.95	41,592.04
Due To/From - Sewer/Water	(117,523.86)	117,523.86	.00	.00
Due To/From - Garbage Deposits	.00	.00	.00	(1,435.58)
Total Current Liabilities	<u>(24,855.04)</u>	<u>133,704.52</u>	<u>108,839.48</u>	<u>92,025.50</u>

CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)

Customer's Deposit	\$ 77,240.00	\$ .00	\$ 77,240.00	\$ 49,347.34
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NONCURRENT LIABILITIES

Accumulated Unpaid Vacation and Salaries

	\$ 10,484.00	\$ 3,306.52	\$ 13,790.52	\$ 9,027.00
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TOTAL LIABILITIES

	\$ 62,858.96	\$ 137,011.04	\$ 199,870.00	\$ 150,399.84
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EQUITY

Fund Equity

Contributed Capital				
Municipality	\$ 228,516.43	\$ 1,291,820.29	\$ 1,520,436.72	\$ 1,568,041.47
Federal Grant	3,127,862.77	2,289,920.81	5,417,783.58	5,552,649.32
FEMA Grant	.00	19,077.44	19,077.44	23,845.44
Total Contributed Capital	<u>3,356,479.20</u>	<u>3,600,818.54</u>	<u>6,957,297.74</u>	<u>7,144,537.23</u>

RETAINED EARNINGS

Unreserved	\$ 986,540.56	\$ 55,289.98	\$ 1,052,830.54	\$ 1,019,636.71
Reserved	123,923.94	43,795.14	167,720.08	145,397.54
Total Retained Earnings	<u>1,110,464.50</u>	<u>110,086.12</u>	<u>1,220,550.62</u>	<u>1,165,034.35</u>

TOTAL EQUITY

	\$ 4,455,943.70	\$ 3,710,904.55	\$ 8,177,848.36	\$ 8,309,571.58
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TOTAL LIABILITIES AND EQUITY

	\$ 4,529,802.66	\$ 3,847,915.70	\$ 8,377,718.36	\$ 8,459,971.42
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See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 ENTERPRISE FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

	TOTALS	
	1999	1998
<u>OPERATING REVENUES</u>		
Charges for Service		
Water Sales	\$ 817,400.63	\$ 719,961.26
Penalties and Reconnections/Connections	39,095.93	22,313.95
Sewer Sales	190,741.03	174,014.43
Tapping Fees	5,803.60	7,750.57
Miscellaneous	1,780.44	.00
Total Operating Revenues	\$ 1,054,821.63	\$ 924,040.21
<u>OPERATING EXPENSES</u>		
Cost of Sales and Service	\$ 361,467.47	\$ 414,785.24
Administration	263,072.03	295,022.58
Depreciation	121,562.68	221,839.14
Total Operating Expenses	\$ 745,102.18	\$ 931,646.96
<u>OPERATING INCOME (LOSS)</u>	\$ 117,978.42	\$ (7,606.75)
<u>NONOPERATING REVENUE (EXPENSES)</u>		
Interest Income	\$ 24,261.58	\$ 17,397.18
Sale of Assets	2,300.00	.00
Total Nonoperating Revenue (Expenses)	\$ 26,561.58	\$ 17,397.18
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$ 144,540.00	\$ 9,790.43
<u>(TRANSFER TO)/FROM OTHER FUNDS</u>		
General Fund	(109,459.90)	(19,813.40)
<u>NET (LOSS) BEFORE NON-OPERATING ADDITIONS (DEDUCTIONS)</u>	\$ 35,080.10	\$ (10,022.97)
Add Back Depreciation on Assets Acquired with Capital Grants	86,527.32	162,588.64
<u>NET INCOME (LOSS)</u>	\$ 121,607.42	\$ 152,565.67
(Increase) Decrease in Reserves	(16,407.71)	(116,511.43)
Net Change in Unreserved Retained Earnings for the Year	\$ 105,199.71	\$ 36,054.24
<u>RETAINED EARNINGS - UNRESERVED - JULY 1</u>	881,340.85	983,582.47
<u>RETAINED EARNINGS - UNRESERVED - JUNE 30</u>	\$ 986,540.56	\$ 1,019,636.71

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA

STATEMENT E-3

ENTERPRISE FUNDS

COMBINING STATEMENTS OF CASH FLOWS  
 FOR THE FISCAL YEARS ENDED JUNE 30, 1999  
 WITH COMPARATIVE TOTALS FOR JUNE 30, 1998

	1999		1998	
	WATER	SEWER	TOTAL	TOTAL
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>				
Cash Received from Customers	\$ 845,432.55	\$ 190,741.03	\$ 1,036,173.58	\$ 836,595.80
Cash Paid to Suppliers	(384,860.77)	(108,841.79)	(493,702.56)	(459,795.24)
Cash Paid to Employees	(135,338.30)	(42,174.99)	(177,513.29)	(151,583.12)
Payment of Staff and Administrative Expenses	(101,077.80)	(81,921.82)	(182,999.62)	(104,188.32)
<u>NET CASH FROM OPERATING ACTIVITIES</u>	<u>\$ 224,155.68</u>	<u>\$ (42,197.57)</u>	<u>\$ 181,958.11</u>	<u>\$ 121,029.12</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>				
Payments to Other Funds	\$ (109,459.90)	\$ (6,532.33)	\$ (115,992.23)	\$ (19,813.40)
Loans to Other Funds	(46,595.01)	40,272.50	(6,322.51)	.00
<u>NET CASH USED BY NONCAPITAL FINANCING ACTIVITIES</u>	<u>\$ (155,054.91)</u>	<u>\$ 33,740.17</u>	<u>\$ (122,314.74)</u>	<u>\$ (19,813.40)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>				
Grant Receipt	.00	.00	.00	224,844.00
Acquisition of Capital Assets	(112,266.18)	.00	(112,266.18)	(344,787.57)
<u>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</u>	<u>\$ (112,266.18)</u>	<u>\$ .00</u>	<u>\$ (112,266.18)</u>	<u>\$ (119,943.57)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>				
Other Income	\$ 26,561.58	\$ 1,703.28	\$ 28,264.86	\$ 17,397.18
<u>NET CASH PROVIDED BY INVESTING ACTIVITIES</u>	<u>\$ 26,561.58</u>	<u>\$ 1,703.28</u>	<u>\$ 28,264.86</u>	<u>\$ 17,397.18</u>
<u>NET INCREASE IN CASH AND CASH EQUIVALENTS</u>	<u>\$ (17,603.83)</u>	<u>\$ (6,754.12)</u>	<u>\$ (24,357.95)</u>	<u>\$ (1,330.67)</u>
<u>CASH AND CASH EQUIVALENTS, JULY 1</u>	<u>344,675.38</u>	<u>11,380.78</u>	<u>356,056.16</u>	<u>357,386.83</u>
<u>CASH AND CASH EQUIVALENTS, JUNE 30</u>	<u>\$ 327,071.55</u>	<u>\$ 4,626.66</u>	<u>\$ 331,698.21</u>	<u>\$ 356,056.16</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>				
Operating Income	\$ 117,978.42	\$ (161,974.27)	\$ (43,995.85)	\$ (7,606.75)
Adjustments				
Depreciation	121,562.68	118,510.51	240,073.19	221,839.14
(Increase)Decrease in Assets	(18,094.03)	174.10	(17,919.93)	44,771.96
Receivables	(46,077.24)	(5,914.73)	(51,991.97)	(125,532.35)
Increase(Decrease) in Liabilities				
Accounts Estimates and Retainage Payable	17,756.19	5,380.30	23,136.49	(19,535.60)
Trust Liabilities and Deposits	27,892.55	.00	27,892.66	6,832.34
Accrued Compensated Absences	3,137.00	1,626.52	4,763.52	260.38
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 224,155.68</u>	<u>\$ (42,197.57)</u>	<u>\$ 181,958.11</u>	<u>\$ 121,029.12</u>
Noncash Transactions Affecting Financial Bond Retirement in Excess of Refunding Issuance	\$ .00	\$ .00	\$ .00	\$ .00

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 ENTERPRISE FUND

COMBINING SCHEDULE OF DETAIL OF EXPENSES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999  
 (WITH COMPARATIVE TOTALS FOR THE FISCAL YEAR ENDED JUNE 30, 1998)

	TOTALS	
	1999	1998
	WATER	SEWER
	\$	\$
<u>WATER SUPPLIES AND MATERIALS</u>		
Chlorine	11,211.00	.00
Chlorine Equipment Repair	809.91	.00
Supplies	54,237.15	.00
Utilities	210,204.08	.00
Major Well and Tank Repairs	37,219.37	.00
Meter Replacement	26,225.81	.00
Water Well Expense	21,315.59	.00
Safe Drinking Water Program	244.56	.00
Totals	<u>361,467.47</u>	<u>.00</u>
	\$	\$
<u>SEWER SUPPLIES AND MATERIALS</u>		
Chlorine	.00	6,600.00
Chemicals	.00	2,793.10
Chemical Test	.00	6,449.50
Supplies	.00	4,849.17
Utilities	.00	40,735.44
Pump Repair	.00	53,861.95
Major Repair	.00	2,263.00
Treatment Plant Repairs	.00	34,730.81
Totals	<u>.00</u>	<u>152,282.97</u>
	\$	\$
<u>TOTAL COST OF SALES AND SERVICE</u>	<u>361,467.47</u>	<u>152,282.97</u>
	\$	\$
<u>ADMINISTRATIVE</u>		
Auditing	5,390.00	5,000.00
Administrative Fee	15,000.00	.00
Bad Debts	7,026.04	.00
Cash Over and Short	.00	.00
Computer Expense	8,032.00	8,027.00
Dues	335.99	.00
Insurance - Liability	9,914.59	3,331.66
Miscellaneous	310.18	1,159.17
Office Supplies	16,498.91	35.58
	\$	\$
<u>TOTALS</u>	<u>112,211.00</u>	<u>11,211.00</u>
	\$	\$
	<u>11,211.00</u>	<u>15,192.50</u>
	809.91	2,792.60
	54,237.15	45,153.08
	210,204.08	195,891.67
	37,219.37	19,572.75
	26,225.81	24,568.83
	21,315.59	25,024.29
	244.56	.00
	<u>361,467.47</u>	<u>328,195.73</u>
	\$	\$
	6,600.00	11,008.00
	2,793.10	1,312.00
	6,449.50	5,188.38
	4,849.17	2,004.49
	40,735.44	41,515.91
	53,861.95	8,410.52
	2,263.00	.00
	34,730.81	17,150.21
	<u>152,282.97</u>	<u>86,589.51</u>
	\$	\$
	<u>513,750.44</u>	<u>414,785.24</u>
	\$	\$
	10,390.00	9,500.00
	15,000.00	15,000.00
	7,026.04	10,589.43
	.00	177.90
	16,059.00	4,560.07
	335.99	439.54
	13,246.25	18,762.28
	1,459.35	543.87
	15,535.49	13,035.21

