

OFFICIAL
FILE COPY

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

TOWN OF CHENEYVILLE
CHENEYVILLE, LOUISIANA

AUDITOR'S REPORT
JUNE 30, 1999

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

Release Date 2-2-00

Roy K. Derbonne, Jr.
Certified Public Accountant
1101-A Bolton Avenue
Alexandria, Louisiana 71301

TABLE OF CONTENTS

| | <u>PAGE</u> |
|--|-------------|
| Independent Auditor's Report | 1-2 |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed in accordance with Government Auditing Standards | 3-5 |
| <u>General Purpose Financial Statements (Combined Statements - Overview)</u> | |
| Combined Balance Sheet - All Fund Types and Account Groups | 5-6 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types | 7-8 |
| Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types | 9-10 |
| Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types | 11-12 |
| Combining Statement of Cash Flows - All Proprietary Fund Types | 13-14 |
| Notes to Financial Statements | 15-34 |
| <u>Financial Statements of Individual Funds and Account Groups</u> | |
| <u>General Fund</u> | |
| Comparative Balance Sheets | 35 |
| Comparative Statement of Revenues, Expenditures and Changes in Fund Balance - Budget (GAAP Basis) and Actual | 36-37 |
| Statement of Expenditures Compared to Budget (GAAP Basis) and Actual | 38-39 |
| <u>Enterprise Fund</u> | |
| Combining Balance Sheet - All Proprietary Fund Types | 40-41 |

PAGE

| | |
|--|-------|
| Combining Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types | 42-43 |
| Combining Statement of Cash Flows - All Proprietary Fund Types | 44-45 |
| <u>Water Fund</u> | |
| Comparative Balance Sheets | 46-47 |
| Comparative Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type | 48-49 |
| Comparative Statement of Cash Flows - Proprietary Fund Type | 50-51 |
| <u>Sewer Fund</u> | |
| Comparative Balance Sheet | 52-53 |
| Comparative Statement of Revenues, Expenses and Changes in Retained Earnings - Proprietary Fund Type | 54-55 |
| Comparative Statement of Cash Flows - Proprietary Fund Type | 56-57 |
| <u>General Fixed Assets Account Group</u> | |
| Comparative Statement of General Fixed Assets | 58 |
| Statement of Changes in General Fixed Assets | 59 |
| <u>General Long-Term Debt Group</u> | |
| Statement of General Long-Term Debt | 60 |
| <u>Year 2000 Compliance</u> | 61 |
| Summary Schedule of Prior Year Audit Findings | 62 |

Roy K. Derbonne, Jr.

Certified Public Accountant
1101-A Bolton Avenue
Alexandria, Louisiana 71301-6878

Tel: 318-445-6778
Fax: 318-445-8967

Member
Society of Louisiana C.P.A.'s

INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and Members
of the Town Council
Town of Cheneyville, Louisiana

I have audited the accompanying general purpose financial statements of the Town of Cheneyville, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These financial statements are the responsibility of the management of the Town of Cheneyville, Louisiana. My responsibility is to express an opinion on these financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Cheneyville, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, I have also issued my report dated December 22, 1999, on my consideration of Town of Cheneyville, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws and regulations.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining

and individual fund and account group financial statements and the accompanying financial information listed as supporting schedules in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the Town of Cheneyville, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The Year 2000 supplementary information on page 61 is not a required part of the basic financial statements but is supplementary information required by the Government Accounting Standards Board. I have applied certain limited procedures regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and do not express an opinion on it. In addition, I do not provide assurance that the Town of Cheneyville, Louisiana, is or will be Year 2000 compliant, that the Town's remediation efforts will be successful in whole or in part, or the parties with which the Town does business are or will become Year 2000 compliant.

The financial information for the preceding year which is included for comparative purposes was taken from the audit report for that year in which I expressed an unqualified opinion on the combined, combining, individual fund, and account group financial statements of the Town of Cheneyville, Louisiana.

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


Certified Public Accountant

Alexandria, Louisiana
December 22, 1999

Roy K. Derbonne, Jr.

