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TOWN OF VINTON LOUISIANA

FINANCIAL STATEMENTS

FOR THE YEAR ENDED
SEPTEMBER 30, 1998

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

Release Date APR 21 1999



Mires & Company
A Professional Corporation

Certified Public Accountants

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 1998

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Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

INDEPENDENT AUDITORS' REPORT

The Honorable Raywood Lemaire, Mayor
and Members of the Board of Aldermen
Town of Vinton, Louisiana

We have audited the accompanying primary government financial statements of the Town of Vinton, Louisiana, as of and for the year ended September 30, 1998, as listed in the table of contents. These financial statements are the responsibility of the Town of Vinton, Louisiana management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 Vinton, Louisiana has included such disclosures in Note 20. 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 Vinton, Louisiana's disclosures with respect to the year 2000 issue made in Note 20. Further, we do not provide assurance that the Town of Vinton, Louisiana is or will be year 2000 ready, that the Town of Vinton, Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Vinton, Louisiana does business will be year 2000 ready.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. 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 primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Town of Vinton, Louisiana, as of September 30, 1998, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

The Honorable Raywood Lemaire, Mayor
and Members of the Board of Aldermen
Town of Vinton, Louisiana
Page 2

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Vinton, Louisiana, do not purport to, and do not, present fairly the financial position of the Town of Vinton, Louisiana, as of September 30, 1998, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 1999 on our consideration of the Town of Vinton, 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 conducted for the purpose of forming an opinion on the primary government financial statements taken as a whole. The combining and individual fund and account group financial statements, schedules and statistical data listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Town of Vinton, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the primary government financial statements; and, in our opinion, the information, 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, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
January 13, 1999



TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Balance Sheet - All Fund Types and Account Groups
 September 30, 1998

	GOVERNMENTAL FUND TYPES			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
ASSETS				
Cash	\$ 1,001,042	\$ 30,299	\$ 18,321	\$ 365,264
Investments	127,060	-	-	-
Receivables				
Taxes	-	-	-	-
Accounts	12,069	-	-	-
Assessments - current	-	-	3,067	-
Assessments - deferred	-	-	1,135	-
Intergovernmental . .	35,128	-	-	22,499
Accrued interest . .	-	-	-	-
Due from other funds .	73,437	146,329	-	-
Restricted assets				
Cash	-	795,010	-	-
Investments, at cost	-	40,367	-	-
Fixed assets, net . . .	-	-	-	-
Amount available for debt service	-	-	-	-
Amount to be provided for retirement of general long-term debt	-	-	-	-
TOTAL ASSETS	<u>\$ 1,248,736</u>	<u>\$ 1,012,005</u>	<u>\$ 22,523</u>	<u>\$ 387,763</u>

See accompanying notes.

PRIMARY GOVERNMENT FINANCIAL STATEMENTS

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Balance Sheet - All Fund Types and Account Groups
 September 30, 1998

	GOVERNMENTAL FUND TYPES			
	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Project</u>
LIABILITIES				
Accounts payable . . .	\$ 30,717	\$ -	\$ -	\$ -
Accrued liabilities . .	-	-	-	-
Due to other funds . .	146,329	48,881	-	24,556
Payable from restricted assets:				
Current maturities of revenue bonds . . .	-	-	-	-
Accrued interest . .	-	-	-	-
Customer deposits . .	-	-	-	-
Deferred revenue . . .	-	-	4,200	-
General obligation bonds payable	-	-	-	-
Revenue bonds payable .	-	-	-	-
TOTAL LIABILITIES	<u>177,046</u>	<u>48,881</u>	<u>4,200</u>	<u>24,556</u>
FUND EQUITY				
Contributed capital . .	-	-	-	-
Investment in general fixed assets	-	-	-	-
Retained earnings:				
Reserved for revenue bond retirement . .	-	-	-	-
Unreserved	-	-	-	-
Fund balances:				
Reserved for debt service	-	-	11,015	-
Reserved	-	932,825	-	-
Unreserved - undesignated . . .	<u>1,071,690</u>	<u>30,299</u>	<u>7,308</u>	<u>363,207</u>
Total fund equity . .	<u>1,071,690</u>	<u>963,124</u>	<u>18,323</u>	<u>363,207</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 1,248,736</u>	<u>\$ 1,012,005</u>	<u>\$ 22,523</u>	<u>\$ 387,763</u>

See accompanying notes.

EXHIBIT 1

PROPRIETARY FUND TYPE <u>Enterprise</u>	ACCOUNT GROUPS		TOTALS (Memorandum Only)	
	General Fixed Assets	General Long-Term Debt	1998	1997
\$ 733,513	\$ -	\$ -	\$ 2,148,439	\$ 1,613,086
168,128	-	-	295,188	296,345
-	-	-	-	2,300
319,285	-	-	331,354	311,020
-	-	-	3,067	3,314
-	-	-	1,135	3,609
-	-	-	57,627	20,688
2,540	-	-	2,540	3,788
-	-	-	219,766	1,115,764
190,264	-	-	985,274	946,679
215,745	-	-	256,112	248,546
6,041,213	1,500,284	-	7,541,497	7,653,717
-	-	11,015	11,015	22,030
-	-	-	-	-
<u>\$ 7,670,688</u>	<u>\$ 1,500,284</u>	<u>\$ 11,015</u>	<u>\$ 11,853,014</u>	<u>\$ 12,240,886</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balances - All Governmental Fund Types
 Year Ended September 30, 1998

	<u>General</u>	<u>Special Revenue</u>
Revenues:		
Taxes	\$ 67,938	\$ 437,960
Licenses and permits	90,547	-
Intergovernmental	56,136	-
Charges for services	37,191	-
Fines	120,841	-
Special assessments	-	-
Interest	50,031	40,561
Net decrease in the fair value of investments	(710)	(465)
Video poker	156,014	-
Miscellaneous	<u>44,391</u>	<u>-</u>
TOTAL REVENUES	<u>622,379</u>	<u>478,056</u>
Expenditures:		
Current:		
General government	102,470	11,691
Police	413,705	-
Fire	38,044	-
Streets and alley	139,829	-
Capital outlay	45,641	-
Debt service:		
Principal retirement	-	-
Interest and fiscal charges	<u>-</u>	<u>-</u>
TOTAL EXPENDITURES	<u>739,689</u>	<u>11,691</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(117,310)</u>	<u>466,365</u>
Other financing sources (uses):		
Operating transfers in	284,324	-
Operating transfers out	<u>(1,162)</u>	<u>(243,263)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>283,162</u>	<u>(243,263)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>165,852</u>	<u>223,102</u>
FUND BALANCES, BEGINNING	873,416	398,041
RESIDUAL EQUITY TRANSFERS	<u>32,422</u>	<u>341,981</u>
FUND BALANCES, BEGINNING - RESTATED	<u>905,838</u>	<u>740,022</u>
FUND BALANCES, ENDING	<u>\$1,071,690</u>	<u>\$ 963,124</u>

See accompanying notes.

EXHIBIT 1

PROPRIETARY FUND TYPE	ACCOUNT GROUPS		TOTALS	
	General	General	(Memorandum Only)	
	Fixed Assets	Long-Term Debt	1998	1997
Enterprise				
\$ 252,451	\$ -	\$ -	\$ 283,168	\$ 289,440
7,817	-	-	7,817	6,456
-	-	-	219,766	1,151,683
36,000	-	-	36,000	60,000
148	-	-	148	885
96,627	-	-	96,627	94,989
-	-	-	4,200	6,922
-	-	11,015	11,015	22,030
889,000	-	-	889,000	925,000
<u>1,282,043</u>	<u>-</u>	<u>11,015</u>	<u>1,547,741</u>	<u>2,521,405</u>
4,701,824	-	-	4,701,824	5,240,749
-	1,500,284	-	1,500,284	1,454,643
261,747	-	-	261,747	219,445
1,425,074	-	-	1,425,074	1,365,754
-	-	-	11,015	22,030
-	-	-	932,825	470,834
-	-	-	1,472,504	946,026
<u>6,388,645</u>	<u>1,500,284</u>	<u>-</u>	<u>10,305,273</u>	<u>9,719,481</u>
<u>\$ 7,670,688</u>	<u>\$ 1,500,284</u>	<u>\$ 11,015</u>	<u>\$ 11,853,014</u>	<u>\$ 12,240,886</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Statement of Revenues, Expenditures, and
 Changes in Fund Balance - Budget and Actual -
 General, Special Revenue, and Debt Service Funds
 Year Ended September 30, 1998

	GENERAL FUND		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 67,000	\$ 67,938	\$ 938
Licenses and permits	74,700	90,547	15,847
Intergovernmental	37,000	56,136	19,136
Charges for services	27,000	37,191	10,191
Fines	100,000	120,841	20,841
Special assessments	-	-	-
Interest	26,000	50,031	24,031
Net decrease in the fair value of investments	-	(710)	(710)
Video poker	100,000	156,014	56,014
Miscellaneous	23,050	44,391	21,341
TOTAL REVENUES	<u>454,750</u>	<u>622,379</u>	<u>167,629</u>
Expenditures:			
Current:			
General government	102,400	102,470	(70)
Police	409,700	413,705	(4,005)
Fire	43,475	38,044	5,431
Streets and alleys	182,444	139,829	42,615
Capital outlay	40,000	45,641	(5,641)
Debt service:			
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
TOTAL EXPENDITURES	<u>778,019</u>	<u>739,689</u>	<u>38,330</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(323,269)</u>	<u>(117,310)</u>	<u>205,959</u>
Other financing sources (uses):			
Operating transfers in	168,290	284,324	116,034
Operating transfers out	-	(1,162)	(1,162)
TOTAL OTHER FINANCING SOURCES (USES)	<u>168,290</u>	<u>283,162</u>	<u>114,872</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(154,979)</u>	<u>165,852</u>	<u>320,831</u>
FUND BALANCES, BEGINNING	873,416	873,416	-
RESIDUAL EQUITY TRANSFERS	-	32,422	32,422
FUND BALANCES, BEGINNING - RESTATED	<u>873,416</u>	<u>905,838</u>	<u>32,422</u>
FUND BALANCES, ENDING	<u>\$ 718,437</u>	<u>\$ 1,071,690</u>	<u>\$ 353,253</u>

See accompanying notes.

EXHIBIT 2

<u>Debt Service</u>	<u>Capital Project</u>	<u>TOTALS</u> <u>(Memorandum Only)</u>	
		<u>1998</u>	<u>1997</u>
\$ -	\$ -	\$ 505,898	\$ 475,685
-	-	90,547	82,946
-	31,939	88,075	262,792
-	-	37,191	29,130
-	-	120,841	153,477
3,023	-	3,023	6,572
1,925	8,733	101,250	80,131
-	-	(1,175)	-
-	-	156,014	131,765
-	-	44,391	31,927
<u>4,948</u>	<u>40,672</u>	<u>1,146,055</u>	<u>1,254,425</u>
11	25,294	139,466	235,189
-	-	413,705	426,114
-	-	38,044	48,710
-	-	139,829	156,935
-	1,162	46,803	43,579
11,015	-	11,015	11,015
2,189	-	2,189	3,110
<u>13,215</u>	<u>26,456</u>	<u>791,051</u>	<u>924,652</u>
<u>(8,267)</u>	<u>14,216</u>	<u>355,004</u>	<u>329,773</u>
-	113,437	397,761	363,055
-	-	(244,425)	(278,130)
-	<u>113,437</u>	<u>153,336</u>	<u>84,925</u>
<u>(8,267)</u>	<u>127,653</u>	<u>508,340</u>	<u>414,698</u>
26,590	140,843	1,438,890	1,024,192
-	94,711	469,114	-
<u>26,590</u>	<u>235,554</u>	<u>1,908,004</u>	<u>1,024,192</u>
<u>\$ 18,323</u>	<u>\$ 363,207</u>	<u>\$ 2,416,344</u>	<u>\$ 1,438,890</u>