Telephone	5,835.52	497.18	7,332.70	6,294.53
Travel and Training	2,642.06	.00	2,642.06	1,907.47
Equipment - Gas & Oil	132.79	.00	132.79	399.50
Equipment Repairs	2,598.67	1,532.75	4,131.42	3,645.82
Truck - Gas & Oil	5,646.76	2,848.44	9,495.20	9,378.85
Truck Repairs	5,648.25	4,395.07	11,043.32	10,165.91
Radio Repairs	1,040.90	.00	1,040.90	499.44
Uniforms	2,011.12	.00	2,011.12	1,635.87
Salaries	138,475.30	43,801.51	182,276.81	151,843.50
Employee Benefit Expense				
Retirement Expense	4,503.25	1,325.40	5,828.65	3,652.57
Medicare Tax	1,962.36	611.56	2,573.92	2,197.91
FICA Contributions	8,390.81	2,615.14	11,005.95	9,398.07
Unemployment Tax	253.45	84.35	337.80	311.56
Hospital Insurance	9,683.52	3,234.94	12,918.56	9,586.86
Dental	1,181.02	464.07	1,645.09	1,261.80
Worker's Compensation Insurance	7,557.44	2,957.00	10,514.44	10,038.52
Employee Drug Testing	.00	.00	.00	95.00
<u>TOTAL ADMINISTRATIVE</u>	<u>\$ 263,072.03</u>	<u>\$ 81,921.82</u>	<u>\$ 344,993.85</u>	<u>\$ 295,022.58</u>

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA

ENTERPRISE FUND

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	WATER		SEWER		VARIANCE
	BUDGET	ACTUAL	BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)
<u>OPERATING REVENUES</u>					
Charges for Service	\$ 800,000.00	\$ 817,400.63	\$ 17,400.63	\$ .00	\$ .00
Water Sales	35,000.00	39,095.93	4,095.93	.00	.00
Penalties and Reconnections/Connections	.00	.00	.00	190,741.03	(1,258.97)
Sewer Sales	5,000.00	5,803.50	(195.40)	.00	.00
Tapping Fees	.00	1,780.44	1,780.44	.00	.00
Miscellaneous	.00	864,080.60	23,080.60	190,741.03	(1,258.97)
Total Operating Revenues	\$ 841,000.00	\$ 864,080.60	\$ 23,080.60	\$ 190,741.03	\$ (1,258.97)
<u>OPERATING EXPENDITURES</u>					
Cost of Sales and Service	\$ 336,000.00	\$ 361,467.47	\$ (25,467.47)	\$ 152,282.97	\$ (3,782.97)
Administration	285,000.00	263,072.03	21,927.97	81,921.82	(8,021.82)
Depreciation	.00	121,562.68	(121,562.68)	118,510.51	(118,510.51)
Total Operating Expenses	\$ 621,000.00	\$ 746,102.18	\$ (125,102.18)	\$ 352,715.30	\$ (130,315.30)
<u>OPERATING INCOME (LOSS)</u>	\$ 220,000.00	\$ 117,978.42	\$ (102,021.58)	\$ (161,974.27)	\$ (131,574.27)
<u>NONOPERATING REVENUE (EXPENSES)</u>					
Interest Income	\$ 20,000.00	\$ 24,261.58	\$ 4,261.58	\$ 1,703.28	\$ (296.72)
Sale of Assets	.00	2,300.00	2,300.00	.00	.00
Total Nonoperating Revenue (Expenses)	\$ 20,000.00	\$ 26,561.58	\$ 6,561.58	\$ 1,703.28	\$ (296.72)
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$ 240,000.00	\$ 144,540.00	\$ (95,460.00)	\$ (160,270.99)	\$ (131,870.99)
<u>(TRANSFER TO)/FROM OTHER FUNDS</u>					
General Fund	\$ 40,000.00	\$ 109,459.90	\$ (69,459.90)	\$ 6,532.33	\$ (6,532.33)
<u>NET (LOSS) BEFORE NON-OPERATING ADDITIONS (DEDUCTIONS)</u>	\$ 200,000.00	\$ 35,080.10	\$ (164,919.90)	\$ (166,803.32)	\$ (138,403.32)
Add Back Depreciation on Assets Acquired with Capital Grants	.00	86,527.32	86,527.32	100,712.17	100,712.17
<u>NET INCOME (LOSS)</u>	\$ 200,000.00	\$ 121,607.42	\$ (78,392.58)	\$ (66,091.15)	\$ (37,691.15)
(Increase) Decrease in Reserved for Depreciation and Contingency Fund	.00	(16,407.71)	.00	(5,914.73)	(5,914.73)
Net Change in Unreserved Retained Earnings for the Year	\$ 200,000.00	\$ 105,199.71	\$ (94,800.29)	\$ (72,005.88)	\$ (72,005.88)
<u>RETAINED EARNINGS - UNRESERVED - JULY 1</u>	881,340.85	881,340.85	138,295.86	138,295.86	
<u>RETAINED EARNINGS - UNRESERVED - JUNE 30</u>	\$ 681,340.85	\$ 986,540.56	\$ 109,895.86	\$ 66,289.98	\$ 66,289.98

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
ENTERPRISE FUND

SCHEDULE OF DETAIL OF EXPENSES, BUDGET (GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	WATER			SEWER		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
<b>COST OF SALES AND SERVICES</b>						
<b>WATER SUPPLIES AND MATERIALS</b>						
Chlorine	\$ 13,000.00	\$ 11,211.00	\$ 1,789.00	\$ -	\$ -	\$ -
Chlorine Equipment Repair	1,000.00	809.91	190.09	-	-	-
Supplies	50,000.00	54,237.15	5,762.85	-	-	-
Utilities	200,000.00	210,204.08	(10,204.08)	-	-	-
Major Well and Tank Repairs	35,000.00	37,219.37	(2,219.37)	-	-	-
Major Repairs	7,000.00	21,315.59	(14,315.59)	-	-	-
Meter Replacement	20,000.00	26,225.81	(6,225.81)	-	-	-
Safe Drinking Program	.00	244.56	(244.56)	-	-	-
Totals	\$ 336,000.00	\$ 351,457.47	\$ (25,457.47)	\$ -	\$ -	\$ -

**SEWER SUPPLIES AND MATERIALS**

Chlorine	\$ -	\$ -	\$ -	\$ 8,000.00	\$ 6,600.00	\$ 1,400.00
Chemicals	-	-	-	3,000.00	2,793.10	206.90
Chemical Test	-	-	-	7,000.00	6,449.50	550.50
Supplies	-	-	-	5,000.00	4,849.17	150.83
Utilities	-	-	-	40,000.00	40,735.44	(735.44)
Pump Repair	-	-	-	48,000.00	53,861.95	(5,861.95)
Treatment Plant Repairs	-	-	-	2,500.00	2,263.00	237.00
Major Repairs	-	-	-	35,000.00	34,730.81	269.19
Totals	\$ -	\$ -	\$ -	\$ 148,500.00	\$ 152,282.97	\$ (3,782.97)

**ADMINISTRATIVE**

Auditing	\$ 10,000.00	\$ 5,390.00	\$ 4,610.00	\$ 5,000.00	\$ 5,000.00	\$ .00
Administrative Fee	15,000.00	15,000.00	.00	.00	.00	.00
Bad Debts	2,000.00	7,026.04	(5,026.04)	.00	.00	.00
Computer Expense	15,000.00	8,032.00	6,968.00	.00	8,027.00	(8,027.00)
Dues	1,000.00	336.99	663.01	.00	.00	.00
Insurance - Liability	12,000.00	9,914.59	2,085.41	5,000.00	3,331.66	1,668.34
Miscellaneous	11,000.00	310.18	10,689.82	1,500.00	1,159.17	340.83
Office Supplies	14,000.00	16,498.91	(2,498.91)	.00	36.58	(36.58)
Telephone	8,000.00	6,835.52	1,164.48	500.00	497.18	2.82
Travel and Training	3,500.00	2,642.06	857.94	100.00	.00	100.00
Equipment - Gas and Oil	.00	132.79	(132.79)	100.00	.00	100.00
Equipment Repairs	3,500.00	2,598.67	901.33	1,200.00	1,532.75	(332.75)
Truck - Gas and Oil	7,000.00	6,645.75	353.24	2,500.00	2,848.44	(348.44)
Truck Repairs	11,000.00	5,548.25	4,351.75	4,500.00	4,395.07	104.93
Radio Repairs	500.00	1,040.90	(540.90)	100.00	.00	100.00

Uniforms	3,000.00	2,011.12	988.88	100.00	.00	100.00
Salaries	135,000.00	138,475.30	(3,475.30)	42,000.00	43,801.51	(1,801.51)
Employee Benefit Expense						
Retirement Expense	4,500.00	4,503.25	(3.25)	1,300.00	1,325.40	(25.40)
Medicare Tax	2,000.00	1,962.36	37.64	650.00	611.55	38.44
FICA Contribution	8,500.00	8,390.81	109.19	2,600.00	2,615.14	(15.14)
Unemployment Tax	300.00	253.45	46.55	100.00	84.35	15.65
Hospital Insurance	9,000.00	9,683.52	(683.52)	3,200.00	3,234.94	(34.94)
Dental	1,000.00	1,181.02	(181.02)	450.00	454.07	(4.07)
Worker's Compensation Insurance	8,000.00	7,557.44	442.55	.00	2,957.00	43.00
Employee Drug Testing	200.00	.00	200.00	.00	.00	.00
Total Administrative	\$ 285,000.00	\$ 263,072.03	\$ 21,927.97	\$ 73,900.00	\$ 81,921.82	\$ (8,021.82)



TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 ENTERPRISE FUNDS  
 SCHEDULE OF UTILITY PLANT AND EQUIPMENT  
 JUNE 30, 1999

	ACQUIRED	LIFE	COST	ACCUMULATED DEPRECIATION	NET	DEPRECIATION
<u>PLANTS - SEWER/WATER</u>						
<u>SEWER</u>						
Sewer System	59/88	50	\$ 531,255.85	\$ 445,418.24	\$ 184,837.61	\$ 12,625.12
Sewer System	1993	50	207,060.44	24,846.42	182,214.02	4,141.21
Wastewater Treatment Plant	1987	50	4,590,098.00	1,190,570.92	3,399,527.08	91,801.96
Sewer System - Motors	1993	10	51,570.73	30,942.14	20,628.59	5,157.07
Total Sewer			\$ 5,479,985.02	\$ 1,592,777.72	\$ 3,787,207.30	\$ 113,725.36
<u>WATER</u>						
Water System	54/93	25-60	3,244,242.10	777,965.25	2,466,276.85	75,905.74
Water Meters	91/93	15	84,205.26	43,272.41	40,932.85	5,613.68
Water Plant	1997	60	831,981.33	13,866.36	818,114.97	13,866.36
Water Well	1998		282,286.00	5,645.72	275,640.28	5,645.72
Total Water			\$ 4,442,714.69	\$ 840,749.74	\$ 3,601,964.95	\$ 101,031.50
<u>TOTAL PLANTS</u>			\$ 9,922,699.71	\$ 2,533,527.46	\$ 7,389,172.25	\$ 214,756.86
<u>EQUIPMENT</u>						
Sewer System	1992	10	\$ 26,920.95	\$ 18,844.20	\$ 8,075.75	\$ 2,692.10
Backhoe	1989	10	.00	.00	.00	.00
Computer	1993	5	15,983.00	15,983.00	.00	.00
1993 Ford #86061	1989	25	2,063.39	493.08	1,570.31	82.54
Fence	1994	5	4,583.31	4,583.32	1.99	916.66
IBM Computer - New System	1995		985.25	591.50	394.75	197.25
Lift 1/4 Interest	1997	5	4,483.00	2,241.20	2,241.80	896.60
Pump						
Total Sewer			\$ 56,019.90	\$ 43,734.30	\$ 12,285.60	\$ 4,785.15
<u>WATER</u>						
Office Equipment	87/93	10	33,516.13	12,947.63	20,568.50	2,369.01
Trucks	81/91	5	131,482.90	38,182.90	93,300.00	1,026.33
Equipment	78/93	10	191,308.93	114,578.82	76,730.11	9,059.17
Computer - New System	-	5	54,333.89	35,549.55	18,784.33	8,056.67
Total Water			\$ 410,641.85	\$ 201,258.91	\$ 209,382.94	\$ 20,531.18
<u>TOTAL EQUIPMENT</u>			\$ 466,661.75	\$ 244,993.21	\$ 221,568.54	\$ 25,315.33
<u>LAND</u>			\$ 25,752.00	.00	\$ 25,752.00	.00
<u>GRAND TOTAL</u>			\$ 10,415,113.46	\$ 2,778,520.67	\$ 7,636,592.79	\$ 240,073.19

STATEMENT E-8

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
ENTERPRISE FUND  
SCHEDULE OF EQUITY  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>BALANCE</u>	<u>ADDITION</u>	<u>DEDUCTION</u>	<u>BALANCE</u>
	<u>JULY 1, 1998</u>			<u>JUNE 30, 1999</u>
<u>WATER DEPARTMENT</u>				
<u>Contributed Capital</u>				
Municipality	\$ 241,336.43	\$ .00	\$ 12,720.00	\$ 228,616.43
Federal Grant	3,201,670.09	.00	73,807.32	3,127,862.77
Total Contributed Capital	<u>\$ 3,443,006.52</u>	<u>\$ .00</u>	<u>\$ 86,527.32</u>	<u>\$ 3,356,479.20</u>
<u>Retained Earnings</u>				
Unreserved	\$ 881,340.85	\$ 105,199.71	\$ .00	\$ 986,540.56
Reserved	107,516.23	16,407.71	.00	123,923.94
Total Retained Earnings	<u>\$ 988,857.08</u>	<u>\$ 121,607.42</u>	<u>\$ .00</u>	<u>\$ 1,110,464.50</u>
<u>TOTAL WATER</u>	<u>\$ 4,431,863.60</u>	<u>\$ 121,607.42</u>	<u>\$ 86,527.32</u>	<u>\$ 4,466,943.70</u>
<u>SEWER DEPARTMENT</u>				
<u>Contributed Capital</u>				
Municipality	\$ 1,326,705.04	\$ .00	\$ 34,884.75	\$ 1,291,820.29
Federal Grant	2,350,979.23	.00	61,058.42	2,289,920.81
FEMA Grant	23,846.44	.00	4,769.00	19,077.44
Total Contributed Capital	<u>\$ 3,701,530.71</u>	<u>\$ .00</u>	<u>\$ 100,712.17</u>	<u>\$ 3,600,818.54</u>
<u>Retained Earnings</u>				
Unreserved	\$ 138,295.86	\$ .00	\$ 72,005.88	\$ 66,289.98
Reserved	37,881.41	5,914.73	.00	43,796.14
Total Retained Earnings	<u>\$ 176,177.27</u>	<u>\$ 5,914.73</u>	<u>\$ 72,005.88</u>	<u>\$ 110,086.12</u>
<u>TOTAL SEWER</u>	<u>\$ 3,877,707.98</u>	<u>\$ 5,914.73</u>	<u>\$ 172,718.05</u>	<u>\$ 3,710,904.66</u>

See accompanying notes and auditors' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

TOWN OF FARMERVILLE, LOUISIANA STATEMENT F-1  
FARMERVILLE, LOUISIANA  
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS - BY SOURCE  
JUNE 30, 1999 AND 1998

	1999	1998
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 108,313.79	\$ 108,313.79
Building	383,780.04	383,780.04
Improvements Other Than Building	1,010,981.56	1,010,981.56
Machinery and Equipment	1,366,167.35	1,226,369.63
<u>Total General Fixed Assets</u>	<u>\$ 2,869,242.74</u>	<u>\$ 2,729,445.02</u>
<u>Investment in General Fixed Assets By Source</u>		
<u>Prior to 1975</u>	\$ 374,181.21	\$ 374,181.21
General Fund	2,065,954.61	1,978,309.35
Special Revenue Fund	429,106.92	376,954.46
<u>Total Investment in General Fixed Assets</u>	<u>\$ 2,869,242.74</u>	<u>\$ 2,729,445.02</u>

\*Records reflecting source from which assets were acquired were not maintained prior to July 1, 1975.

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	LAND	BUILDING	IMPROVEMENTS OTHER THAN BUILDING	MACHINERY AND EQUIPMENT	OFFICE FURNITURE AND EQUIPMENT	MISCELLANEOUS	TOTAL
<u>GENERAL FIXED ASSETS</u>							
July	\$ 108,313.79	\$ 383,780.04	\$ 1,010,981.56	\$ 1,118,449.01	\$ 79,399.67	\$ 28,520.95	\$ 2,729,445.02
<u>ADDITIONS</u>							
General Fund	\$ .00	\$ .00	\$ .00	\$ 115,660.38	\$ 3,997.24	\$ .00	\$ 119,657.62
Sales Tax Fund	.00	.00	.00	52,652.16	.00	.00	52,652.16
Totals	.00	.00	.00	168,312.54	3,997.24	.00	172,309.78
<u>DEDUCTIONS</u>							
Assets Sold/Traded or Junked General Fund	.00	.00	.00	32,512.06	.00	.00	32,512.06
<u>GENERAL FIXED ASSETS - JUNE 30</u>	\$ 108,313.79	\$ 383,780.04	\$ 1,010,981.56	\$ 1,254,249.49	\$ 83,396.91	\$ 28,520.95	\$ 2,869,242.74

COMMENTS ON COMPLIANCE AND INTERNAL CONTROL

# **GARRETT & GARRETT**

**CERTIFIED PUBLIC ACCOUNTANTS  
119 PROFESSIONAL DRIVE  
WEST MONROE, LOUISIANA 71291**

**CAROLYN V. GARRETT  
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**E-MAIL: PRO119@IAMERICA.NET**

October 4, 1999

## **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 Willie Davis, Jr., Mayor  
and Members of the Board of Alderman

We have audited the accompanying financial statements of the Town of Farmerville, Louisiana, and the combining individual fund and account group financial statements and supplementary information of the Town of Farmerville, Louisiana as of and for the year ended June 30, 1999 and 1998, as listed in the table of contents, and have issued our report thereon dated October 4, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

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

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Farmerville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being

The Honorable Willie Davis, Jr., Mayor  
and Members of the Board of Alderman  
October 4, 1999  
Page 2

audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information of the audit committee, management and federal awarding agencies and pass-through entities, and is not intended to be, and should not be, used by anyone other than the specified parties.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS



ADDITIONAL INFORMATION

STATEMENT 5-1

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 COMBINED SCHEDULES OF INVESTMENTS - ALL FUNDS  
 JUNE 30, 1999  
 (WITH COMPARATIVE TOTALS FOR JUNE 30, 1998)

	DUE DATES		INTEREST RATES		TOTALS	
	1999	1998	1999	1998	1999	1998
<b>GENERAL FUND</b>						
Certificate of Deposit						
Garbage Container Deposit		12/18/98	4.61%	4.61%	\$ .00	\$ 22,866.23
Flag Account			1.49%	2.00%	598.39	589.05
Property Tax Escrow			3.00%	-	2,500.90	.00
Total General Fund					\$ 3,099.29	\$ 23,455.28
<b>DEBT SERVICE FUNDS</b>						
Certificates of Deposit						
Sales Tax Sinking Fund	08/20/99	07/29/98	4.75%	4.15%	\$ 63,660.63	\$ 27,770.52
Sales Tax Bond Reserve	08/20/99	07/29/98	4.75%	4.15%	154,742.42	143,677.69
Street Reserve Fund	08/20/99	11/04/98	4.75%	5.15%	19,512.07	12,160.63
Total Debt Service Funds					\$ 237,915.12	\$ 183,608.84
<b>UTILITY FUND</b>						
Certificates of Deposit						
Water Department	07/20/99	11/04/98	4.75%	5.15%	\$ 175,866.55	\$ 223,576.38
Water Meter Account	07/20/99	06/23/98	4.75%	4.61%	93,483.55	64,817.90
Sewer Depreciation and Contingency	08/20/99	11/04/98	4.75%	5.15%	43,796.14	36,561.41
Water Department Reserve	07/20/99	11/04/98	4.75%	5.15%	123,923.94	105,516.23
Total Utility Fund					\$ 437,070.18	\$ 430,491.92
<b>VOLUNTEER FIRE DEPARTMENT</b>						
Certificate of Deposit	07/11/99		5.50%	-	\$ 30,891.24	\$ -