Certified Public Accountant
1101-A Bolton Avenue
Alexandria, Louisiana 71301-6878

Tel: 318-445-6778
Fax: 318-445-8967

Member
Society of Louisiana C.P.A.'s

INDEPENDENT AUDITOR'S 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 Mayor and Members
of the Town Council
Town of Cheneyville, Louisiana

I have audited the general purpose financial statements of the Town of Cheneyville, Louisiana, as of and for the year ended June 30, 1999, and have issued my report thereon dated December 22, 1999. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Cheneyville, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws and regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed non instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing my audit of the general purpose financial statements, I considered the Town of Cheneyville, Louisiana's, internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control structure over financial reporting. However, I noted certain matters involving the internal control over financial reporting and its operation that I consider to be reportable conditions.

Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgement, could adversely affect the Town of Cheneyville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements.

Reportable Conditions

1. Inadequate segregation of duties. Due to the size of the Town's operations and its limited staff preclude an adequate segregation of duties and other features of an adequate system of internal control, although to employ such controls may not be cost beneficial.

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 general purpose 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. My 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 as defined above. However, the reportable conditions described above are considered to be material weaknesses.

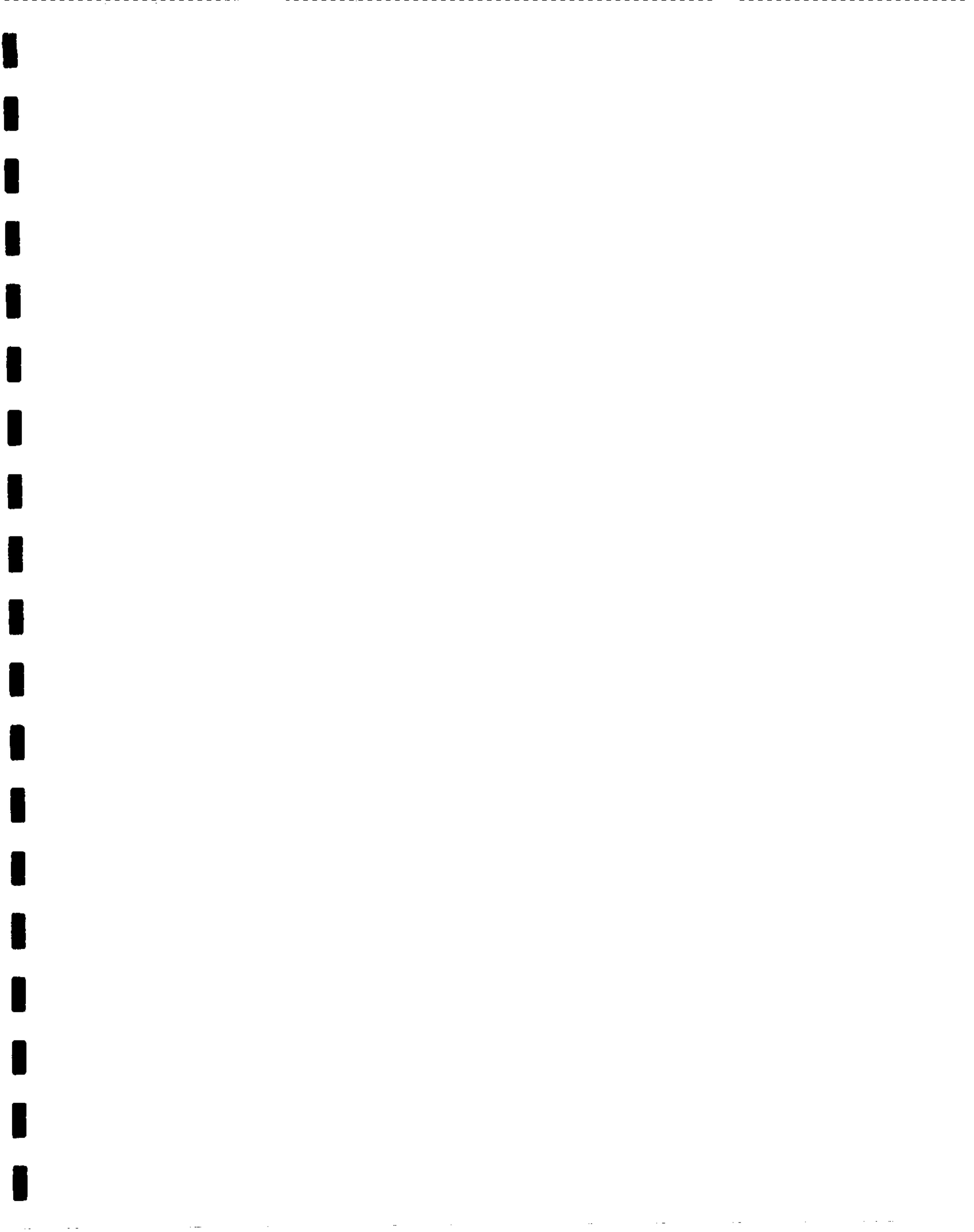
I have reported the above weakness involving the internal control structure and its operation to the management of the Town of Cheneyville, Louisiana, in separate letter dated December 22, 1999.