SPECIAL REVENUE			DEBT SERVICE		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 400,000	\$ 437,960	\$ 37,960	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	6,000	3,023	(2,977)
15,000	40,561	25,561	2,000	1,925	(75)
-	(465)	(465)	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>415,000</u>	<u>478,056</u>	<u>63,056</u>	<u>8,000</u>	<u>4,948</u>	<u>(3,052)</u>
6,920	11,691	(4,771)	50	11	39
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	11,015	11,015	-
-	-	-	2,000	2,189	(189)
<u>6,920</u>	<u>11,691</u>	<u>(4,771)</u>	<u>13,065</u>	<u>13,215</u>	<u>(150)</u>
<u>408,080</u>	<u>466,365</u>	<u>58,285</u>	<u>(5,065)</u>	<u>(8,267)</u>	<u>(3,202)</u>
-	-	-	-	-	-
<u>(243,540)</u>	<u>(243,263)</u>	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(243,540)</u>	<u>(243,263)</u>	<u>277</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>164,540</u>	<u>223,102</u>	<u>58,562</u>	<u>5,065</u>	<u>(8,267)</u>	<u>(3,202)</u>
398,041	398,041	-	26,590	26,590	-
-	341,981	341,981	-	-	-
<u>398,041</u>	<u>740,022</u>	<u>341,981</u>	<u>26,590</u>	<u>26,590</u>	<u>-</u>
<u>\$ 562,581</u>	<u>\$ 963,124</u>	<u>\$ 400,543</u>	<u>\$ 21,525</u>	<u>\$ 18,323</u>	<u>\$ (3,202)</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Statement of Revenues, Expenses, and Changes
 in Retained Earnings - All Proprietary Fund Types
 Year Ended September 30, 1998

EXHIBIT 4

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Electricity sales	\$ 2,743,590	\$ 2,589,764
Water sales	181,890	182,512
Sewer service charges	166,034	166,226
Miscellaneous	<u>86</u>	<u>-</u>
TOTAL OPERATING REVENUES	<u>3,091,600</u>	<u>2,938,502</u>
Operating expenses:		
Electricity department	2,522,160	2,485,873
Water department	136,912	155,141
Sewer department	152,232	167,061
Depreciation	157,861	159,098
Bad debts	<u>11,622</u>	<u>14,244</u>
TOTAL OPERATING EXPENSES	<u>2,980,787</u>	<u>2,981,417</u>
OPERATING INCOME	<u>110,813</u>	<u>(42,915)</u>
Nonoperating revenues (expenses):		
Interest income	53,544	50,210
Net increase in the fair value of investments	68,056	-
Interest expense	<u>(47,370)</u>	<u>(50,380)</u>
TOTAL NONOPERATING REVENUES	<u>74,230</u>	<u>(170)</u>
INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES)	185,043	(43,085)
Other financing sources (uses):		
Operating transfers in	158,174	132,590
Operating transfers out	<u>(311,511)</u>	<u>(217,516)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(153,337)</u>	<u>(84,926)</u>
NET INCOME (LOSS)	31,706	(128,011)
Add current year's depreciation on fixed assets acquired by funds externally restricted for capital expenditures that reduces contributed capital	<u>69,916</u>	<u>69,916</u>
Increase (decrease) in retained earnings	101,622	(58,095)
RETAINED EARNINGS, BEGINNING	<u>1,585,199</u>	<u>1,643,294</u>
RETAINED EARNINGS, ENDING	<u>\$ 1,686,821</u>	<u>\$ 1,585,199</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combined Statement of Cash Flows - All Proprietary Fund Types
 Year Ended September 30, 1998

EXHIBIT 5

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 110,813	\$ (42,915)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	157,861	159,098
(Increase) Decrease in receivables	(19,043)	8,033
(Increase) Decrease in due to/from other funds	10,640	(5,390)
Increase (Decrease) in accounts payable and accrued expenses	<u>(6,079)</u>	<u>27,978</u>
NET CASH FROM OPERATING ACTIVITIES	<u>254,192</u>	<u>146,804</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	158,174	132,590
Operating transfers out to other funds	<u>(311,511)</u>	<u>(217,516)</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(153,337)</u>	<u>(84,926)</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	-	-
Principal paid on revenue bonds	(60,000)	(71,408)
Interest paid on revenue bonds	<u>(47,222)</u>	<u>(50,380)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(107,222)</u>	<u>(121,788)</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	39,677	26,197
Interest on investments	<u>51,004</u>	<u>50,210</u>
NET CASH FROM INVESTING ACTIVITIES	<u>90,681</u>	<u>76,407</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,314	16,497
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>839,463</u>	<u>822,966</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 923,777</u>	<u>\$ 839,463</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

INTRODUCTION

The Town of Vinton was incorporated in October, 1910, under the provisions of the Lawrason Act. The purpose of the Town is to provide services to its citizens, which include sewer, water and electricity; police protection and other services. The Town has a board of five elected aldermen which are compensated. The Town is located in Calcasieu Parish, Louisiana and its population is approximately 3,000. There are approximately 38 employees of the Town of Vinton.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Presentation

The accompanying financial statements of the Town of Vinton have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

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

GASB Statement No. 14 established criteria for determining which component units should be considered part of the Town of Vinton for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

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

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- 3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship

As required by generally accepted accounting principles, these financial statements present the Town of Vinton (the primary government) and its component units. By applying the above requirements, the Town has no component units. (See Note 20).

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's (Town) financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government (Town).

Considered in the determination of component units of the reporting entity were the Calcasieu Parish Police Jury, Sheriff, Clerk of Court, Assessor, School Board, and the District Attorney and Judges for the 33rd Judicial District. It was determined that these governmental entities are not component units of the Town of Vinton reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Vinton.

C. Fund Accounting

The Town 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.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Funds of the Town are classified into two categories: governmental and proprietary. 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 Town'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 Town and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. Debt service funds--account for transactions relating to resources retained and used for 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 the 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 that 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 the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

D. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes as available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payments to be made early in the following year.

Those revenues susceptible to accrual are property taxes, franchise taxes, special assessments, licenses, beer and tobacco taxes, interest revenue and charges for services. Sales taxes collected and held by the parish at year end on behalf of the government also are recognized as revenue. Fines, permits, and race track tax revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The Town reports deferred revenue on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when resources are received by the government before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets. Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financial sources (uses). These are recorded at the time of occurrence.

E. Budgets

The Town uses the following budget practices:

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general, special revenue, debt service and enterprise funds. All annual appropriations lapse at fiscal year end.

Prior to the beginning of each fiscal year, the Mayor submits a budget to the Board of Aldermen. The budget is prepared by fund, function and activity, and includes information on the past year, current year estimates and requested appropriations for the next fiscal year.

The Board of Aldermen holds public hearings and may add to, subtract from or change appropriations, but may not change the form of the budget. Any changes in the budget must be within the revenues and reserves estimated or the revenue estimates must be changed by an affirmative vote of a majority of the government's council.

Expenditures may not legally exceed budgeted appropriations at the activity level.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the Town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are reported at their fair value.

H. 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.

I. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method. Estimated useful lives are as follows:

Water and sewer:	
Wells and plants	50 years
Lines and meters	50 years
Pump stations	20 years
Autos and trucks	3 - 5 years
Other equipment	8 - 10 years

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Electricity:

Switching stations	50 years
Transformers	10 - 15 years
Autos and trucks	3 - 5 years
Other equipment	7 - 15 years

J. Statement of Cash Flows

For the purpose of the statement of cash flows, for the enterprise fund, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents. The statement reflects ending cash and cash equivalents of \$923,777 which represents unrestricted and restricted amounts of \$733,513 and \$190,264, respectively.

K. 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. Amounts 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. However, a liability is recognized for that portion of accumulating sick leave benefits that it is estimated will be taken as "terminal leave" prior to retirement. At September 30, 1998 the Town's liability for compensated absences could not be reasonably estimated.

L. Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
NOTES TO FINANCIAL STATEMENTS
September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

N. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions 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 nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

O. Sales Taxes

2½% Sales Tax

Proceeds of a 2½% sales and use tax levied by the Town of Vinton are dedicated to the following purposes:

1. Proceeds from 1%, being collected since April 1, 1975, is not dedicated for any special purpose and may be utilized for any lawful purpose.
2. Proceeds from 1%, being collected since July 1, 1979, is to provide additional funds for the purposes of constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal and treatment plant system and other capital improvements; paying indebtedness incurred for said purposes or for any other lawful corporate purpose.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Proceeds from the ½% tax being collected since January 1, 1997, is for the following purposes: 80% for the maintenance and overlay of the hard surfaced streets; 15% for the purchase of a new fire truck and 5% for the payment of insurance and utilities incurred relative to the operation of the new Southside fire station. The tax shall be for a period of ten years expiring December 31, 2002.

P. Total Columns on Combined Statements

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

Q. 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.

NOTE 2 - EXPENDITURES/EXPENSES - ACTUAL AND BUDGET

The following individual fund has actual expenditures/expenses over budgeted expenditures/expenses for the year ended September 30, 1998:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>%</u>
Enterprise Fund	<u>\$ 2,909,885</u>	<u>\$ 3,339,668</u>	<u>\$ 429,783</u>	<u>14.77%</u>

NOTE 3 - PROPERTY TAXES

For the year ended September 30, 1998 taxes of 6.25 mills were levied on property with assessed valuations totalling \$5,672,750 and were dedicated as follows:

General corporate purposes 6.25 mills

Total taxes levied were \$35,457.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 3 - PROPERTY TAXES

Property tax millage rates are adopted in July for the calendar year in which the taxes are levied and recorded. All taxes are due and collectible when the assessment rolls are filed on or before November 15th of the current year, and become delinquent after December 31st. Property taxes not paid by the end of February are subject to lien. The Town bills and collects its own property taxes. Town property tax revenues are recognized when levied.

NOTE 4 - CASH AND CASH EQUIVALENTS

At September 30, 1998, the Town has cash and cash equivalents (book balances) totaling \$3,133,713 as follows:

Demand deposits	\$ 110,945
Interest-bearing demand deposits	2,922,768
Time deposits	<u>100,000</u>
Total	<u>\$3,133,713</u>

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

At September 30, 1998, the Town has \$3,161,279 in deposits (collected bank balances). These deposits are secured from risk by \$300,000 of federal deposit insurance and \$2,861,279 of pledged securities held by custodial banks in the name of the fiscal agent banks. (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, R.S. 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 5 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 5 - INVESTMENTS

2. Uninsured and unregistered with securities held by the counterparty's trust department or agent in the Town's name.
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent but not in the Town's name.