STATEMENT 6-2

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 SCHEDULE OF INSURANCE IN FORCE  
 JUNE 30, 1999

INSURANCE COMPANY	POLICY	DATE	COVERAGE		COST
			TYPE	AMOUNT	
Western Security	58716392	09/01/98 - 09/01/99	Public Official Bond - Laguna Fields	10,000	100.00
	58574173	10/17/98 - 10/17/99	Public Official Bond	5,000	87.50
	18295749	07/18/99 - 07/18/00	City Clerk & Tax Collector - Gay Nell McIntosh	300,000	1,750.00
Western Security	18295297	05/20/99 - 05/20/00	Public Official Bond - T. Butler	10,000	50.00
	18297290	07/03/98 - 07/03/99	Employees Blanket Bond	10,000	161.00
	13355742	08/01/98 - 08/01/99	Supervisor of Public Services - Mike Allen	25,000	87.50
Louisiana Municipal Risk Management Agency	LML-163	05/01/99 - 05/01/00	Automobile Liability		
			Automobile Liability Bodily Injury & Property Damage	500,000	30,643.00
			Commercial General Liability		
			Commercial General Liability		
			Premises/Operation		
			Bodily Injury & Property Damage	500,000	18,725.00
			Products/Completed Operation		
			Bodily Injury & Property Damage	500,000	
			Medical Payments	1,000\10,000	
			Fire Legal Liability	50,000	
			Law Enforcement Officer Comprehensive Liability		
			Law Enforcement Officers		
			Comprehensive Liability		
			Deductible \$1,000		
			Personal Injury & Property Damage	500,000	6,480.00
			Public Officials Errors and Omissions Liability		
			Public Officials Errors and Omissions		
			Liability		
			Deductibles \$1,000	500,000	3,018.00
Allstate Insurance	49600752	08/03/98 - 08/03/99	Contractor Equipment	27,000	
			Cash 580SK Backhoe JJO-0165132		
			Fiattilis 65-B Motor Grader S#75A03084		
			With Model Engine #000809		
			S22 Bush Hog S#9A276563 with Massey		
			Ferguson Tractor		
			1987 WD9 Case 310 Bush Hog S#17305628		
			Double End Pickup 2000 Walk on Ramp		
			1956 Accurate Industries		
			Compactor Model # 445HD		
			50,000	1,277.00	

Audubon Indemnity Corporation APD801629 06/19/97 - 08/19/98 8,395.80

Property Floater  
 1965 LaFrance Fire Truck S#110032 25,000  
 1975 Chevrolet C & C Fire SECHV73V127359 25,000  
 1987 Ford F-700 Dump Truck S#3674 10,000  
 1990 Ford F-350 Fire Truck Rescue Unit #8997 25,000  
 1992 Federal Motors Hurricane Fire Truck #9547 150,000  
 1992 Ford Crown Victoria #8059 5,000  
 1993 Ford C - C Fire Truck & Equipment #4160 10,000  
 1989 Kenworth Fire Truck #1859 50,000  
 1999 Ford P/UW #5985 23,000  
 1999 Ford P/UW #5986 23,000  
 1999 Ford P/UW #5987 23,000  
 1999 Ford P/UW #5988 23,000  
 1999 Dodge Caravan G #5343 16,000  
 1999 Ford F250 P/US #3579 18,000  
 1999 Ford F250 P/US #3580 18,000  
 1999 Mack Garbage Truck Gar #5511 80,000

PROPERTY LOCATION	BUILDING*	PROPERTY*	COST
403-405 South Main Street	252,900	101,300	5,562.00
301A South Washington - Waterwork Pump Station	265,500	25,300	
303 South Washington - Storage	4,000		
301E South Washington - Storage Masonry	25,600		
818 North Main - Water Tank	40,000		
806 Truman - Water Tank	100,000		
101-103R Lakeview - Electric Motor	5,900		
#2 Preaus - Pump Station	2,600	3,800	
811 Long Lang Dr. Pump House	1,100	8,300	
509 Downsville Street Pump House	10,100	5,200	
1408 Olin Road - Pump	3,200		
1401 Olin Road - Pump	3,200		
1201A Sterlington Hwy	3,200		
1201B Sterlington Hwy	3,200		
309A Parkbay Drive	3,200		
309B Parkbay Drive	3,200		
801A Main Dr.	3,800		
801B Main Dr.	3,800		
1001A Wheeler Street	3,200		
1001B Wheeler Street	3,200		
101A Lakeview Drive	3,800		
101B Lakeview Drive	3,800		
207A Lakeview Drive	3,200		
207B Lakeview Drive	3,200		
101A Patti St.	3,200		
101B Patti St.	3,200		
103A Doris Drive	3,200		
103B Doris Drive	3,200		
1109A Ridgewood Dr.	3,200		
1109B Ridgewood Dr.	3,200		
1126A C. C. Camp Rd.	3,800		
1126B C. C. Camp Rd.	3,800		
38A Barbara Lane	3,200		
38B Barbara Lane	3,200		

Commercial Union Insurance Company (American Central Insurance Co.) MER1962150095 07/03/99 - 07/03/00

STATEMENT G-2  
CONTINUED

TOWN OF FARMERVILLE, LOUISIANA  
FARMERVILLE, LOUISIANA  
SCHEDULE OF INSURANCE IN FORCE  
JUNE 30, 1999

<u>INSURANCE COMPANY</u>	<u>POLICY</u>	<u>DATE</u>	<u>PROPERTY LOCATION</u>	<u>BUILDING*</u>	<u>PROPERTY*</u>	<u>COST</u>
Commercial Union Insurance Company (American Central Insurance Co.)	MER1962150096	07/03/99 - 07/03/00	309A Cox Ferry Road	3,800		
			309B Cox Ferry Road	3,800		
			610B Ouachita Street	3,800		
			610A Ouachita Street	3,800		
			27A Dump Road	3,200		
			27B Dump Road	3,200		
			509A Downsville Street	3,200		
			509B Downsville Street	3,200		
			509C Downsville Street	3,200		
			918 Marion Highway - Fire Station	88,600		
			Hwy. 15 N. - Conagra - Waterwell	535,100		
			Hwy. 15 N. - Conagra - Pump House	5,400		
			Well # 5 - Conagra - Ozone Pump House	428,900		
			Hwy. 15 N. - LS # 15	5,400		
			Hwy. 15 N. - LS # 15	5,400		
			Rodeo Circle LS # 14	5,400		
			Rodeo Circle LS # 14	5,400		

\* \$ 1,000 Deductible

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 STATEMENT OF STATISTICAL INFORMATION  
 JUNE 30, 1999

	1999	1998	1997	1995	1995	1994
<b>TOTAL</b>						
\$ 392,122.	\$ 316,238.	\$ 316,859.	\$ 328,943.	\$ 315,383.	\$ 361,800.	
34,899.	0.	0.	0.	0.	0.	
418,505.	389,686.	396,520.	326,252.	325,543.	326,955.	
108,134.	100,953.	87,355.	79,647.	75,820.	59,856.	
371,789.	264,220.	268,179.	184,353.	175,089.	186,633.	
1,329.	11,944.	4,994.	1,348.	2,653.	479.	
241,719.	218,444.	192,361.	171,641.	195,599.	191,751.	
4,097.	5,292.	933.	6,118.	9,159.	0.	
14,713.	13,530.	5,818.	6,972.	5,824.	0.	
0.	0.	0.	0.	320.	0.	
<u>\$ 1,587,308.</u>	<u>\$ 1,320,307.</u>	<u>\$ 1,273,030.</u>	<u>\$ 1,105,274.</u>	<u>\$ 1,106,400.</u>	<u>\$ 1,127,484.</u>	
\$ 559,458.	\$ 528,404.	\$ 525,115.	\$ 464,079.	\$ 424,439.	\$ 426,625.	
336,692.	262,593.	315,239.	250,886.	240,469.	231,895.	
238,470.	234,795.	206,865.	177,439.	149,210.	156,584.	
49,531.	40,957.	44,059.	43,054.	54,683.	61,981.	
335,479.	274,602.	289,491.	254,861.	227,411.	246,911.	
32,371.	21,935.	26,716.	27,323.	26,287.	26,287.	
117,189.	90,438.	98,773.	75,949.	57,919.	57,919.	
<u>\$ 1,669,190.</u>	<u>\$ 1,453,724.</u>	<u>\$ 1,506,268.</u>	<u>\$ 1,293,591.</u>	<u>\$ 1,180,418.</u>	<u>\$ 1,208,302.</u>	
\$ 4,087.	\$ 6,458.	\$ 2,291.	\$ 3,624.	\$ 3,752.	\$ 1,366.	
2,909.	9,658.	1,831.	535.	694.	2,031.	
9,397.	8,951.	7,715.	8,766.	9,105.	5,729.	
0.	0.	0.	0.	0.	25.	
25,955.	17,397.	13,099.	9,059.	15,530.	8,895.	
<u>\$ 42,358.</u>	<u>\$ 42,454.</u>	<u>\$ 24,935.</u>	<u>\$ 21,984.</u>	<u>\$ 30,081.</u>	<u>\$ 18,047.</u>	

GENERAL GOVERNMENTAL AND SPECIAL REVENUE

EXPENDITURES BY FUNCTION

General Government  
 Transportation  
 Public Safety  
 Fire  
 Sanitation  
 Recreation  
 Street  
 Prison Labor  
 Maintenance Department  
 Drug Task Force  
 Total

GENERAL REVENUES AND SPECIAL REVENUES BY SOURCE

Sales Tax  
 Taxes  
 Licenses & Permits  
 Intergovernmental Revenues  
 Charges for Services  
 Fines and Forfeits  
 Miscellaneous  
 Total

INTEREST EARNED

General Fund  
 Special Revenue  
 Debt Service  
 Capital Projects  
 Enterprise Funds  
 Total

PROPERTY TAX RATES

General - Fire	7.73	7.73	7.73	7.90	7.90	3.035
General - Police	-	-	-	-	-	3.035
General - Other	5.45	5.45	5.45	5.57	5.57	5.57
City Hall Bonds	2.95	2.95	2.95	2.95	2.95	2.95
Public Safety Bonds	2.90	2.90	2.90	2.90	2.10	2.10

RATIO OF NET BONDED DEBT PER CAPITAL

Public Improvement Bonds						
Fire #2 Bonds - 20,000				2.72		3.62
City Hall Bonds - 25,000	6.05	13.51	19.66	31.75		36.29
Public Safety Bonds	7.56	12.10	22.68	27.21		31.75
Sales Tax Bonds - 120,500	364.38	388.57	411.25	441.49		458.12

Population - 1980 Census 3,797  
 - 1990 Census 3,307

See accompanying notes and auditors' report.