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


Certified Public Accountant

Alexandria, Louisiana
December 22, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS -OVERVIEW)



| ACCOUNT GROUPS | | (MEMORANDUM ONLY) | |
|----------------------------|------------------------------|---------------------|---------------------|
| GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 35,999 | \$ 181,638 |
| 0 | 0 | 315 | 598 |
| 0 | 0 | 10,585 | 12,816 |
| 0 | 0 | 3,977 | 4,706 |
| 0 | 0 | 44 | 0 |
| 0 | 0 | 27,417 | 20,059 |
| 0 | 0 | 91,234 | 0 |
| 0 | 0 | 38,108 | 27,306 |
| 0 | 0 | 56,961 | 62,564 |
| 0 | 0 | 13,633 | 0 |
| 17,650 | 0 | 39,310 | 39,310 |
| 414,449 | 0 | 1,908,929 | 1,966,406 |
| 0 | 19,621 | 19,621 | 0 |
| <u>\$ 432,099</u> | <u>\$ 19,621</u> | <u>\$ 2,246,133</u> | <u>\$ 2,315,403</u> |

(Continued)

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1999

(CONTINUED)

| | GOVERNMENTAL | | PROPRIETARY | |
|---------------------------------------|--------------|----------------|-------------|------------------|
| | FUND | | FUND | |
| | TYPES | | TYPES | |
| | GENERAL | | PROPRIETARY | |
| | FUND | | FUND TYPE | |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ | 6,753 | \$ | 4,685 |
| Bank Overdraft | | 0 | | 4,936 |
| Accrued Payroll Taxes Payable | | 619 | | 0 |
| Accrued Salaries Payable | | 4,951 | | 1,454 |
| Garnishment Payable | | 795 | | 0 |
| Sales Taxes Payable | | 0 | | 201 |
| Payable from Restricted Assets: | | | | |
| Bonds Payable | | 0 | | 23,314 |
| Accrued Interest | | 0 | | 3,194 |
| Customer Deposits | | 0 | | 14,891 |
| Capital Lease Payable | | 0 | | 0 |
| Bonds Payable | | 0 | | 319,700 |
| Due to Other Funds | | 21,080 | | 17,028 |
| Total Liabilities | | <u>34,198</u> | | <u>389,403</u> |
| EQUITY AND OTHER CREDITS | | | | |
| Contributed Capital | | 0 | | 863,726 |
| Investment in General Fixed Assets | | 0 | | 0 |
| Retained Earnings: | | | | |
| Reserved for Revenue Bond Retirement | | 0 | | 55,703 |
| Unreserved - Undesignated | | 0 | | 365,119 |
| Fund Balances | | | | |
| Unreserved: | | | | |
| Undesignated | | 125,398 | | 0 |
| Total Equity and Other Credits | | <u>125,398</u> | | <u>1,284,548</u> |
| TOTAL LIABILITIES AND FUND BALANCE | \$ | <u>159,596</u> | \$ | <u>1,673,951</u> |