At fiscal year-end, the Town's investment balances were as follows:

<u>Type of Investment</u>	<u>Category 1</u>	<u>Carrying Amount</u>		<u>Total Carrying Amount</u>
		<u>Fair Value</u>	<u>Cost</u>	
GNMA	\$ 210,660	\$ 210,660	\$ 224,871	\$210,660
Edward D. Jones - Putnam Fund	268,115	268,115	283,198	268,115
C.D. - Cameron State Bank	72,525	72,525	72,525	72,525
	<u>\$ 551,300</u>	<u>\$ 551,300</u>	<u>\$ 580,594</u>	<u>\$551,300</u>

NOTE 6 - RECEIVABLES

The following is a summary of receivables for September 30, 1998:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Proprietary Funds</u>
Taxes:					
Ad valorem	\$ -	\$ -	\$ -	\$ -	\$ -
Sales and use	-	-	-	-	-
Other	12,069	-	-	-	321,825
Intergov't:					
Federal	-	-	-	-	-
State	35,128	-	-	22,499	-
Special Assessments:					
Current	-	-	3,067	-	-
Delinquent	-	-	-	-	-
Deferred	-	-	1,135	-	-
Total	<u>\$ 47,197</u>	<u>\$ -</u>	<u>\$ 4,202</u>	<u>\$ 22,499</u>	<u>\$ 321,825</u>

Uncollectible amounts due for ad valorem taxes and other receivables are recognized as bad debts at the time information becomes available which would indicate that the particular receivable is not collectable. This method does not result in a charge to bad debts that is materially different from the amount that would be charged if the reserve method were used.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 7 - FIXED ASSETS

A. General Fixed Assets:

A summary of changes in general fixed assets for the year ended September 30, 1998 is as follows:

	<u>Fixed Assets</u>		
	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u>	<u>Balance</u> <u>09/30/98</u>
Land	\$ 272,991	\$ -	\$ 272,991
Building	432,936	-	432,936
Improvements other than building	26,479	-	26,479
Equipment	401,374	28,801	430,175
Vehicles	320,863	16,840	337,703
	<u>\$ 1,454,643</u>	<u>\$ 45,641</u>	<u>\$ 1,500,284</u>

B. Proprietary Fund Fixed Assets:

A summary of changes in proprietary fund fixed assets for the year ended September 30, 1998 is as follows:

	<u>Fixed Assets</u>		
	<u>Balance</u> <u>10/01/97</u>	<u>Additions</u> <u>(Deletions)</u>	<u>Balance</u> <u>09/30/98</u>
Water and sewerage:			
Cost capitalized prior to			
September 30, 1969	\$ 485,640	\$ -	\$ 485,640
Wells	44,838	-	44,838
Water tanks and distribution			
system	718,179	-	718,179
Waste water treatment plant . .	6,016,743	-	6,016,743
Sewer plant and improvements .	271,768	-	271,768
Trucks	31,955	-	31,955
Other equipment	46,643	-	46,643
Electricity:			
Cost capitalized prior to			
September 30, 1969	148,955	-	148,955
Relocation of lines	7,412	-	7,412
Transformers	42,923	-	42,923
Trucks	91,802	-	91,802
Other equipment	40,338	-	40,338
Land	328,950	-	328,950
	<u>8,276,146</u>	<u>\$ -</u>	<u>8,276,146</u>
Less accumulated depreciation . .	<u>2,077,072</u>		<u>2,234,933</u>
TOTALS	<u>\$6,199,074</u>		<u>\$6,041,213</u>

Depreciation expense was \$157,861 for the year ended September 30, 1998.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES

The following is a summary of payables at September 30, 1998:

Class of Payable	General	Special	Debt	Capital	Proprietary
	Fund	Revenue	Service	Projects	
	Funds	Funds	Funds	Funds	Funds
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Withholdings	-	-	-	-	-
Accounts	30,717	-	-	-	252,451
Other	-	-	4,200	-	104,592
Total	<u>\$ 30,717</u>	<u>\$ -</u>	<u>\$ 4,200</u>	<u>\$ -</u>	<u>\$ 357,043</u>

NOTE 9 - PENSION PLAN

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System or Municipal Police Employees Retirement System of Louisiana. These are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees.

Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the Town are members of Plan A.

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 Town funds and all elected Town officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% 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 above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 9 - PENSION PLAN

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the Town of Vinton is required to contribute at an actuarially determined rate. The current rate is 5.75 percent of annual covered payroll. Contributions to the System also include one-fourth of 1% (except Orleans and East Baton Rouge parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Vinton are established and may be amended by state statute. As provided by R.S. 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. The Town of Vinton contributions to the System under Plan A for the years ending September 30, 1998, 1997, and 1996 were \$17,828, \$21,330, and \$22,775, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. 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% 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 above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 9 - PENSION PLAN

Funding Policy. Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Vinton is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Vinton are established and may be amended by state statute. As provided by R.S. 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. The Town of Vinton contributions to the System for the years ending September 30, 1998, 1997, and 1996 were \$16,006, \$16,074, and \$15,338, respectively, equal to the required contributions for each year.

NOTE 10 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

The following is a summary of long-term obligation transactions for the year ended September 30, 1998:

Bonds payable, October 1, 1997	\$ 1,007,030
Bonds retired	(71,015)
Bonds issued	<u> </u>
Bonds payable, September 30, 1998	<u>\$ 936,015</u>

Bonds payable at September 30, 1998 are comprised of the following individual issues:

General Obligation:

\$110,150 Certificate of Indebtedness dated 04/01/89; due in annual installments of \$11,015 through April 1, 1999; interest at 8.35% (this issue financed by paving assessments and by excess receipts over expenditures in the General Fund)	<u>\$ 11,015</u>
--	------------------

Revenue:

\$400,000 Utility Revenue Bonds dated 10/01/72; due in annual installments of \$1,000 - \$41,000 through October 1, 2002; interest at 5%	5,000
\$985,408 Utility Revenue Promissory Note Payable to Louisiana Department of Environmental Quality dated November 1, 1997; due in semi-annual installments of \$55,043-\$82,000 through November 1, 2014; interest at 5.0%	<u>920,000</u>
	<u>925,000</u>
TOTAL DEBT OUTSTANDING	<u>\$ 936,015</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 10 - CHANGES IN GENERAL LONG-TERM OBLIGATIONS

At September 30, 1998, the Town has accumulated \$11,015 in the debt service fund for future debt requirements. The annual requirements to amortize all bonds and/or certificates outstanding at September 30, 1998, including interest of \$448,961 is as follows:

<u>Fiscal Year</u>	<u>Utility Revenue Bond</u>	<u>Utility Revenue Promissory Note</u>	<u>General Obligation Bond</u>	<u>Total</u>
1999	\$ 1,266	\$ 80,125	\$ 11,886	\$ 93,277
2000	1,206	78,375	-	79,581
2001	1,148	81,500	-	82,648
2002	1,088	79,500	-	80,588
2003	1,030	82,375	-	83,405
Thereafter	-	965,625	-	965,625
Total	<u>\$ 5,738</u>	<u>\$1,367,500</u>	<u>\$ 11,886</u>	<u>\$1,385,124</u>

In accordance with Louisiana Revised Statute 39:562, the Town is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property in the Town. At September 30, 1998, the statutory limit is \$1,985,463.

In accordance with the provisions of paragraph B, section 10 of the \$400,000 utility revenue bond indenture of October 1, 1972, the Town has maintained adequate funds for paying the bond principal and interest.

In accordance with the provisions of paragraph C, section 10, of the above mentioned bond issue, the Town maintained restricted funds invested for reserve in the amount of \$163,363 at September 30, 1998; \$45,773 was required. Paragraph D, section 10, of the above mentioned bond issue, the Town maintained \$142,208 at September 30, 1998 in restricted funds invested for additions and contingencies; \$5,000 was required.

NOTE 11 - COMPONENTS OF RESTRICTED ASSETS

	<u>Revenue Bond Sinking</u>	<u>Revenue Bond Reserve</u>	<u>Revenue Bond Contingency</u>	<u>Customer Deposits</u>	<u>Totals</u>
Cash	\$ 1,148	\$ 82,078	\$ 71,449	\$ 35,589	\$ 190,264
U.S. Govn't Securities and C.D.	-	77,837	65,383	72,525	215,745
	<u>\$ 1,148</u>	<u>\$159,915</u>	<u>\$ 136,832</u>	<u>\$ 108,114</u>	<u>\$ 406,009</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 11 - COMPONENTS OF RESTRICTED ASSETS

The amount of retained earnings reserved for revenue bond retirement is detailed as follows:

Restricted assets: revenue bond sinking, reserve and contingency funds	\$ 297,895
Less:	
Current maturities of revenue bonds, payable from restricted assets	36,000
Accrued interest, payable from restricted assets	<u>148</u>
Retained Earnings Reserved	<u>\$ 261,747</u>

NOTE 12 - INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 48,881
General Fund	Capital Projects Fund	24,556
Special Revenue Fund	General Fund	<u>146,329</u>
Total		<u>\$ 219,766</u>

NOTE 13 - RISK MANAGEMENT

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Town. Settled claims have not exceeded this commercial coverage in any of the past three fiscal years.

NOTE 14 - NONCASH INVESTING AND FINANCING TRANSACTIONS

The Town of Vinton received grants totaling \$18,071 that were used to purchase radio equipment for the police department and fire department, \$9,440 to repair damages to the utility system due to ice storm damage during the prior year, and \$22,499 to hard surface the Town Hall parking lot.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 15 - INTEREST EXPENSE

Total amount of interest charged to expense for the year ended September 30, 1998 was \$55,383.

NOTE 16 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

There are a number of limitations and restrictions contained in the bond indenture. The Town is in compliance with all significant limitations and restrictions. No material violations of finance related legal and contractual provisions occurred for the year ended September 30, 1998.

Expenditures exceeded appropriations for the Enterprise Fund for the year ended September 30, 1998. Closer attention to the budgeting process will be demonstrated in the following year.

The Schedule of Findings details other noncompliance issues that occurred during the year ended September 30, 1998.

NOTE 17 - CONTRIBUTED CAPITAL

During the year, contributed capital changed by the following amount:

Government - Depreciation of fixed assets acquired by funds externally restricted for capital expenditures	\$ (69,916)
Municipality - Residual Equity Transfers	<u>(469,009)</u>
CONTRIBUTED CAPITAL, BEGINNING	<u>5,240,749</u>
CONTRIBUTED CAPITAL, ENDING	<u>\$ 4,701,824</u>

NOTE 18 - CONTINGENCIES

The Town participates in a number of federal and state grant programs that are either partially or fully funded by grants received from other governmental units. Such grants are subject to audit by the grantor agencies which could result in requests for reimbursement to the granting agency for expenditures that are disallowed under the terms of the grant. Based on past experience, the Town believes that any disallowed costs as a result of such audits will be immaterial.

NOTE 19 - THE FINANCIAL REPORTING ENTITY

Governmental Accounting Standards Board (GASB) Statement 14, dictates that Vinton Public Power Authority (VPPA) is a component unit for financial reporting. We have taken the position, upon the advice of legal counsel Richard Tharp, and bonding counsel Fred Benton, that VPPA is not a component unit.

Only the primary government's financial information is included in these financial statements due to the fact that all financial information for the component unit is not available.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 NOTES TO FINANCIAL STATEMENTS
 September 30, 1998

NOTE 20 - YEAR 2000

The Town's accounting and billing system is computerized. Therefore the Town's accounting system is susceptible to possible problems of the year 2000. The Town is aware of this and is in the process of assessing all hardware and software for year 2000 compliance.

The Town furnishes water, sewer, and electricity to Town residents. Certain equipment used in the transmission at these services could be affected by the year 2000 and the Town is in the process of assessing which, if any, are not year 2000 compliant.

NOTE 21 - CHANGES IN BEGINNING FUND BALANCES

The following discloses the restatement of fund balances (retained earnings) as of the beginning of the prior fiscal year:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Enterprise Fund</u>
Fund balance (Retained earnings), beginning of year, as previously stated	\$ 778,491	\$ 220,593	\$ 1,731,037
Decrease from implementing GASB 31 - fair value of investments	<u>(6,380)</u>	<u>(2,052)</u>	<u>(87,743)</u>
Fund balance (Retained earnings) beginning of year, as restated	<u>\$ 772,111</u>	<u>\$ 218,541</u>	<u>\$ 1,643,294</u>

NOTE 22 - RESIDUAL EQUITY TRANSFERS

The Town has recorded residual equity transfers to reclassify outstanding due to/from balances that were not repaid.

NOTE 23 - SUBSEQUENT EVENT

As of January 13, 1999 the Town had been contacted by the Environmental Protection Agency notifying the Town that it had possibly violated regulations in disposing of transformers that were leaking PCB's. As of this time there is no estimate of the possible costs to the Town for this subsequent event.

NOTE 24 - NET WORKING CAPITAL

Net working capital (current assets less current liabilities) for the Enterprise Fund at September 30, 1998 equals \$1,090,691.