TOWN OF FARMERVILLE, LOUISIANA  
 FARMERVILLE, LOUISIANA  
 CASH ACCOUNTS  
 JUNE 30, 1999

STATEMENT G-4

INTEREST RATE	GENERAL FUND	SALES TAX	WATER	SEWER	DEBT SERVICES	TOTAL FUNDS
<u>CASH ACCOUNTS</u>						
2.75%	\$ .00	\$ .00	\$ 150,805.00	\$ .00	\$ .00	\$ 150,805.00
-	70,064.85	107,304.10	.00	4,626.46	.00	181,995.41
-	250.00	100.00	200.00	.00	.00	550.00
-	.00	554.70	.00	.00	.00	554.70
-	1,591.10	.00	.00	.00	.00	1,591.10
2.75%	.00	.00	8,631.91	.00	.00	8,631.91
-	179,999.34	.00	.00	.00	.00	179,999.34
-	16,078.54	.00	.00	.00	.00	16,078.54
	\$ 267,983.93	\$ 107,958.80	\$ 159,536.91	\$ 4,626.46	\$ .00	\$ 540,206.10
<u>INVESTED FUNDS</u>						
1.49%	\$ 598.39	\$ .00	.00	.00	.00	\$ 598.39
4.75%	.00	.00	.00	.00	63,660.63	63,660.63
4.75%	.00	19,512.07	123,923.94	.00	154,742.42	298,178.43
4.75%	.00	.00	93,483.55	.00	.00	93,483.55
4.75%	.00	.00	175,866.55	.00	.00	175,866.55
4.85%	.00	.00	.00	43,796.14	.00	43,796.14
3.00%	2,500.90	.00	.00	.00	.00	2,500.90
	\$ 3,099.29	\$ 19,512.07	\$ 393,274.04	\$ 43,796.14	\$ 218,403.05	\$ 678,084.59
<u>RESTRICTED FUNDS</u>						
-	\$ .00	\$ .00	.00	.00	\$ 200.00	\$ 200.00
-	.00	.00	.00	.00	2,072.98	2,072.98
2.52%	.00	.00	.00	.00	14,064.14	14,064.14
2.52%	.00	.00	.00	.00	19,233.74	19,233.74
	\$ .00	\$ .00	\$ .00	\$ .00	\$ 35,570.86	\$ 35,570.86
	\$ 271,083.22	\$ 127,470.87	\$ 552,910.95	\$ 48,422.60	\$ 253,973.91	\$ 1,253,861.55
<u>VOLUNTEER FIRE DEPARTMENT</u>						
-	\$ 5,357.59	\$ .00	.00	.00	.00	\$ 5,357.59
-	846.11	.00	.00	.00	.00	846.11
5.50%	30,891.24	.00	.00	.00	.00	30,891.24
	\$ 37,094.94	\$ .00	\$ .00	\$ .00	\$ .00	\$ 37,094.94

See accompanying notes and auditors' report.