The accompanying notes are

| ACCOUNT GROUPS | | (MEMORANDUM ONLY) | |
|----------------------------|------------------------------|---------------------|---------------------|
| GENERAL FIXED ASSETS | GENERAL LONG-TERM DEBT | 1999 | 1998 |
| \$ 0 | \$ 0 | \$ 11,438 | \$ 8,463 |
| 0 | 0 | 4,936 | 0 |
| 0 | 0 | 619 | 691 |
| 0 | 0 | 6,405 | 4,251 |
| 0 | 0 | 795 | 90 |
| 0 | 0 | 201 | 0 |
| 0 | 0 | 23,314 | 18,166 |
| 0 | 0 | 3,194 | 3,610 |
| 0 | 0 | 14,891 | 14,291 |
| 0 | 19,621 | 19,621 | 0 |
| 0 | 0 | 319,700 | 342,589 |
| 0 | 0 | 38,108 | 27,306 |
| 0 | 19,621 | 443,222 | 419,457 |
| 0 | 0 | 863,726 | 920,293 |
| 432,099 | 0 | 432,099 | 394,470 |
| 0 | 0 | 55,703 | 46,651 |
| 0 | 0 | 365,119 | 384,739 |
| 0 | 0 | 125,398 | 149,793 |
| 432,099 | 0 | 1,842,045 | 1,895,946 |
| <u>\$ 432,099</u> | <u>\$ 19,621</u> | <u>\$ 2,285,267</u> | <u>\$ 2,315,403</u> |

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - ALL GOVERNMENTAL FUND TYPES FOR
 THE YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE
 ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998

| | GENERAL FUND 1999 | TOTALS MEMO ONLY 1998 |
|---|-------------------------|-----------------------------|
| REVENUES | | |
| Taxes Collected | \$ 11,622 | \$ 11,319 |
| Sales Taxes Collected | 114,949 | 119,793 |
| Tobacco Taxes | 5,228 | 5,228 |
| Beer Taxes | 1,566 | 1,379 |
| Occupational Licenses | 15,103 | 16,222 |
| Franchise Fees | 26,153 | 26,454 |
| Mowing | 2,684 | 3,934 |
| Video Poker | 1,185 | 1,935 |
| Grant Revenues | 84,749 | 16,489 |
| Garbage Fees | 26,345 | 19,081 |
| Entex Collection | 600 | 600 |
| Fines and Fines and Forfeitures | 33,483 | 79,951 |
| Interest Received | 5,477 | 2,811 |
| Rental Income | 3,900 | 3,900 |
| Public Donations | 1,177 | 0 |
| Miscellaneous | 1,197 | 5,731 |
| Total Revenues | <u>335,418</u> | <u>314,827</u> |
| EXPENDITURES | | |
| CURRENT | | |
| General | | |
| Government | 101,151 | 82,891 |
| Police | 87,076 | 106,382 |
| Streets and Sanitation | 81,859 | 69,045 |
| Recreation | 138 | 3,833 |
| Lincoln Williams | 32 | 6,319 |
| Grant Expend. | 86,180 | 4,087 |
| DEBT SERVICE | 4,230 | 8,436 |
| CAPITAL OUTLAYS | 33,271 | 11,631 |
| Total Expenditures | <u>393,936</u> | <u>292,624</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | (58,518) | 22,203 |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - ALL GOVERNMENTAL FUND TYPES FOR THE
 YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE ACTUAL
 AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998
 (CONTINUED)

| | GENERAL FUND <u>1999</u> | TOTALS MEMO ONLY <u>1998</u> |
|---|--------------------------------|------------------------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | \$ (58,518) | \$ 22,203 |
| OTHER FINANCING SOURCES (USES) | | |
| Proceeds from Capital Lease Operating | 23,325 | 0 |
| Transfers In | <u>10,800</u> | <u>15,400</u> |
| Total Other Financing Sources (Uses) | <u>34,125</u> | <u>15,400</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (24,394) | 37,603 |
| FUND BALANC, Beginning | <u>149,792</u> | <u>112,189</u> |
| FUND BALANCE, Ending | <u>\$ 125,398</u> | <u>\$ 149,792</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES - YEAR ENDED
 JUNE 30, 1999 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR YEAR ENDED JUNE 30, 1998