COMBINING AND INDIVIDUAL FUND AND ACCOUNT
GROUP STATEMENTS AND SCHEDULES

GENERAL FUND

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

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 General Fund
 Comparative Balance Sheet
 September 30, 1998 and 1997

EXHIBIT A-1

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$1,001,042	\$ 684,635
Investments	127,060	143,542
Receivables		
Franchise taxes	-	2,300
Accounts	12,069	10,526
Accrued interest	-	795
Due from other funds	73,437	39,447
Due from other government units	<u>35,128</u>	<u>20,688</u>
TOTAL ASSETS	<u>\$1,248,736</u>	<u>\$ 901,933</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 30,717	\$ 28,517
Due to other funds	<u>146,329</u>	<u>-</u>
TOTAL LIABILITIES	177,046	28,517
Fund balance - undesignated	<u>1,071,690</u>	<u>873,416</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$1,248,736</u>	<u>\$ 901,933</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA

EXHIBIT A-2

PRIMARY GOVERNMENT

General Fund

Comparative Statement of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes:				
Ad valorem	\$ 39,000	\$ 36,426	\$ (2,574)	\$ 36,450
Franchise	28,000	31,512	3,512	30,406
Licenses and permits:				
Licenses	70,000	79,668	9,668	77,671
Permits	4,700	10,879	6,179	5,275
Intergovernmental:				
Tobacco and beer	22,000	25,168	3,168	23,130
Race track tax	-	2,379	2,379	5,342
Care of prisoners	15,000	10,518	(4,482)	16,354
Parish street fund	-	-	-	50,000
Grant revenue	-	18,071	18,071	2,703
Charges for service:				
Penalties	27,000	37,191	10,191	29,130
Fines:				
Court fines	62,000	73,016	11,016	70,628
Supplemental police pay	12,000	17,581	5,581	11,791
Court cost	26,000	25,039	(961)	24,321
Drug control	-	5,205	5,205	46,737
Interest	26,000	50,031	24,031	41,487
Net decrease in the fair value of investments	-	(710)	(710)	-
Video poker	100,000	156,014	56,014	131,765
Other:				
Miscellaneous	2,000	15,685	13,685	8,822
2% fire tax	6,000	6,614	614	6,351
Rehook ups	6,000	7,125	1,125	6,700
Pole rental	2,550	2,598	48	2,598
Housing Authority	6,500	6,248	(252)	7,456
Auxiliary police	-	6,121	6,121	-
TOTAL REVENUES	<u>454,750</u>	<u>622,379</u>	<u>167,629</u>	<u>635,117</u>
Expenditures:				
General and administrative	102,400	102,470	(70)	101,718
Police	409,700	413,705	(4,005)	426,114
Fire	43,475	38,044	5,431	48,710
Streets and alleys	182,444	139,829	42,615	156,935
Capital outlay	40,000	45,641	(5,641)	18,379
TOTAL EXPENDITURES	<u>778,019</u>	<u>739,689</u>	<u>38,330</u>	<u>751,856</u>

See accompanying notes

TOWN OF VINTON, LOUISIANA

EXHIBIT A-2

PRIMARY GOVERNMENT

General Fund

Comparative Statement of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ (323,269)	\$ (117,310)	\$ 205,959	\$ (116,739)
Other financing sources (uses):				
Operating transfers in	168,290	284,324	116,034	231,048
Operating transfers out . .	-	(1,162)	(1,162)	(13,004)
TOTAL OTHER FINANCING SOURCES (USES)	168,290	283,162	114,872	218,044
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(154,979)	165,852	320,831	101,305
FUND BALANCE, BEGINNING	873,416	873,416	-	772,111
RESIDUAL EQUITY TRANSFER	-	32,422	32,422	-
FUND BALANCE, BEGINNING - RESTATED	873,416	905,838	32,422	772,111
FUND BALANCE, ENDING	\$ 718,437	\$ 1,071,690	\$ 353,253	\$ 872,416

See accompanying notes.

PRIMARY GOVERNMENT

General Fund

Comparative Statement of Departmental Expenditures - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
General and Administrative:				
Advertising and publishing	\$ 1,500	\$ 2,205	\$ (705)	\$ 1,244
Auditing	18,000	14,415	3,585	12,500
Accounting and budget . . .	-	5,140	(5,140)	11,193
Cash short or (over) . . .	50	147	(97)	114
Codification	1,000	858	142	-
Coroner inquests	1,500	1,313	187	925
Drug testing	150	213	(63)	186
Dues and subscriptions . .	2,000	2,191	(191)	2,056
Election	-	-	-	3,681
Electric power	8,500	9,312	(812)	7,833
Heat	500	330	170	395
Insurance	4,200	3,616	584	4,523
Insurance - medi-care & FICA	1,260	1,530	(270)	1,269
Insurance - unemployment .	40	8	32	16
Insurance - workman's comp	1,700	677	1,023	664
Legal	7,200	7,950	(750)	7,200
Material and supplies . .	3,500	2,006	1,494	2,384
Miscellaneous	-	312	(312)	1,108
Office supplies and printing	6,000	6,282	(282)	5,336
Postage	300	169	131	261
Registration fees	3,000	4,983	(1,983)	3,111
Repairs and maintenance . .	5,200	4,809	391	5,101
Retirement	675	462	213	479
Salaries	3,000	3,000	-	2,600
Salaries - Aldermen	15,000	15,000	-	15,000
Tax collection	2,500	3,718	(1,218)	2,479
Telephone	2,000	2,912	(912)	2,136
Travel	12,000	7,456	4,544	7,239
Uniforms	1,000	1,000	-	-
Waste disposal charges . .	625	456	169	685
	<u>\$ 102,400</u>	<u>\$ 102,470</u>	<u>\$ (70)</u>	<u>\$ 101,718</u>

See accompanying notes.

PRIMARY GOVERNMENT

General Fund

Comparative Statement of Departmental Expenditures - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Police:				
Advertising and publishing	\$ 100	\$ 69	\$ 31	\$ 19
Animal care	-	84	(84)	378
Auto and truck	20,000	31,998	(11,998)	29,083
Care of prisoners	6,500	8,631	(2,131)	7,520
Court magistrate	-	-	-	4,200
Drug control	5,000	6,032	(1,032)	7,664
Drug testing	500	288	212	440
Dry cleaning	700	455	245	523
Dues and subscriptions	400	1,421	(1,021)	1,917
Elderly assistance	1,200	1,112	88	1,064
Electric power	4,200	4,564	(364)	3,797
Heat	300	330	(30)	-
Insurance	33,000	26,031	6,969	34,141
Insurance - group	52,500	43,029	9,471	49,939
Insurance - medi-care & FICA	6,835	5,079	1,756	5,526
Insurance - reserve officers	2,000	3,240	(1,240)	-
Insurance - unemployment	1,985	283	1,702	527
Insurance - workman's comp	21,000	15,398	5,602	17,781
Janitor and supplies	-	-	-	-
Legal	5,000	-	5,000	-
Materials and supplies	4,500	4,553	(53)	5,206
Medical service	600	1,405	(805)	1,383
Miscellaneous	-	106	(106)	395
Office supplies and printing	1,000	1,005	(5)	872
Postage	300	312	(12)	288
Registration fees	500	400	100	315
Repairs and maintenance	2,000	2,374	(374)	3,361
Retirement	21,540	16,623	4,917	15,505
Salaries	208,440	228,547	(20,107)	225,068
Subpoena fees	1,000	975	25	750
Supplemental pay	2,300	2,068	232	2,311
Telephone	3,000	3,296	(296)	3,808
Travel	2,000	1,477	523	962
Uniforms	1,000	1,702	(702)	841
Uniforms - reserve officers	-	387	(387)	-
Waste disposal charges	300	431	(131)	530
	<u>\$ 409,700</u>	<u>\$ 413,705</u>	<u>\$ (4,005)</u>	<u>\$ 426,114</u>

See accompanying notes

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 General Fund

EXHIBIT A-3

Comparative Statement of Departmental Expenditures - Budget and Actual
 Year Ended September 30, 1998
 (With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Fire:				
Auto and truck	\$ 800	\$ 2,693	\$ (1,893)	\$ 1,682
Civil defense	500	187	313	-
Drug testing	1,200	213	987	395
Dues and subscriptions . .	200	355	(155)	336
Electric power	4,500	2,470	2,030	2,976
Insurance	10,500	8,332	2,168	14,133
Insurance - medicare & FICA	520	816	(296)	744
Insurance - unemployment .	10	1	9	3
Insurance - workman's comp.	120	81	39	104
Materials and supplies . .	7,000	5,752	1,248	9,011
Medical service	500	1,128	(628)	781
Miscellaneous	-	-	-	50
Office supplies	150	-	150	134
Postage	-	10	(10)	-
Registration fees	300	75	225	50
Repairs and maintenance . .	2,500	4,071	(1,571)	4,297
Salaries	10,000	7,640	2,360	7,433
Telephone	1,800	2,894	(1,094)	3,203
Travel	1,375	610	765	1,050
Uniform	1,200	413	787	1,831
Waste disposal charges . .	300	303	(3)	497
	<u>\$ 43,475</u>	<u>\$ 38,044</u>	<u>\$ 5,431</u>	<u>\$ 48,710</u>

See accompanying notes.

PRIMARY GOVERNMENT

General Fund

Comparative Statement of Departmental Expenditures - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Streets and Alleys:				
Advertising and publishing	\$ 50	\$ 10	\$ 40	\$ -
Animal control	2,800	2,518	282	2,799
Auto and truck	12,000	9,427	2,573	11,678
Care of prisoners	14,400	12,552	1,848	13,439
Contract work	12,600	1,150	11,450	-
Drug testing	200	4	196	175
Dues and subscriptions	50	40	10	168
Electric power	11,000	12,154	(1,154)	10,809
Heat	200	200	-	-
Insurance	7,000	8,701	(1,701)	7,451
Insurance - group	21,600	19,085	2,515	20,706
Insurance - medi-care	250	194	56	224
Insurance - unemployment	150	35	115	117
Insurance - workman's comp	10,000	5,529	4,471	8,295
Materials and supplies	10,200	10,626	(426)	11,639
Medical	-	502	(502)	276
Miscellaneous	-	-	-	136
Office supplies	50	320	(270)	-
Parks	500	350	150	1,225
Postage	50	-	50	-
Registration	-	-	-	11
Rent	500	-	500	-
Repairs and maintenance	5,000	8,410	(3,410)	9,629
Retirement	4,080	2,392	1,688	3,182
Salaries	68,564	43,602	24,962	53,673
Telephone	800	881	(81)	1,205
Travel	100	-	100	99
Waste disposal charges	300	1,147	(847)	999
	<u>\$ 182,444</u>	<u>\$ 139,829</u>	<u>\$ 42,615</u>	<u>\$ 156,935</u>

See accompanying notes.

SPECIAL REVENUE FUNDS

- Sales Tax Fund #1 - To account for the receipt and use of proceeds of the Town's first 1% sales and use tax. These taxes are not dedicated to a special requirement, but rather for any lawful purpose.
- Sales Tax Fund #2 - To account for the receipt and use of proceeds of the Town's second 1% sales and use tax. These funds are for the purpose of constructing and acquiring additions, extensions, and improvements to the sewerage collection, disposal, and treatment plant system and other capital improvements; paying indebtedness incurred for said purpose or for any other lawful corporate purpose.
- Sales Tax Fund #3 - To account for the receipt and use of proceeds of the Town's ½% sales and use tax. These funds are for the purpose of acquiring land for a new fire station, of constructing a new fire station and parking area, of refurbishing fire trucks and fire equipment, of purchasing fire equipment, of remodeling the old fire station and of maintaining both fire stations, fire trucks, and fire equipment. The tax shall be for a period not to exceed four years from July 1, 1989 or until \$240,000 is collected, whichever date occurs first. This tax expired December 31, 1992.
- Sales Tax Fund #4 - To account for the receipt and use of proceeds of the Town's ½% sales and use tax. These funds are for the following purposes: 80% for the maintenance and overlay of the hard surfaced streets; 15% for the purchase of a new fire truck; and 5% for the payment of insurance and utilities incurred relative to the operation of the new southside fire station. The tax shall be for a period of ten years expiring December 31, 2002.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Special Revenue Funds
 Combining Balance Sheet
 September 30, 1998
 (With Comparative Totals for September 30, 1997)