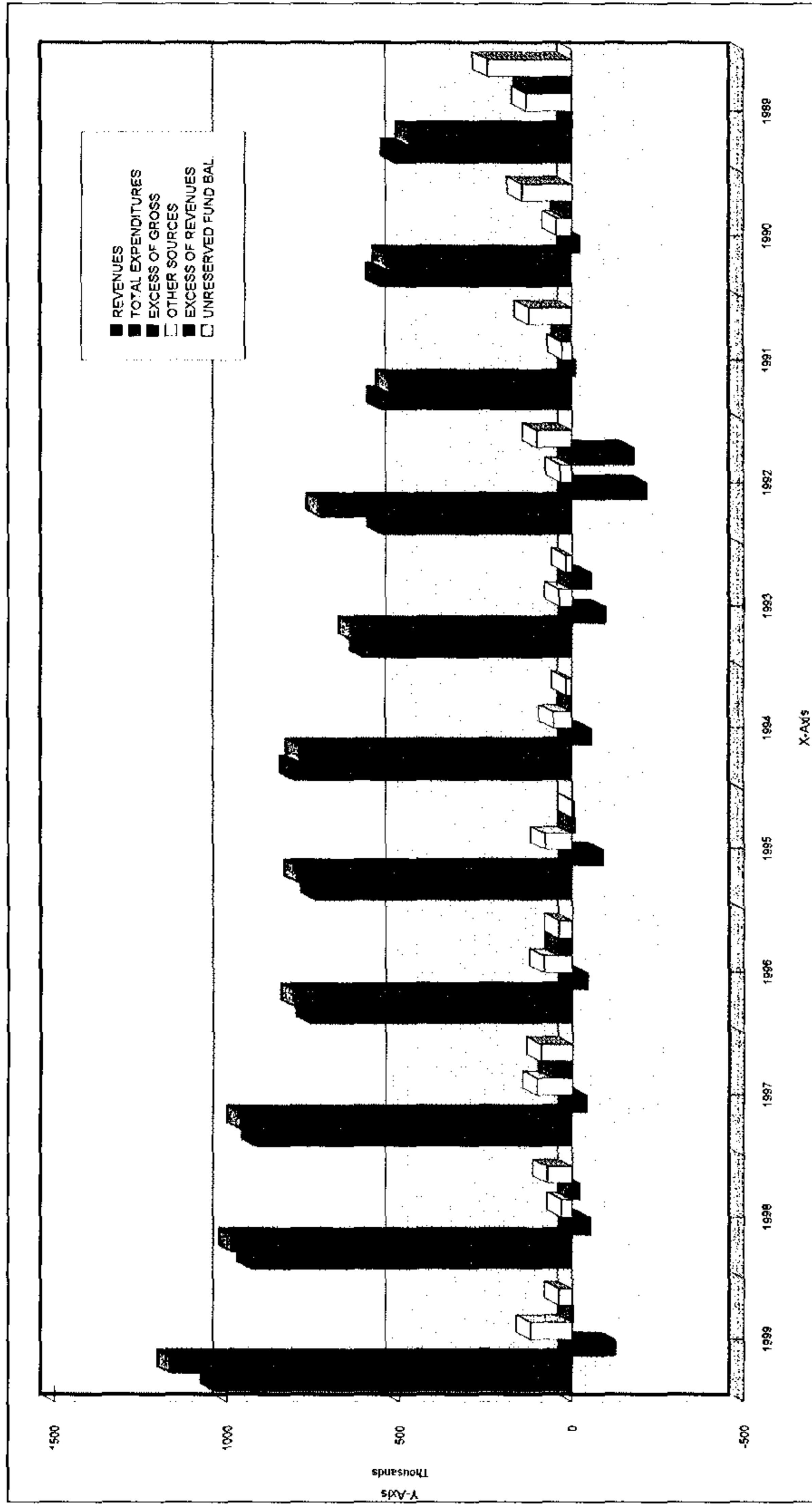
## GRAPHS



# TOWN OF FARMERVILLE, LOUISIANA

GENERAL FUND COMPARISON

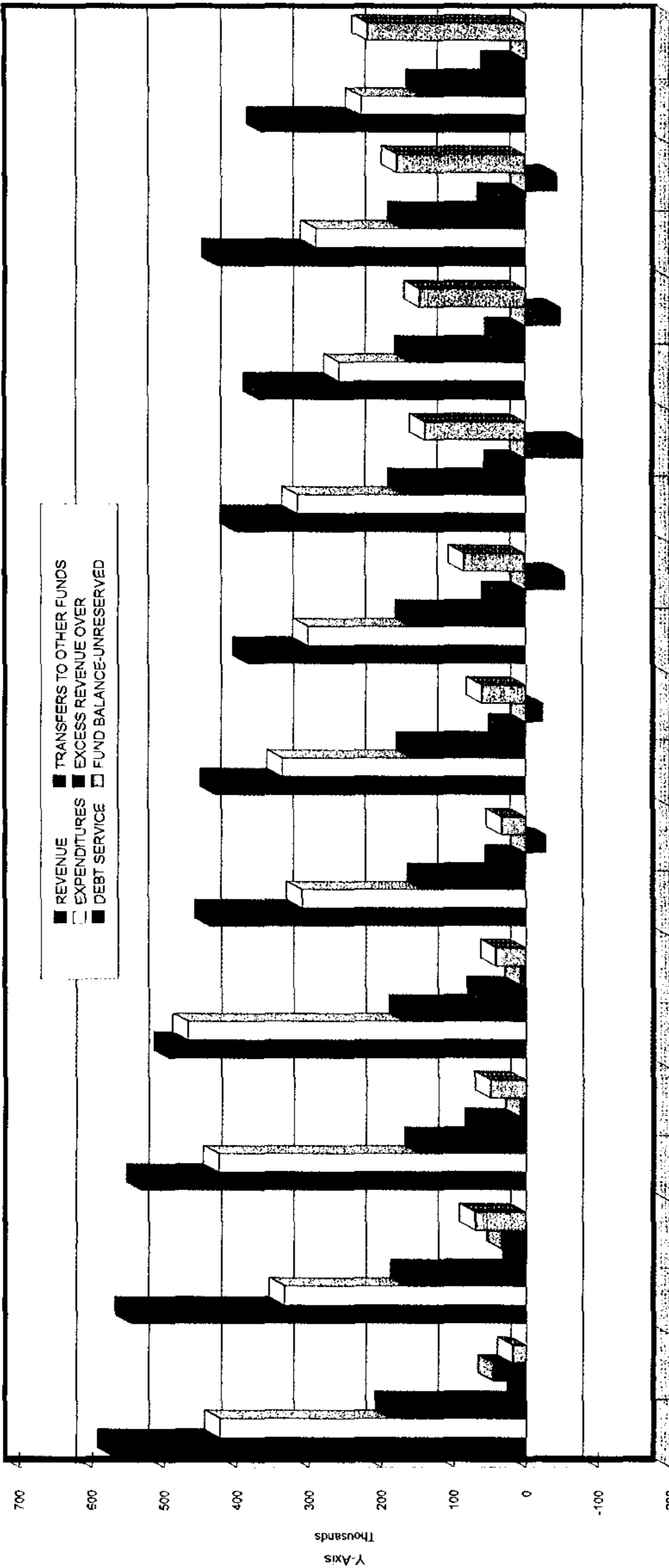
JUNE 30, 1999



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
REVENUES	\$514,119	\$556,371	\$553,186	\$553,983	\$606,299	\$806,049	\$747,269	\$761,507	\$917,294	\$931,778	\$1,037,596
TOTAL EXPENDITURES	\$472,411	\$537,284	\$528,002	\$731,373	\$639,858	\$791,073	\$796,260	\$806,648	\$960,981	\$985,574	\$1,163,226
EXCESS OF GROSS	(\$2,472)	(\$23,154)	(\$11,200)	(\$216,958)	(\$96,565)	(\$56,838)	(\$90,471)	(\$44,142)	(\$43,687)	(\$53,796)	(\$125,630)
REVENUES (UNDER)	\$133,475	\$45,713	\$28,923	\$36,304	\$39,758	\$55,877	\$80,000	\$83,500	\$104,014	\$31,979	\$120,798
OTHER SOURCES											
EXCESS OF REVENUES (UNDER)	\$131,003	\$22,558	\$18,803	(\$181,654)	(\$56,807)	(\$96*)	(\$10,471)	\$39,358	\$60,327	(\$21,817)	(\$4,832)
FUND BALANCE-UNRESERVED	\$247,420	\$147,570	\$127,471	\$104,190	\$19,608	\$17,584	(\$5,529)	\$41,429	\$93,762	\$74,411	\$40,935

See auditors' report on supplementary information.

TOWN OF FARMERVILLE, LOUISIANA  
 SALES TAX FUND COMPARISON  
 JUNE 30, 1999



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
REVENUE	\$364,592	\$426,327	\$368,305	\$401,038	\$383,609	\$428,656	\$437,596	\$493,706	\$531,283	\$546,739	\$571,043
EXPENDITURES	\$227,887	\$289,816	\$257,642	\$316,035	\$301,457	\$336,411	\$370,140	\$468,064	\$425,756	\$334,733	\$424,083
DEBT SERVICE	\$143,664	\$169,942	\$159,206	\$169,004	\$159,271	\$157,484	\$142,950	\$168,410	\$147,029	\$166,108	\$188,046
TRANSFERS TO OTHER FUNDS:	\$39,672	\$45,713	\$34,944	\$35,304	\$39,567	\$30,000	\$35,000	\$60,000	\$63,837	\$12,166	\$4,806
EXCESS REVENUE OVER (EXPENDITURES)	(\$2,451)	(\$43,819)	(\$48,182)	(\$80,336)	(\$53,680)	(\$23,425)	(\$27,916)	\$8,181	\$8,369	\$33,732	\$45,892
FUND BALANCE-UNRESERVED	\$219,148	\$178,282	\$147,320	\$139,239	\$85,559	\$62,134	\$34,219	\$42,399	\$50,768	\$71,339	\$19,096

See auditors' report on supplementary information.

# TOWN OF FARMERVILLE, LOUISIANA

## COMPARISON OF TOTAL EXPENDITURES AND REVENUES

### FOR GENERAL GOVERNMENTAL AND SPECIAL REVENUE FUNDS

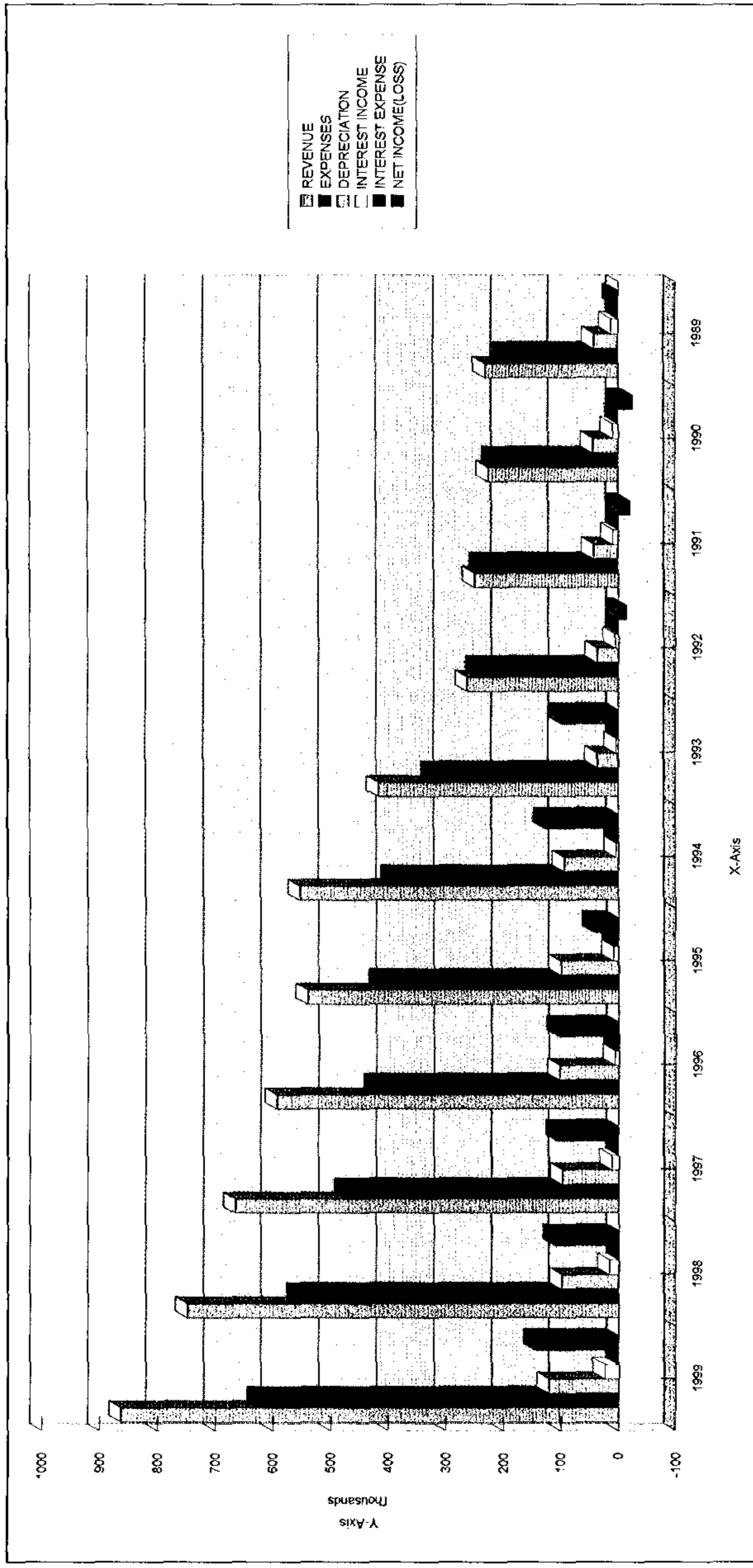
JUNE 30, 1999



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
EXPENDITURES	\$700,297	\$834,016	\$832,828	\$1,048,006	\$941,316	\$1,127,484	\$1,106,401	\$2,387,842	\$1,933,092	\$1,777,668	\$1,786,177
REVENUES	\$878,711	\$992,824	\$965,579	\$926,260	\$985,099	\$1,234,981	\$1,184,864	\$2,459,478	\$1,984,619	\$1,813,111	\$1,685,583

See auditors' report on supplementary information.

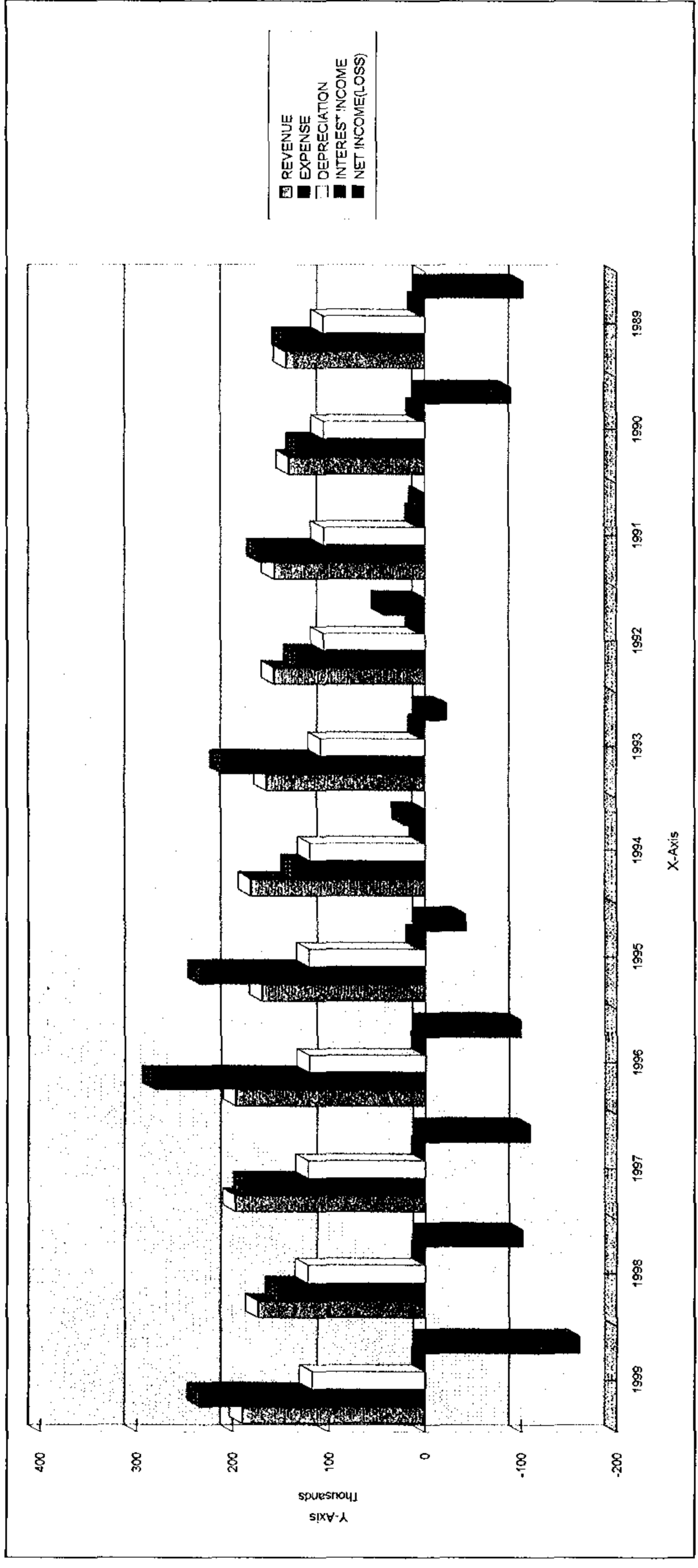
TOWN OF FARMERVILLE, LOUISIANA  
 ENTERPRISE FUND - WATER DEPARTMENT  
 JUNE 30, 1999



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
OPERATING REVENUE	\$231,554	\$225,410	\$250,586	\$263,326	\$417,153	\$553,116	\$540,758	\$594,005	\$665,320	\$750,026	\$864,081
OPERATING EXPENSES	\$195,881	\$216,167	\$237,103	\$245,172	\$321,983	\$391,461	\$413,470	\$422,171	\$472,664	\$556,136	\$624,540
DEPRECIATION	\$41,491	\$44,779	\$42,773	\$37,856	\$36,820	\$93,980	\$100,466	\$103,727	\$98,437	\$99,009	\$121,563
INTEREST INCOME	\$12,050	\$9,515	\$9,109	\$5,351	\$3,280	\$4,918	\$8,651	\$6,967	\$11,770	\$15,965	\$24,262
INTEREST EXPENSE	\$0	\$0	\$0	\$0	\$0	\$4,447	\$8,456	\$6,098	\$0	\$0	\$0
NET INCOME (LOSS)	\$6,232	(\$26,020)	(\$20,181)	(\$14,351)	\$98,126	\$126,281	\$42,916	\$103,329	\$105,990	\$110,845	\$144,540

See auditors' report on supplementary information.

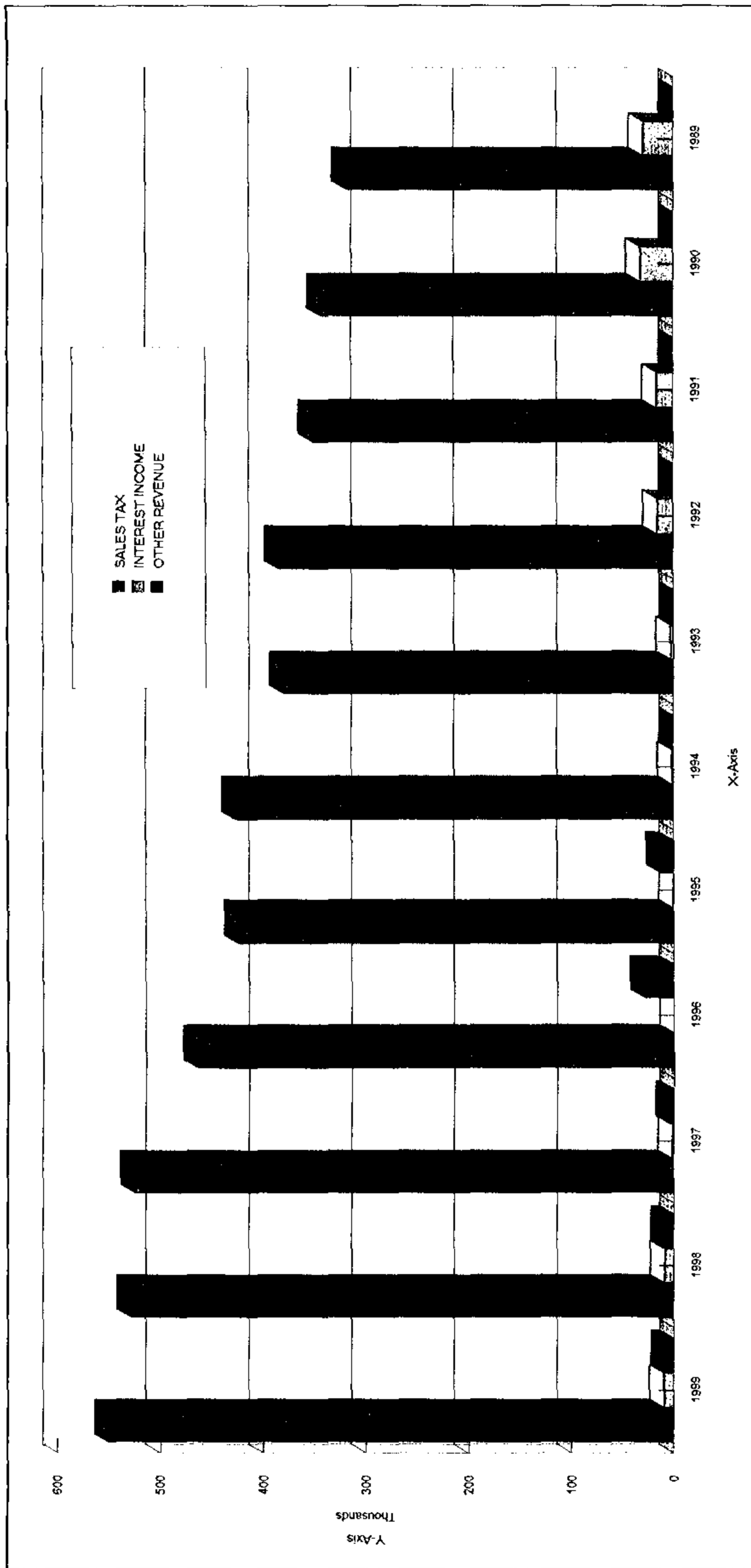
TOWN OF FARMERVILLE, LOUISIANA  
 ENTERPRISE FUND - SEWER  
 JUNE 30, 1999



	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
OPERATING REVENUE	\$145,081	\$142,124	\$157,394	\$158,284	\$165,778	\$181,869	\$170,929	\$197,996	\$198,142	\$174,014	\$190,741
OPERATING EXPENSE	\$146,534	\$131,788	\$172,913	\$134,833	\$211,147	\$137,547	\$234,503	\$282,292	\$186,409	\$153,671	\$234,205
DEPRECIATION	\$106,166	\$106,413	\$106,413	\$106,413	\$109,105	\$120,780	\$121,696	\$121,696	\$122,341	\$122,831	\$118,511
INTEREST INCOME	\$5,543	\$6,297	\$7,523	\$7,018	\$5,109	\$3,978	\$7,878	\$2,091	\$1,329	\$1,432	\$1,703
NET INCOME(LOSS)	(\$102,076)	(\$89,780)	\$3,562	\$43,268	(\$22,215)	\$21,680	(\$41,627)	(\$99,435)	(\$109,279)	(\$101,055)	(\$160,271)

See auditors' report on supplementary information.

**TOWN OF FARMERVILLE, LOUISIANA**  
**COMPARISON OF SALES TAX FUND REVENUES**  
**JUNE 30, 1999**



REVENUES	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
SALES TAX	\$319,252	\$343,403	\$351,541	\$384,847	\$380,204	\$426,625	\$424,439	\$464,079	\$525,115	\$528,404	\$550,000
INTEREST INCOME	\$30,206	\$32,856	\$16,765	\$16,192	\$3,405	\$2,031	\$694	\$536	\$1,830	\$9,659	\$10,000
OTHER REVENUE	\$0	\$369	\$0	\$0	\$0	\$0	\$13,157	\$29,091	\$4,338	\$8,676	\$8,600

See auditors' report on supplementary information.

AUDIT RECOMMENDATIONS AND REPLIES

**GARRETT & GARRETT**  
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**CAROLYN V. GARRETT**  
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October 4, 1999

The Honorable Willie Davis, Jr., Mayor  
and Members of the Board of Alderman

Gentlemen:

We would like to make the following recommendations to the Town of Farmerville:

1. CASH ACCOUNTS - Prior year recommendation

The Town of Farmerville bank accounts were not reconciled to the General Ledger balances.

RECOMMENDATION

The Town management should be responsible for making sure all bank accounts are reconciled to the General Ledger on a monthly basis. Any corrections should be made monthly. Error corrections on a monthly basis will eliminated problems in future months.

ACTION TAKEN

The Town had an employee to reconcile all bank statements to the general ledger this year. Corrections were not made to the general ledger. The auditors' designed a monthly journal entry sheet which is to be prepared monthly by the person reconciling the bank account. This should solve the problem with the corrections not being made in the general ledger.

2. RESTRICTED ASSETS - Prior year recommendation

The Town of Farmerville General Fund has not transferred all the Advalorem taxes collected for the bond funds. The Town transferred part of the prior collections to the bond fund and all of the funds collected for the fiscal year June 30, 1999 to the bond funds. The balance not transferred is \$51,680.46. Public improvement checking account has a balance of \$2,272.98. These accounts should be closed and funds disbursed in accordance with the bond agreements. The City Hall and Public Safety Bonds will be paid off as of June 30, 2000. The funds available and amounts due are as follows:



The Honorable Willie Davis, Jr., Mayor  
and members of the Board of Alderman  
October 4, 1999  
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2. RESTRICTED ASSETS CONTINUED

	<u>BALANCE DUE</u>	<u>FUND AVAILABLE</u>	<u>EXCESS FUNDS</u>
CITY HALL BONDS	\$ 26,750.00	\$ 43,395.25	\$ 16,645.25
PUBLIC SAFETY BONDS	21,400.00	41,589.09	20,189.09
	<u>\$ 48,150.00</u>	<u>\$ 84,984.34</u>	<u>\$ 36,834.34</u>

RECOMMENDATION

The Town should transfer the \$51,680.46 to a restricted account. The Town should transfer all funds to the bond fund. The excess funds is to be used for the same purpose as the original issue. The Town should budget the excess funds for future eligible expenditures.