EXHIBIT B-1

	Sales Tax Fund #1	Sales Tax Fund #2	Sales Tax Fund #3	Sales Tax Fund #4	Totals	
					1998	1997
ASSETS						
Non-restricted:						
Cash	\$ 30,299	\$ -	\$ -	\$ -	\$ 30,299	\$ 11,157
Due from other funds	-	-	-	146,329	146,329	203,218
Accrued interest receivable	-	-	-	-	-	508
TOTAL NON-RESTRICTED ASSETS	<u>30,299</u>	<u>-</u>	<u>-</u>	<u>146,329</u>	<u>176,628</u>	<u>214,883</u>
Restricted assets:						
Cash	-	786,348	-	8,662	795,010	762,564
Investments	-	40,367	-	-	40,367	45,855
TOTAL RESTRICTED ASSETS	<u>-</u>	<u>826,715</u>	<u>-</u>	<u>8,662</u>	<u>835,377</u>	<u>808,419</u>
TOTAL ASSETS	<u>\$ 30,299</u>	<u>\$ 826,715</u>	<u>\$ -</u>	<u>\$ 154,991</u>	<u>\$1,012,005</u>	<u>\$1,023,302</u>
LIABILITIES AND FUND BALANCE						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 131
Due to other funds	-	-	-	48,881	48,881	625,130
TOTAL LIABILITIES	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,881</u>	<u>48,881</u>	<u>625,261</u>
Fund Balance:						
Reserved	-	826,715	-	106,110	932,825	470,834
Unreserved	30,299	-	-	-	30,299	(72,793)
TOTAL FUND BALANCE	<u>30,299</u>	<u>826,715</u>	<u>-</u>	<u>106,110</u>	<u>963,124</u>	<u>398,041</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 30,299</u>	<u>\$ 826,715</u>	<u>\$ -</u>	<u>\$ 154,991</u>	<u>\$1,012,005</u>	<u>\$1,023,302</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Special Revenue Funds
 Combining Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Year Ended September 30, 1998
 (With Comparative Totals for Year Ended September 30, 1997)

EXHIBIT B-2

	Sales Tax Fund #1	Sales Tax Fund #2	Sales Tax Fund #3	Sales Tax Fund #4	Totals	
					1998	1997
Revenues:						
Taxes	\$ 175,184	\$ 175,184	\$ -	\$ 87,592	\$ 437,960	\$ 408,829
Interest	4,354	33,981	-	2,226	40,561	30,938
Net decrease in fair value of investments	-	(465)	-	-	(465)	-
Grant revenue	-	-	-	-	-	-
TOTAL REVENUES	<u>179,538</u>	<u>208,700</u>	<u>-</u>	<u>89,818</u>	<u>478,056</u>	<u>439,767</u>
Expenditures:						
General government	3,638	7,369	-	684	11,691	7,337
Capital outlay	-	-	-	-	-	-
TOTAL EXPENDITURES	<u>3,638</u>	<u>7,369</u>	<u>-</u>	<u>684</u>	<u>11,691</u>	<u>7,337</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>175,900</u>	<u>201,331</u>	<u>-</u>	<u>89,134</u>	<u>466,365</u>	<u>432,430</u>
Other financing sources (uses):						
Operating transfers in	-	-	-	-	-	-
Operating transfers out	<u>(243,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,263)</u>	<u>(252,930)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(243,263)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(243,263)</u>	<u>(252,930)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	<u>(67,363)</u>	<u>201,331</u>	<u>-</u>	<u>89,134</u>	<u>223,102</u>	<u>179,500</u>
FUND BALANCES, BEGINNING	(72,793)	344,988	(492)	126,338	398,041	218,541
RESIDUAL EQUITY TRANSFERS	<u>170,455</u>	<u>280,396</u>	<u>492</u>	<u>(109,362)</u>	<u>341,981</u>	<u>-</u>
FUND BALANCES, BEGINNING - RESTATED	<u>97,662</u>	<u>625,384</u>	<u>-</u>	<u>16,976</u>	<u>740,022</u>	<u>218,541</u>
FUND BALANCES, ENDING	<u>\$ 30,299</u>	<u>\$ 826,715</u>	<u>\$ -</u>	<u>\$ 106,110</u>	<u>\$ 963,124</u>	<u>\$ 398,041</u>

See accompanying notes

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Special Revenue Funds
 Sales Tax Fund #1
 Comparative Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended September 30, 1998
 (With Comparative Totals for Year Ended September 30, 1997)

EXHIBIT B-3

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 160,000	\$ 175,184	\$ 15,184	\$ 163,531
Interest	2,000	4,354	2,354	1,226
TOTAL REVENUES	<u>162,000</u>	<u>179,538</u>	<u>17,538</u>	<u>164,757</u>
Expenditures:				
Bank charges	-	-	-	-
Contract services	960	929	31	972
Postage	100	109	(9)	96
Salaries	2,400	2,600	(200)	2,600
TOTAL EXPENDITURES	<u>3,460</u>	<u>3,638</u>	<u>(178)</u>	<u>3,668</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>158,540</u>	<u>175,900</u>	<u>17,360</u>	<u>161,089</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	(243,540)	(243,263)	277	(248,818)
TOTAL OTHER FINANCING SOURCES (USES)	<u>(243,540)</u>	<u>(243,263)</u>	<u>277</u>	<u>(248,818)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	<u>(85,000)</u>	<u>(67,363)</u>	<u>17,637</u>	<u>(87,729)</u>
FUND BALANCE, BEGINNING	(72,793)	(72,793)	-	14,936
RESIDUAL EQUITY TRANSFER	-	170,455	170,455	-
FUND BALANCE, BEGINNING - RESTATED	<u>(72,793)</u>	<u>97,662</u>	<u>170,455</u>	<u>14,936</u>
FUND BALANCE, ENDING	<u>\$ (157,793)</u>	<u>\$ 30,299</u>	<u>\$ 188,092</u>	<u>\$ (72,793)</u>

See accompanying notes.

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 160,000	\$ 175,184	\$ 15,184	\$ 163,531
Interest	13,000	33,981	20,981	25,873
Net decrease in fair value of investments	-	(465)	(465)	-
TOTAL REVENUES	<u>173,000</u>	<u>208,700</u>	<u>35,700</u>	<u>189,404</u>
Expenditures:				
Bank charges	-	-	-	-
Contract services	960	4,676	(3,716)	973
Materials and supplies	-	-	-	-
Postage	100	93	7	96
Repairs and maintenance	-	-	-	-
Salaries	<u>2,400</u>	<u>2,600</u>	<u>(200)</u>	<u>2,600</u>
TOTAL EXPENDITURES	<u>3,460</u>	<u>7,369</u>	<u>(3,909)</u>	<u>3,669</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>169,540</u>	<u>201,331</u>	<u>31,791</u>	<u>185,735</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	<u>169,540</u>	<u>201,331</u>	<u>31,791</u>	<u>185,735</u>
FUND BALANCE, BEGINNING	344,988	344,988	-	159,253
RESIDUAL EQUITY TRANSFER	-	<u>280,396</u>	<u>280,396</u>	-
FUND BALANCE, BEGINNING - RESTATED	<u>344,988</u>	<u>625,384</u>	<u>280,396</u>	<u>159,253</u>
FUND BALANCE, ENDING	<u>\$ 514,528</u>	<u>\$ 826,715</u>	<u>\$ 312,187</u>	<u>\$ 344,988</u>

See accompanying notes.

PRIMARY GOVERNMENT

Special Revenue Funds

Sales Tax Fund #3

Comparative Statement of Revenues, Expenditures, and Changes

in Fund Balance - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest	-	-	-	-
TOTAL REVENUES	-	-	-	-
Expenditures:				
General Government:				
Material & supplies . . .	-	-	-	-
Travel	-	-	-	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	-	-	-
Other Financing Sources (Uses):				
Operating transfers in . . .	-	-	-	-
Operating transfers out . . .	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	-	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES AND OTHER USES	-	-	-	-
FUND BALANCE, BEGINNING	(492)	(492)	-	(492)
RESIDUAL EQUITY TRANSFER	-	492	492	-
FUND BALANCE, BEGINNING - RESTATED	(492)	-	492	(492)
FUND BALANCE, ENDING	<u>\$ (492)</u>	<u>\$ -</u>	<u>\$ 492</u>	<u>\$ (492)</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Special Revenue Funds
 Sales Tax Fund #4
 Comparative Statement of Revenues, Expenditures, and Changes
 in Fund Balance - Budget and Actual
 Year Ended September 30, 1998
 (With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 80,000	\$ 87,592	\$ 7,592	\$ 81,767
Interest	-	2,226	2,226	3,839
Grant revenue	-	-	-	-
TOTAL REVENUES	<u>80,000</u>	<u>89,818</u>	<u>9,818</u>	<u>85,606</u>
Expenditures:				
General Government:				
Advertising	-	-	-	-
Bank charges	-	-	-	-
Contract services	-	-	-	-
Legal	-	189	(189)	-
Materials & supplies	-	495	(495)	-
Postage	-	-	-	-
	-	684	(684)	-
Capital outlay	-	-	-	-
TOTAL EXPENDITURES	<u>-</u>	<u>684</u>	<u>-</u>	<u>-</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>80,000</u>	<u>89,134</u>	<u>9,134</u>	<u>85,606</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	-
Operating transfers out	-	-	-	(4,112)
TOTAL OTHER FINANCING SOURCES (USES)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,112)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>80,000</u>	<u>89,134</u>	<u>9,134</u>	<u>81,494</u>
FUND BALANCE, BEGINNING	126,338	126,338	-	44,844
RESIDUAL EQUITY TRANSFER	-	(109,362)	(109,362)	-
FUND BALANCE, BEGINNING - RESTATED	<u>126,338</u>	<u>16,976</u>	<u>(109,362)</u>	<u>44,844</u>
FUND BALANCE, ENDING	<u>\$ 206,338</u>	<u>\$ 106,110</u>	<u>\$ (100,228)</u>	<u>\$ 126,338</u>

See accompanying notes.

DEBT SERVICE FUND

Street Paving Certificates
of Indebtedness 04/01/89 -

To accumulate monies for payment of the 1989 Certificates of Indebtedness for street paving improvements, which is paid in annual installments, plus interest, through maturity in 1999. Debt service is financed by paving assessments and by excess receipts over expenditures in the General Fund.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Debt Service Fund
 Comparative Balance Sheet
 September 30, 1998 and 1997

EXHIBIT C-1

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash	\$ 18,321	\$ 26,589
Assessments Receivable:		
Deferred	1,135	3,609
Current	<u>3,067</u>	<u>3,314</u>
TOTAL ASSETS	<u>\$ 22,523</u>	<u>\$ 33,512</u>
 LIABILITIES AND FUND BALANCE		
Liabilities:		
Deferred revenue	\$ 4,200	\$ 6,922
Fund balance:		
Reserved for debt service	11,015	22,030
Unreserved	<u>7,308</u>	<u>4,560</u>
TOTAL FUND BALANCE	<u>18,323</u>	<u>26,590</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 22,523</u>	<u>\$ 33,512</u>

See accompanying notes

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Debt Service Fund
 Comparative Statement of Revenues, Expenditures,
 and Changes in Fund Balances
 Years Ended September 30, 1998 and 1997

EXHIBIT C-2

	<u>1998</u>	<u>1997</u>
Revenues:		
Assessment levies	\$ 3,023	\$ 6,572
Interest	<u>1,925</u>	<u>3,955</u>
TOTAL REVENUES	<u>4,948</u>	<u>10,527</u>
Expenditures:		
General government	11	3
Principal retirement	11,015	11,015
Interest	1,839	2,760
Paying agent's fees	<u>350</u>	<u>350</u>
TOTAL EXPENDITURES	<u>13,215</u>	<u>14,128</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(8,267)	(3,601)
FUND BALANCES, BEGINNING	<u>26,590</u>	<u>30,191</u>
FUND BALANCES, ENDING	<u>\$ 18,323</u>	<u>\$ 26,590</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Debt Service Fund
 Statement of Revenues, Expenditures, and Changes in
 in Fund Balance - Budget and Actual
 Year Ended September 30, 1998

EXHIBIT C-3

	<u>Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
Revenues:			
Assessment levies	\$ 6,000	\$ 3,023	\$ (2,977)
Interest	<u>2,000</u>	<u>1,925</u>	<u>(75)</u>
TOTAL REVENUES	<u>8,000</u>	<u>4,948</u>	<u>(3,052)</u>
Expenditures:			
General government	50	11	39
Principal retirement	11,015	11,015	-
Interest	1,650	1,839	(189)
Paying agents' fees	<u>350</u>	<u>350</u>	<u>-</u>
TOTAL EXPENDITURES	<u>13,065</u>	<u>13,215</u>	<u>(150)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(5,065)	(8,267)	(3,202)
FUND BALANCE, BEGINNING	<u>26,590</u>	<u>26,590</u>	<u>-</u>
FUND BALANCE, ENDING	<u>\$ 21,525</u>	<u>\$ 18,323</u>	<u>\$ (3,202)</u>

See accompanying notes.

CAPITAL PROJECTS FUND

To account for financial resources to be used for the construction of the electrical lines between the two new substations; of the paving of the Town Hall parking lot; and the dechlorination project.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Capital Projects Fund
 Comparative Balance Sheet
 September 30, 1998 and 1997

EXHIBIT D-1

	<u>1998</u>	<u>1997</u>
ASSETS:		
Cash	\$ 365,264	\$ 235,357
Accounts receivable	-	197
Due from other governmental units	22,499	-
Accrued interest receivable	-	-
Due from other funds	-	373,035
TOTAL ASSETS	<u>\$ 387,763</u>	<u>\$ 608,589</u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES:		
Accounts payable	\$ -	\$ -
Due to other funds	24,556	467,746
TOTAL LIABILITIES	24,556	467,746
 FUND BALANCE:		
Unreserved	363,207	140,843
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 387,763</u>	<u>\$ 608,589</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Capital Projects Fund
 Comparative Statement of Revenues, Expenditures,
 and Changes in Fund Balance
 Years Ended September 30, 1998 and 1997

EXHIBIT D-2

	<u>1998</u>	<u>1997</u>
Revenues:		
FEMA reimbursement	\$ 9,440	\$ 165,263
Grant - Rural development	22,499	-
Interest	<u>8,733</u>	<u>3,751</u>
TOTAL REVENUES	<u>40,672</u>	<u>169,014</u>
Expenditures:		
Town Hall Parking Lot:		
Construction	22,499	-
Engineer	556	-
Legal	219	-
Materials & supplies	<u>1,181</u>	<u>-</u>
	<u>24,455</u>	<u>-</u>
Substations and Electric Line Repairs:		
Bank charges	-	56
Construction	-	1,332
Materials and supplies	-	-
Repairs and maintenance	839	97,947
Salaries	<u>-</u>	<u>26,796</u>
	<u>839</u>	<u>126,131</u>
Dechlorination Project:		
Advertising	-	-
Construction	-	25,200
Engineer	1,162	-
Legal	-	-
Materials and supplies	-	-
Salaries	<u>-</u>	<u>-</u>
	<u>1,162</u>	<u>25,200</u>
TOTAL EXPENDITURES	<u>26,456</u>	<u>151,331</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>14,216</u>	<u>17,683</u>
Other financing sources (uses):		
Operating transfers in	113,437	132,007
Operating transfers out	<u>-</u>	<u>(12,196)</u>
TOTAL OTHER FINANCING SOURCES	<u>113,437</u>	<u>119,811</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	<u>127,653</u>	<u>137,494</u>
FUND BALANCE, BEGINNING	140,843	3,349
RESIDUAL EQUITY TRANSFER	<u>94,711</u>	<u>-</u>
FUND BALANCE, BEGINNING - RESTATED	<u>235,554</u>	<u>3,349</u>
FUND BALANCE, ENDING	<u>\$ 363,207</u>	<u>\$ 140,843</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Enterprise Fund
 Comparative Balance Sheet
 September 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Current assets:		
Cash	\$ 733,513	\$ 655,348
Investments	168,128	152,803
Receivables:		
Accounts	319,285	300,297
Accrued interest	2,540	2,485
Due from other funds	-	500,064
TOTAL CURRENT ASSETS	<u>1,223,466</u>	<u>1,610,997</u>
Restricted assets:		
Cash with paying agent	1,148	25,885
Bond redemption and reserve:		
Cash	82,078	66,442
Investments	77,837	70,742
Bond contingency:		
Cash	71,449	57,837
Investments	65,383	59,424
Customer deposits:		
Cash	35,589	33,951
Investments	<u>72,525</u>	<u>72,525</u>
TOTAL RESTRICTED ASSETS	<u>406,009</u>	<u>386,806</u>
Fixed assets, at cost, net of accumulated depreciation (1998 - \$2,234,933, 1997 - \$2,077,072)	<u>6,041,213</u>	<u>6,199,074</u>
TOTAL ASSETS	<u>\$ 7,670,688</u>	<u>\$ 8,196,877</u>

See accompanying notes.

ENTERPRISE FUND

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

	<u>1998</u>	<u>1997</u>
LIABILITIES:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 252,451	\$ 260,792
Accrued liabilities	7,817	6,456
Due to other funds	<u>-</u>	<u>22,807</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS)	<u>260,268</u>	<u>290,055</u>
Current liabilities (payable from restricted assets):		
Revenue bonds payable - current portion	36,000	60,000
Accrued interest and fiscal charges	148	885
Customers' deposits	<u>96,627</u>	<u>94,989</u>
TOTAL CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS)	132,775	155,874
Long-term liabilities:		
Revenue bonds payable	<u>889,000</u>	<u>925,000</u>
TOTAL LIABILITIES	<u>1,282,043</u>	<u>1,370,929</u>
Fund equity:		
Contributed capital:		
Municipality	2,419,916	2,888,925
Federal grants	<u>2,281,908</u>	<u>2,351,824</u>
TOTAL CONTRIBUTED CAPITAL	<u>4,701,824</u>	<u>5,240,749</u>
Retained earnings:		
Reserved for revenue bond retirement	261,747	219,445
Unreserved	<u>1,425,074</u>	<u>1,365,754</u>
TOTAL RETAINED EARNINGS	<u>1,686,821</u>	<u>1,585,199</u>
TOTAL FUND EQUITY	<u>6,388,645</u>	<u>6,825,948</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 7,670,688</u>	<u>\$ 8,196,877</u>

TOWN OF VINTON, LOUISIANA

EXHIBIT E-2

PRIMARY GOVERNMENT

Enterprise Fund

Comparative Statement of Revenues, Expenses, and Changes

in Retained Earnings - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Operating revenues:				
Electricity sales	\$ 2,500,000	\$ 2,743,590	\$ 243,590	\$ 2,589,764
Water sales	178,000	181,890	3,890	182,512
Sewer service charges	160,000	166,034	6,034	166,226
Miscellaneous revenue	-	86	86	-
TOTAL OPERATING REVENUES	<u>2,838,000</u>	<u>3,091,600</u>	<u>253,600</u>	<u>2,938,502</u>
Operating expenses:				
Electricity department	2,396,780	2,522,160	(125,380)	2,485,873
Water department	158,500	136,912	21,588	155,141
Sewer department	169,850	152,232	17,618	167,061
Depreciation	97,000	157,861	(60,861)	159,098
Bad debts	-	11,622	(11,622)	14,244
TOTAL OPERATING EXPENSES	<u>2,822,130</u>	<u>2,980,787</u>	<u>(158,657)</u>	<u>2,981,417</u>
Operating income (loss)	<u>15,870</u>	<u>110,813</u>	<u>94,943</u>	<u>(42,915)</u>
Nonoperating revenues (expenses):				
Interest income	30,000	53,544	23,544	50,210
Net increase in the fair value of investments	-	68,056	68,056	-
Interest expense	<u>(52,755)</u>	<u>(47,370)</u>	<u>5,385</u>	<u>(50,390)</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>(22,755)</u>	<u>74,230</u>	<u>96,985</u>	<u>(170)</u>
Income (loss) before other financing sources (uses)	(6,885)	185,043	191,928	(43,085)
Other financing sources (uses):				
Operating transfers in	-	158,174	158,174	132,590
Operating transfers out	<u>(35,000)</u>	<u>(311,511)</u>	<u>(276,511)</u>	<u>(217,516)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(35,000)</u>	<u>(153,337)</u>	<u>(118,337)</u>	<u>(84,926)</u>
NET INCOME (LOSS)	(41,885)	31,706	73,591	(128,011)

See accompanying notes.

PRIMARY GOVERNMENT

Enterprise Fund

Comparative Statement of Revenues, Expenses, and Changes
in Retained Earnings - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Add current year's depreciation on fixed assets acquired by funds externally restricted for capital expenditures that reduces contributed capital	\$ -	\$ 69,916	\$ 69,916	\$ 69,916
Increase (decrease) in retained earnings	(41,885)	101,622	143,507	(58,095)
RETAINED EARNINGS, BEGINNING	<u>1,585,199</u>	<u>1,585,199</u>	-	<u>1,643,294</u>
RETAINED EARNINGS, ENDING	<u>\$ 1,543,314</u>	<u>\$ 1,686,821</u>	<u>\$ 143,507</u>	<u>\$ 1,585,199</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Enterprise Fund
 Comparative Statement of Cash Flows
 Years Ended September 30, 1998 and 1997

EXHIBIT E-3

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 110,813	\$ (42,915)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation	157,861	159,098
(Increase) Decrease in receivables	(19,043)	8,033
(Increase) Decrease in due to/from other funds	10,640	(5,390)
Increase (Decrease) in accounts payable and accrued expenses	<u>(6,079)</u>	<u>27,978</u>
NET CASH FROM OPERATING ACTIVITIES	<u>254,192</u>	<u>146,804</u>
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	158,174	132,590
Operating transfers out to other funds	<u>(311,511)</u>	<u>(217,516)</u>
NET CASH FROM NONCAPITAL FINANCING ACTIVITIES	<u>(153,337)</u>	<u>(84,926)</u>
Cash flows from capital and related financing activities:		
Purchase of fixed assets	-	-
Principal paid on revenue bonds	(60,000)	(71,408)
Interest paid on revenue bonds	<u>(47,222)</u>	<u>(50,380)</u>
NET CASH FROM CAPITAL AND RELATED FINANCING ACTIVITIES	<u>(107,222)</u>	<u>(121,788)</u>
Cash flows from investing activities:		
Proceeds from the sale of investments	39,677	26,197
Interest on investments	<u>51,004</u>	<u>50,210</u>
NET CASH FROM INVESTING ACTIVITIES	<u>90,681</u>	<u>76,407</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	84,314	16,497
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>839,463</u>	<u>822,966</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 923,777</u>	<u>\$ 839,463</u>

See accompanying notes.

PRIMARY GOVERNMENT

Enterprise Fund

Comparative Schedule of Operating Expenses - Budget and Actual
Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Electricity department:				
Advertising and publishing	\$ -	\$ -	\$ -	\$ 135
Auto and truck	8,000	9,054	(1,054)	11,296
Bank charges	100	56	44	76
Contract labor	5,000	11,143	(6,143)	8,217
Dues and subscriptions . .	100	4	96	181
Drug testing	400	276	124	126
Electric power	2,100,000	2,244,186	(144,186)	2,169,321
Heat	300	200	100	208
Insurance	27,000	27,976	(976)	29,161
Insurance - group	31,600	28,067	3,533	30,451
Insurance - medi-care and FICA	1,550	1,079	471	1,489
Insurance - unemployment .	1,250	132	1,118	372
Insurance - workman's comp	9,000	3,563	5,437	6,061
Materials and supplies . .	32,000	27,915	4,085	23,719
Medical	300	190	110	627
Miscellaneous	-	212	(212)	-
Office supplies and printing	100	317	(217)	-
Postage	2,600	2,812	(212)	2,560
Registration fees	500	145	355	11
Repairs and maintenance . .	8,000	3,595	4,405	12,162
Retirement	16,380	8,846	7,534	11,129
Salaries	150,000	149,210	790	176,840
Telephone	200	911	(111)	1,076
Travel	1,500	1,246	254	277
Waste disposal charges . .	300	1,025	(725)	378
	<u>\$ 2,396,780</u>	<u>\$ 2,522,160</u>	<u>\$ (125,380)</u>	<u>\$ 2,485,873</u>

See accompanying notes.