ACTION TAKEN

The total funds were transferred in October 1999.

3. FIXED ASSETS

The Town does not have a complete detail list of assets.

RECOMMENDATION

The Town should update the CPA list as to assets no longer at the Town, due to loss or damage. The Town's assets should be labeled or tagged in order that these assets are identified as a Town Asset.

ACTION TAKEN

The Town purchased a machine to engrave the name on all of the Town's assets. This procedure proved not to be feasible. The Town purchased label's and has started to label and index all assets.

4. FIRE DEPARTMENT - Prior Year Recommendation

The Town of Farmerville has a property tax restricted as to use only by the Fire Department. Since theses funds are restricted to Fire Department usage, all expenditures of the fire department should be paid by the Fire Department. In the current year, part of the fire department expenses were paid by the Water Department and charged to the expenses of the Water Department. These expenses are not a Water Department expense, and should not have been charged to the Water Department. During the audit, all expenses which we discovered as fire department expenses were reclassified and transferred to the General Fund. All fire department expenses paid by the Water Department were not necessarily reclassified. The transfer was expensed on the Water Department as a transfer to the General Fund, since any excess water department income may be transferred to the General Fund.

The Honorable Willie Davis, Jr., Mayor  
and members of the Board of Alderman  
October 4, 1999  
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4. FIRE DEPARTMENT CONTINUED

FIRE DEPARTMENT - RESTRICTED FUNDS

BALANCE FORWARD		\$ 41,756.35
REVENUES		
SUPPLEMENTAL PAY	\$ 3,600.00	
ADVALOREM TAXES	89,255.00	
STATE 2% INSURANCE FUND	22,296.31	
TOWN COUNCIL TRANSFER OF WATER FUND	<u>22,216.79</u>	
TOTAL	\$137,368.10	
EXPENDITURES		
SEE STATEMENT A-3	108,134.29	
NET INCREASE (DECREASE)		<u>29,233.81</u>
BALANCE RESTRICTED FUNDS		\$ 70,990.16
ASSETS		
BALANCE IN CHECKING ACCOUNT	\$105,333.94	
ACCOUNTS RECEIVABLE - WATER	<u>22,216.79</u>	
TOTAL AVAILABLE FUNDS		<u>127,550.73</u>
BALANCE OF FUNDS TO TRANSFER TO GENERAL FUND CHECKING		\$ 56,560.27

The balance in the Fire Department checking account plus property tax receivable at June 30, 1999 was \$105,333.94. Of this balance \$56,560.27 should be transferred to the General Fund, unless the Council approves leaving these funds as restricted funds.

RECOMMENDATION

The Town should pay expenses in the correct departments. If management wants additional funds for the fire department from the water department, it should be handled through General Fund transfers.

ACTION TAKEN

Most of the June 30, 1999 expenses was paid prior to December 1998, prior to our releasing the June 30, 1998 recommendation.

The Honorable Willie Davis, Jr., Mayor  
and members of the Board of Alderman  
October 4, 1999  
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5. UTILITY DEPOSITS RECONCILIATIONS INCLUDING DEPOSIT CLEARING ACCOUNT - Prior Year Recommendation

The utility deposit subledger is not reconciled to the general ledger on a monthly basis. A deposit report is not printed at the end of each month. Because of the time lag in receiving the information to set up a new customer, there normally will be outstanding items. The transaction to add a deposit to this subledger does not effect the general ledger because these receipts are recording from the cash receipts system. The receipts to add a deposit to this list are done manually at a later date.

When a person is disconnected from service, the computer system generates a transaction to subtract the deposit from the subledger. This amount is posted to the accounts receivable system to reduce any balance owed by the customer. The general ledger also post this transaction reflecting the subtraction of the deposit from the utility deposit subledger and the posting of this deposit amount against the charges of the accounts receivable bill.

This new problem again deals with a time lag. Frequently customers' bills reflect a credit balance after the deposit is applied to their utility bill. The money should be refunded to the customers. Most of the customer refund checks are written, however, the transactions to record the refund checks in accounts receivable subledger are not being made on a timely basis. Also, a check for the difference in the refund to the customer and the total deposit posted to the customer's bill is not being written and deposited to the water regular cash account.

A monthly reconciliation should be made between the disconnect printouts and the refund checks to see if all transactions have been properly taken care off. Also, a monthly reconciliation of account 30116 and the refund check transactions to the accounts receivable subledger should be made. If account 30116 has a balance in it, all the refund checks have not been recorded to that system.

RECOMMENDATION

A monthly reconciliation of the list of utility deposit to the general ledger is to be made and any outstanding problems should be resolved. A supervisor should review all reconciliations to see if all transactions have been properly made.

ACTION TAKEN

The Town does not have a person responsible for reconciling the accounts receivable system and the deposit system to the general ledger accounts. The Town tried training one of the clerks to reconcile these systems. The transactions of the utility deposit subsystem were too overwhelming for the clerk to understand. During this year most of the necessary utility deposit

The Honorable Willie Davis, Jr., Mayor  
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5. UTILITY DEPOSITS RECONCILIATIONS INCLUDING DEPOSIT CLEARING ACCOUNT - Prior Year Recommendation Continued

transactions were done at least monthly through March 1999. Since that date, the transactions to record the refunds to the customers on the accounts receivable system have not been made. If these transactions were made on a timely basis, some of the problems with customers' bills would be avoided.

6. ACCOUNTS RECEIVABLE - PREFERRED RATES

Minimum usage bills (usage of 2,000 gallons or less) are being calculated incorrectly. The program has to prorate the bill based on the number of days between readings. This proration is to prevent a new customer from paying a high bill when they have usage of less than a month. We looked at the bills in May and August 1998. Bills that had 30 days or more between readings still calculated at less than the minimum rate.

Bills for employees and Town's service people have not been changed to reflect the council approved new policy. The new policy states that a minimum bill would be for the first 15,000 gallons of usage and any usage over that amount should be charged at the same rate as regular customers. This problem also is compounded by the fact that some of the employee's bills do not have usage listed on them. (See policy below.)

Employee Benefits  
Minimum Utility Bill Policy

As a benefit to all full time employees, council members, firemen, and the mayor, the Town of Farmerville will charge only the minimum for water, sewer, and garbage, (\$5.00, 1.50, and \$5.00 respectively) as well as any taxes due on these charges. This benefit only applies to the principal residence of this group that is located in the Town's service area. Any members of the above group that do not live in the service area will not receive any other benefit or compensation in lieu of this benefit.

The minimum charge applies to the first 15,000 gallons of water used. Anything over that amount will be charged at the prevailing rate in effect.

A full time employee is defined as an employee that works at least 32 hours a week and is not employed for a temporary period of six months or less.

The Honorable Willie Davis, Jr., Mayor  
and members of the Board of Alderman  
October 4, 1999  
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6. ACCOUNTS RECEIVABLE - PREFERRED RATES CONTINUED

This benefit would also apply to former full time employees, council members, firemen, and mayors who have served the Town as follows:

Mayor - Served two terms - eight years.  
Council - Served three terms - twelve years  
Employees and firemen - Employed for twenty years

The benefit will terminate at their death or if they move out of the service area.

Since it is the responsibility of the people associated with the Town to project the assets of the Town, anyone of this group who fails to fix a water leak after three written notices will be forever exempt from this benefit.

Some of the people are receiving this employee benefit, when they have never been an employee, council member, fireman, or live in a household with any of the above.

RECOMMENDATION

The town should check with the computer software manufacture to see if there is anything that can be done about the proration problem on minimum usage.

The employee benefit concerning the utility bills, should either be changed to reflect the practices of management or management should comply with the council's wishes. The Town may need to check with legal council to see if any law's have been violated through this practice.

ACTION TAKEN

We could not find any action taken on this matter. During a meeting with the Legislative Audit Advisory Committee meeting in February 1999, Mr. Austin recommended that the Town obtain an Attorney General's ruling on this benefit, because its gets very close to Article 7, Section 14 of the Constitution in that, not only is the Town providing benefits for current employees (which may be decided to be a condition of employment by the Attorney General), but when you start to provide this benefit to former employees, that may violate Article 7, Section 14. The Town's attorney is currently working on this matter.

The Honorable Willie Davis, Jr., Mayor  
and members of the Board of Alderman  
October 4, 1999  
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## 7. SEWER CUSTOMERS

The Town has some customers that receive sewer services only. The Town entered into an oral agreement with a water district to supply sewer services to their customers. The Town handles the billing and collection of the sewer services. Two of these customers on Olin Hills Road refuse to pay their sewer charges. The Town has contacted the water district about cutting off the water at these two houses, but the water district refuses to cooperate.

### RECOMMENDATION

We suggest that the Town take legal action against these two people. We also suggest that in the future the Town have written contracts with the individual water districts for providing services that compel the water district to take action against delinquent accounts.

GARRETT & GARRETT  
CERTIFIED PUBLIC ACCOUNTANTS

**Garrett & Garrett**  
Certified Public Accountants  
119 Professional Drive  
West Monroe, Louisiana 71291

Carolyn V. Garrett  
Judy D. Garrett

Phone: 322-0845

November 22, 1999

Ms. Sudha Rawal  
Legislative Auditor's Office  
Baton Rouge, LA 80904

RE: Town of Farmerville

Dear Ms. Rawal:

You requested that we advise you of the action taken on recommendation number seven concerning customers who are sewer customers only.

The council recommended that the City attorney file suit against the sewer customers for payment and try to find a way to terminate the sewer service for customer who do not pay. Also they recommended that the Town not allow any other customer sewer service without a method of terminating the service for uncollected charges.

Sincerely,

  
Carolyn V. Garrett