PRIMARY GOVERNMENT

Enterprise Fund

Comparative Schedule of Operating Expenses - Budget and Actual

Year Ended September 30, 1998

(With Comparative Totals for Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Water department:				
Advertising and publishing	\$ -	\$ -	\$ -	\$ -
Auto and truck	6,000	4,609	1,391	5,707
Contract work	100	2,555	(2,455)	2,485
Drug testing	200	126	74	188
Dues and subscriptions . .	350	494	(144)	616
Electric power	19,500	19,407	93	17,079
Heat	300	200	100	208
Insurance	10,000	10,019	(19)	10,401
Insurance - group	13,500	12,349	1,151	13,398
Insurance - medi-care and FICA	500	263	237	328
Insurance - unemployment .	400	38	362	110
Insurance - workman's comp	6,000	2,794	3,206	3,810
Materials and supplies . .	23,200	20,329	2,871	27,721
Medical	-	16	(16)	203
Office supplies and printing	-	320	(320)	4
Postage	1,200	1,267	(67)	1,289
Registration	200	350	(150)	61
Repairs and maintenance . .	17,000	11,025	5,975	17,891
Retirement	3,300	2,398	902	2,671
Salaries	55,350	47,042	8,308	49,439
Telephone	600	650	(50)	754
Travel	500	386	114	236
Waste disposal charges . .	300	275	25	542
	<u>\$ 158,500</u>	<u>\$ 136,912</u>	<u>\$ 21,588</u>	<u>\$ 155,141</u>

See accompanying notes.

PRIMARY GOVERNMENT

Enterprise Fund

Comparative Schedule of Operating Expenses - Budget and Actual

Year ended September 30, 1998

(With Comparative Totals For Year Ended September 30, 1997)

	1998		Variance Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Sewer department:				
Advertising and publishing	\$ -	\$ -	\$ -	\$ -
Auto and truck	6,000	4,753	1,247	5,701
Bank charges	-	22	(22)	-
Contract work	-	2,135	(2,135)	180
DEQ administrative fees . .	-	4,688	(4,688)	4,851
Drug testing	200	126	74	163
Dues and subscriptions . .	100	34	66	296
Electric power	42,000	39,098	2,902	35,392
Heat	300	200	100	208
Insurance	5,500	5,156	344	5,625
Insurance - group	7,400	6,736	664	7,308
Insurance - medi-care and FICA	500	276	224	334
Insurance - unemployment .	400	46	354	125
Insurance - workman's comp	3,100	1,235	1,865	1,877
Materials and supplies . .	10,300	12,204	(1,904)	9,158
Medical	-	23	(23)	211
Miscellaneous	-	-	-	-
Office supplies & printing	-	347	(347)	-
Postage	1,300	1,139	161	1,308
Registration fees	100	475	(375)	11
Repairs and maintenance . .	25,000	14,444	10,556	31,488
Retirement	4,100	2,819	1,281	3,202
Salaries	62,200	54,540	7,660	56,952
Telephone	800	885	(85)	979
Travel	250	386	(136)	117
Waste disposal charges . .	300	465	(165)	1,575
	<u>\$ 169,850</u>	<u>\$ 152,232</u>	<u>\$ 17,618</u>	<u>\$ 167,061</u>

See accompanying notes.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Schedule of General Fixed Assets - By Source
 September 30, 1998 and 1997

EXHIBIT F

	<u>1998</u>	<u>1997</u>
General fixed assets:		
Land	\$ 272,991	\$ 272,991
Buildings	432,936	432,936
Improvements other than buildings	26,479	26,479
Equipment	430,175	401,374
Vehicles	<u>337,703</u>	<u>320,863</u>
TOTAL GENERAL FIXED ASSETS	<u>\$ 1,500,284</u>	<u>\$ 1,454,643</u>
Investment in general fixed assets by source:		
General obligation bonds	\$ 125,000	\$ 125,000
General fund revenues	956,142	910,501
Sales tax revenues	417,787	417,787
Federal revenue sharing revenues	<u>1,355</u>	<u>1,355</u>
TOTAL INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE	<u>\$ 1,500,284</u>	<u>\$ 1,454,643</u>

See accompanying notes.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the Debt Service Fund.

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Combining Statement of General Long-Term Debt
 Years Ended September 30, 1998 and 1997

EXHIBIT G

	<u>1998</u>	<u>1997</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT:		
Amount available in debt service funds for debt retirement	\$ 11,015	\$ 22,030
Amount to be provided from general fund	<u>-</u>	<u>-</u>
TOTAL AVAILABLE AND TO BE PROVIDED	<u>\$ 11,015</u>	<u>\$ 22,030</u>
GENERAL LONG-TERM DEBT PAYABLE:		
Bonds payable	<u>\$ 11,015</u>	<u>\$ 22,030</u>

See accompanying notes.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
Schedule of Insurance in Force (Unaudited)
September 30, 1998

<u>Insurer</u>	<u>Kind of Insurance</u>
Louisiana Municipal Risk Management Agency	Public Official's Liability Law Enforcement Officer's Liability General Liability General Liability
Lloyd's of London	Multi-Perils
Admiral Insurance Company	Fire and Extended Coverage
General Star Indemnity Company	Inland Marine
The Fidelity Deposit Companies	Honesty Blanket Bond

STATISTICAL DATA

TABLE 1

<u>Property Covered</u>	<u>Amount of Insurance</u>	<u>Expiration Date</u>
Public Officials' Errors and Omissions	\$ 500,000	05-01-2001
Personal Injury and Property Damage	500,000	
Automotive	500,000	
Commercial Property	500,000	
Automotive	272,766	03-01-1999
City Hall, Fire Department, and Jail Buildings	312,000	03-01-1999
City Hall, Fire Department, and Jail Contents .	75,000	
Water and Light Plant Building	22,530	
Water and Light Plant Contents	2,000	
Warehouse Building	355,000	
Sewer Plant Building and Contents	35,000	
Fire Department Vehicles	361,987	03-01-1999
Employee's Errors and Omissions	10,000	08-26-1999

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 Schedule of Investments - All Funds
 September 30, 1998

TABLE 2

	<u>Interest Rates</u>	<u>Maturity Date</u>	<u>Fair Value</u>	<u>Cost</u>
GENERAL FUND:				
General:				
GNMA	8.50%	10-15-16	\$ 31,765	\$ 33,453
Edward D. Jones - Putnam Fund . . .	7.19	Demand	41,930	44,332
Race track:				
GNMA	8.50	10-15-16	24,141	25,195
Edward D. Jones - Putnam Fund . . .	7.19	Demand	29,224	31,171
SPECIAL REVENUE FUND:				
Sales Tax Fund #2:				
Edward D. Jones - Putnam Fund . . .	7.19	Demand	22,606	24,206
GNMA	8.50	10-15-16	17,761	18,678
ENTERPRISE FUND:				
Public Utility Fund:				
GNMA	8.50	10-15-16	77,837	81,323
Edward D. Jones - Putnam Fund . . .	7.19	Demand	93,404	97,668
1972 Revenue Bonds:				
Reserve:				
GNMA	8.50	10-15-16	34,248	35,403
Edward D. Jones - Putnam Fund . . .	7.19	Demand	43,589	45,881
Contingency:				
GNMA	8.50	10-15-16	24,908	30,819
Edward D. Jones - Putnam Fund . . .	7.19	Demand	37,362	39,940
Customer Deposits:				
Cameron State Bank -				
Certificate of deposit	5.00	03-20-99	<u>72,525</u>	<u>72,525</u>
			<u>\$ 551,300</u>	<u>\$ 580,594</u>

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SCHEDULE OF COMPENSATION PAID TO ALDERMEN
September 30, 1998

EXHIBIT H

<u>Name</u>	<u>Amount</u>
Donald Dupre'	\$ 3,000
Wayne Smith	3,000
Darrel Miller	3,000
Jesse Menard	3,000
David Riggins	<u>3,000</u>
Totals	<u>\$ 15,000</u>

TOWN OF VINTON, LOUISIANA
 PRIMARY GOVERNMENT
 SUPPLEMENTAL INFORMATION SCHEDULE
 SCHEDULE OF FINDINGS
 For the Year Ended September 30, 1998

EXHIBIT I

We have audited the primary government financial statements of the Town of Vinton, Louisiana as of and for the year ended September 30, 1998, and have issued our report dated January 13, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of September 30, 1998 resulted in an qualified opinion.

Section I Summary of Auditors' Reports

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

Internal Control:

Material Weaknesses X Yes No

Reportable Conditions X Yes No

Compliance:

Compliance Material to Financial Statements X Yes No

Section II financial Statement Findings

98-1 I/C (Material weakness)

Segregation of duties: Because of the lack of a large staff, more specifically accounting personnel, there is a problem with segregation of duties necessary for proper controls. We do note that this situation is inherent to most entities of this type and is difficult to solve due to the funding limitations of the Town. We recommend that the Mayor as well as the Board of Aldermen take an active interest in the review of all of the financial information. This was also a prior year finding.

98-2 I/C (Material weakness)

Supporting documentation for disbursements to informants:

Condition: During the year ended September 30, 1998, the police department made four withdrawals from its drug control cash account totaling \$4,700. The Chief of Police has control over the disbursement of these funds. The funds are to be used for drug control. The Chief of Police asserts that these funds were used for payments to informants to aid in the arrests of drug dealers in the Town of Vinton. Although the Chief of Police maintains a ledger showing the dates of payments to informants, there are no receipts or other substantial evidential matter to support these disbursements.

Criteria: All disbursements of Town funds should be supported by supporting documentation to allow the substantiation of the disbursements.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended September 30, 1998

EXHIBIT I

Effect: Without supporting documentation, misuse of Town funds could occur.

Cause: Due to the nature of the disbursements it is difficult to obtain supporting documentation for this type of disbursement.

Recommendation: The Mayor and Aldermen should require that the Chief of Police report to them on at least a quarterly basis the specific cases that have resulted from the disbursement of these funds. If there is no tangible evidence that this practice leads to arrests and convictions this practice should be discontinued.

98-3 I/C (Material weakness)

Reconciliation of subsidiary accounts receivable ledger total to general ledger accounts receivable balance:

Condition: At September 30, 1998 the subsidiary accounts receivable ledger total did not agree with the general ledger accounts receivable balance. Upon inquiry with accounting personnel, it was discovered that this procedure was not done on a monthly basis.

Criteria: For proper internal control, subsidiary ledgers should be reconciled to the general ledger on a monthly basis.

Effect: The Town's internal control over accounts receivable is not operating as effectively as it should be.

Cause: Administrative oversight.

Recommendation: The Town should reconcile the general ledger balance in accounts receivable to its aged accounts receivable ledger on a monthly basis.

98-4 I/C (Material weakness)

98-2 C

Fixed asset inventory:

Condition: At September 30, 1998, the Town's fixed asset inventory was not being kept on a monthly basis. The list did not contain all fixed assets under the Town's control at year end.

Criteria: For proper internal control over fixed assets the Town should have an inventory listing of all assets showing date of purchase, description, cost, location, and specific identification number. To comply with La. Rev. Stat. §24:515(B)(1) this procedure should be followed also. This list should be updated on a monthly basis for any additions or disposals.

Effect: The Town's internal control over fixed assets was not operating as it should. Also, La. Rev. Stat. §24:515 (B)(1) was violated.

Cause: Administrative oversight.

Recommendation: The Town should update its existing list of fixed assets to include all fixed assets under control of the Town, attach a specific identification number to all assets and include this number on the inventory, and maintain this list on a monthly basis. The Mayor and Board of Aldermen should require a report on the progress of this during its March 1999 meeting.

98-5 I/C (Material weakness)

Controls over tickets:

Condition: Controls over tickets in the following procedures are weak (First reported at September 30, 1997):

1. Chain of responsibility
2. Safeguarding of tickets
3. Recording of ticket books that are issued
4. Disposition of written tickets

During our review of tickets issued we were unable to account for some tickets.

Also control over misdemeanor summons tickets was nonexistent.

Criteria: All tickets issued should be accounted for.

Effect: Missing tickets could not be accounted for.

Cause: System for disbursing ticket books and recording of tickets is weak.

Recommendation: We recommend the following process:

1. Mayor issues all ticket books with no more than two books issued at a time per officer.
2. Both Mayor and receiving officer sign ticket ledger book.
3. Before receiving officer is issued additional ticket books, officer must turn in a copy of each ticket that he was previously issued. No ticket books can be issued until this and any missing tickets should be investigated immediately. Ticket Clerk and officer sign when turning in tickets.
4. Returned tickets should be entered daily in log book by Ticket Clerk. A monthly review of log book should be performed for disposition of all tickets. All outstanding tickets should be investigated immediately.
5. Misdemeanor summons tickets should be accounted for in same manner.
6. The control over tickets should be computerized as much as possible.

98-6 I/C

98-5 C

Public bid law and written policy on procurement:

Condition: The Town has no written policy on procurement. Certain types of materials and supplies and gasoline purchases made during the year exceeded the public bid law threshold when aggregated for the year. (First reported at September 30, 1996).

Criteria: Purchases of materials with a cost of \$7,500 or more, but less than \$50,000 shall be made by obtaining not less than three telephone or facsimile quotations. For proper internal control over purchases the Town should have a written policy on procurement. La. Rev. Stat. §38:2212 requires that in the event that purchases of specific items during the year that in total would exceed the public bid law threshold these items should be purchased in accordance with the public bid law.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended September 30, 1998

EXHIBIT I

Effect: Violation of LA Rev. Stat. § 38:2212 - Advertisement and letting to lowest responsible bidder.
Cause: Administrative oversight.
Recommendation: The Town should establish a written policy on procurement and distribute to all department heads. This was a prior year recommendation also.

98-7 I/C (Material weakness)

Reconciliation of subsidiary meter deposit records to general ledger account total and cash account balances:

Condition: At September 30, 1998, the subsidiary meter deposit records did not reconcile to the general ledger balance or cash account balances. Upon inquiry with accounting personnel, it was discovered that this procedure was not done on a monthly basis.
Criteria: For proper internal control, subsidiary ledgers or records should be reconciled to the general ledger and actual cash balances on a monthly basis.
Effect: The Town's internal control over meter deposits was not operating as effectively as it should be.
Cause: Administrative oversight.
Recommendation: The Town should reconcile the actual cash account balances to the general ledger payable and subsidiary meter deposit ledger balances on a monthly basis.

98-1 C

Delinquent paving assessments:

Condition: Delinquent paving assessments have not been filed suit on. There are 25 delinquent assessments. (First reported at September 30, 1996)
Criteria: After 30 days, suit must be filed on delinquent paving assessments.
Effect: The Town is paying for the delinquent assessments.
Cause: Town attorney has not filed suit on these delinquent assessments.
Recommendation: The Town should enforce the paving assessment ordinance.

98-3 C

Sale of public property:

Condition: Public property belonging to the Town of Vinton (drug dog) was sold to an officer of the Town of Vinton police department without properly advertising the property as surplus property for sale.
Criteria: Prior to sale, public property must be advertised in the official journal of the Town as surplus and inviting the general public to bid on the purchase of the property.
Effect: State law was violated.
Cause: Administrative oversight.
Recommendation: The Town should follow state law requirements for the sale of public property in all instances in the future.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SCHEDULE OF FINDINGS
For the Year Ended September 30, 1998

EXHIBIT I

98-4 C

Donation of public funds:

Condition: Advertisement in school football program was purchased for \$100.

Criteria: Public funds cannot be donated - La. Const. Art. 7§14.

Effect: Violation of above.

Cause: Administrative oversight.

Recommendation: The Town should discontinue this practice.

98-6 C

Budgetary authority and control:

Condition: Actual expenditures exceeded total budgeted expenditures by more than 5% in the Enterprise Fund for the year ended September 30, 1998.

Criteria: LA. Rev. Stat. §39:1310 - whenever total actual expenditures and other uses exceed the total budgeted expenditures by 5% or more, the budget should be amended.

Effect: Violation of LA. Rev. Stat. §39:1310 - Budgetary authority and control.

Cause: Administrative oversight.

Recommendation: The Town should compare actual to budget expenditures at the fund level each month and amend the budget if necessary.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
For the Year Ended September 30, 1998

EXHIBIT J

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

98-1 I/C Segregation of duties:

This is an ongoing finding that cannot be corrected due to lack of financial resources.

Contact person - Raywood LeMaire, Mayor

98-2 I/C Supporting documentation for disbursements to informants:

Recommendation: Mayor and Aldermen should require report from Police Chief on results of funds disbursed for information leading to arrests of drug dealers.

Planned action: The Town will require a quarterly report on the success of the drug informant program from the Chief of Police at the regularly scheduled meeting beginning with the March 1999 meeting.

Contact person - Raywood LeMaire, Mayor

98-3 I/C Reconciliation of subsidiary accounts receivable ledger to general ledger:

Recommendation: The Town should reconcile the general ledger balance in accounts receivable to its subsidiary accounts receivable balance on a monthly basis.

Planned action: The Town will revise its subsidiary accounts receivable to include an aged accounts receivable report that will be reconciled to the general ledger balance of accounts receivable on a monthly basis. This action will be taken by March 31, 1999.

Contact person: Mary Vice, Town Clerk

98-4 I/C Fixed asset inventory:
98-2C

Recommendation: The Town should update and revise its fixed asset inventory list to include all property owned by the Town and attach a specific identification number to each asset and include this number on the list. The inventory list should be updated on a monthly basis for additions or disposals.

Planned action: The Town will maintain its fixed asset inventory list on a monthly basis and revise it to include a specific identification number for each item. The Town is in the process now of fulfilling this goal and expects to complete by April 30, 1999.

Contact person: Mary Vice, Town Clerk

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
For the Year Ended September 30, 1998

EXHIBIT J

98-5 I/C Controls over tickets:

Recommendation: The Town should implement the following procedures:

1. Mayor issue all ticket books and limit to 2 books at a time.
2. Mayor and officer receiving books sign ticket ledger book.
3. Officer should return 1 copy of each ticket previously issued and Ticket Clerk should account for all tickets before new books being issued. Any missing tickets should be investigated immediately.
4. Ticket Clerk and officer should sign ticket ledger book.
5. Returned tickets should be entered daily in log book by Ticket Clerk. This log should be reviewed on a monthly basis by Town Clerk for disposition of all tickets. All outstanding tickets should be investigated immediately.
6. Misdemeanor summons tickets should be accounted for in same manner as traffic fine tickets.
7. The Town should computerize this process as much as possible.

Planned action: The Town will comply with the above suggestions and is in the process of implementing. Completion is expected by April 30, 1999.

Contact person: Raywood LeMaire, Mayor
Dennis Drouillard, Chief of Police

98-6 I/C Public bid law and written policy on procurement:

98-5 C

Recommendation: The Town should establish a written policy on procurement and distribute to all department heads.

Planned action: The Town will establish a written policy on procurement which will include public bid law requirements and distribute it to all department heads. This policy will be finalized by March 31, 1999.

Contact person: Raywood LeMaire, Mayor

98-7 I/C Reconciliation of subsidiary meter deposit ledger to general ledger and cash account balances:

Recommendation: The Town should reconcile the actual cash account balances to the general ledger payable and subsidiary meter deposit ledger balances on a monthly basis.

Planned action: The Town will begin reconciling the general ledger payable balance of meter deposits payable, subsidiary meter deposit ledger balance and actual cash account balances on a monthly basis by April 30, 1999.

Contact person: Mary Vice, Town Clerk

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
MANAGEMENT'S CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS (UNAUDITED)
For the Year Ended September 30, 1998

EXHIBIT J

98-1 C Delinquent paving assessments:

Recommendation: The Town should enforce the paving assessment ordinance.

Planned action: The Town will enforce the paving assessment ordinance by either instructing the Town Attorney to file liens on all delinquent assessments or by hiring an attorney to take action on this. This will be done by March 31, 1999.

Contact person: Raywood LeMaire, Mayor

98-3 C Sale of public property:

Recommendation: The Town should follow state law requirements for the sale of public property in all instances.

Planned action: The Town will comply with state law in the future.

Contact person: Raywood LeMaire, Mayor

98-4 C Donation of public funds:

Recommendation: The Town should discontinue the practice of purchasing advertisements in all types of publications.

Planned action: The Town will discontinue this practice immediately.

Contact person: Raywood LeMaire, Mayor

98-6 C Budgetary authority and control:

Recommendation: The Town should compare actual to budget expenditures at the fund level each month and amend the budget if necessary

Planned action: Closer attention to the budget process will be taken in the future.

Contact person: Raywood LeMaire, Mayor

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

97-1 I/C (Ongoing finding) Segregation of duties:

Corrective action taken - Due to lack of sufficient financial resources, this finding cannot be resolved. See 98-1 I/C.

97-2 I/C (9/30/97) Controls over tickets:

Controls over tickets are weak.

Corrective action taken - Partially. Some improvements were implemented but procedure still not operating effectively.

Planned corrective action - The Town is in the process of obtaining a computer program to record and track tickets. It is also implementing the prior year suggestions that were not fully understood and/or implemented.

97-3 I/C (9/30/97) Daily deposits of fines:

Fines received by the Police Department should be deposited daily.

Corrective action taken - Yes

97-1 C (9/30/96) Delinquent paving assessments:

The Town should enforce the paving assessment ordinance.

Corrective action taken - No.

Planned corrective action - The Town will require the Town Attorney to file suit on delinquent paving assessments or hire an attorney to take action on them.

97-2 C (9/30/97) Dues paid to Chamber of Commerce:

The Town should discontinue the practice at paying dues to West Calcasieu Chamber of Commerce.

Corrective action taken - Yes

97-3 C (9/30/96) Public bid law:

The Town should establish a written policy on procurement.

Corrective action taken - No.

Planned corrective action - The Town will implement a written policy on procurement which includes public bid law requirements and distribute to all department heads.

97-4 C (9/30/97) Budgetary authority and control:

The Town should amend its budget when necessary.

TOWN OF VINTON, LOUISIANA
PRIMARY GOVERNMENT
SUPPLEMENTAL INFORMATION SCHEDULE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
For the Year Ended September 30, 1998

EXHIBIT K

Corrective action taken - No

Planned corrective action - Closer attention to the budget process will be taken in the

97-5 C (9/30/97) Fiscal agent:

The Town should advertise annually for a fiscal agent.

Corrective action taken - Yes

97-2 Mgmt Travel expenses:

The Town should implement a written policy on travel.

Corrective action taken - Yes

97-5 Mgmt Telephone expense - Fire Department:

The Town should curtail use of mobile phones in Fire Department.

Corrective action taken - Yes

97-6 Mgmt Review of invoices:

The Mayor should review all invoices before payment.

Corrective action taken - Yes

INDEPENDENT AUDITORS' REPORT SECTION



Mires & Company
A Professional Corporation

Certified Public Accountants

Members:
American Institute of Certified Public Accountants
Society of Louisiana Certified Public Accountants
Private Company Practice Section AICPA

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 Raywood LeMaire, Mayor
and the Board of Aldermen
Town of Vinton, Louisiana

We have audited the primary government financial statements of the Town of Vinton, Louisiana, as of and for the year ended September 30, 1998, and have issued our report thereon dated January 13, 1999, which was qualified because insufficient audit evidence exists to support the Town of Vinton, Louisiana's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, 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 Vinton, Louisiana's primary government financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 98-1C, 98-2C, 98-3C, 98-4C, 98-5C, and 98-6C.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Vinton, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Town of Vinton, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the primary government financial statements. Reportable conditions are described in the accompanying schedule of findings as item 98-1 I/C, 98-2 I/C, 98-3 I/C, 98-4 I/C, 98-5 I/C, 98-6 I/C, and 98-7 I/C.

The Honorable Raywood LeMaire, Mayor
and the Board of Aldermen
Town of Vinton, Louisiana
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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 primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider items 98-1 I/C, 98-2 I/C, 98-3 I/C, 98-4 I/C, 98-5 I/C and 98-7 I/C to be material weaknesses.

This report is intended for the information of management, the Board of Aldermen, and the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Mires & Company, CPAs, APC

Mires & Company, CPAs, APC
January 13, 1999