| | 1999 BUDGET | 1999 ACTUAL | VARIANCE FAVORABLE (UNFAVOR.) | 1998 ACTUAL |
|---|----------------|----------------|-------------------------------------|----------------|
| REVENUES | | | | |
| Taxes Collected | \$ 11,000 | \$ 11,622 | \$ 622 | \$ 11,319 |
| Sales Taxes Collected | 108,000 | 114,949 | 6,949 | 119,793 |
| Tobacco Taxes | 5,000 | 5,228 | 228 | 5,228 |
| Beer Taxes | 2,000 | 1,566 | (434) | 1,379 |
| Occupational Licenses | 15,000 | 15,103 | 103 | 16,222 |
| Franchise Fees | 24,000 | 26,153 | 2,153 | 26,454 |
| Mowing | 5,000 | 2,684 | (2,316) | 3,934 |
| Video Poker | 3,000 | 1,185 | (1,815) | 1,935 |
| Grant Revenues | 0 | 84,749 | 84,749 | 16,489 |
| Garbage Fees | 24,000 | 26,345 | 2,345 | 19,081 |
| Entex Collection | 600 | 600 | 0 | 600 |
| Fines and Fines and Forfeitures | 75,000 | 33,483 | (41,518) | 79,951 |
| Interest Received | 3,000 | 5,477 | 2,477 | 2,811 |
| Rental Income | 4,100 | 3,900 | (200) | 3,900 |
| Public Donations | 0 | 1,177 | 1,177 | 0 |
| Miscellaneous | 3,000 | 1,197 | (1,803) | 5,731 |
| Total Revenues | <u>282,700</u> | <u>335,418</u> | <u>52,718</u> | <u>314,827</u> |
| EXPENDITURES | | | | |
| CURRENT | | | | |
| General | | | | |
| Government | 79,367 | 101,151 | 21,784 | 82,891 |
| Police | 90,750 | 87,076 | (3,674) | 106,382 |
| Streets and Sanitation | 109,325 | 81,859 | (27,466) | 69,045 |
| Recreation | 0 | 138 | 138 | 3,833 |
| Lincoln Williams | 0 | 32 | 32 | 6,319 |
| Grant Expend. | 0 | 86,180 | 86,180 | 4,087 |
| DEBT SERVICE | 2,360 | 4,230 | 1,870 | 8,436 |
| CAPITAL OUTLAYS | 0 | 33,271 | 33,271 | 11,631 |
| Total Expenditures | <u>281,802</u> | <u>393,936</u> | <u>112,134</u> | <u>292,624</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | 898 | (58,518) | (59,416) | 22,203 |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
 ALL GOVERNMENTAL FUND TYPES - YEAR ENDED
 JUNE 30, 1999 WITH COMPARATIVE ACTUAL AMOUNTS
 FOR THE YEAR ENDED JUNE 30, 1998
 (CONTINUED)

| | <u>1999 BUDGET</u> | <u>1999 ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVOR.)</u> | <u>1998 ACTUAL</u> |
|---|------------------------|------------------------|--|------------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | \$ 898 | \$ (58,518) | \$ (59,416) | \$ 22,203 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Capital Lease | 0 | 23,325 | 23,325 | 0 |
| Operating Transfers In | <u>10,000</u> | <u>10,800</u> | <u>800</u> | <u>15,400</u> |
| Total Other Financing Sources (Uses) | <u>10,000</u> | <u>34,125</u> | <u>24,125</u> | <u>15,400</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 10,898 | (24,394) | (35,292) | 37,603 |
| FUND BALANC, Beginning | <u>0</u> | <u>149,792</u> | <u>149,792</u> | <u>112,189</u> |
| FUND BALANCE, Ending | <u>\$ 10,898</u> | <u>\$ 125,398</u> | <u>\$ 114,500</u> | <u>\$ 149,792</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1999 AND 1998

| | 1999 | 1998 |
|--|-----------------|-----------------|
| REVENUES | | |
| Charges for Services | \$ 152,586 | \$ 151,586 |
| Miscellaneous | 0 | 0 |
| Total Revenues | <u>152,586</u> | <u>151,586</u> |
| OPERATING EXPENDITURES | | |
| Salaries | 37,728 | 40,259 |
| Payroll Taxes | 2,934 | 2,461 |
| Chemicals | 6,686 | 5,916 |
| Office and Postage | 1,176 | 1,194 |
| Repairs and Maintenance | 6,547 | 5,132 |
| Lab Reports | 6,202 | 4,337 |
| Materials and Supplies | 13,817 | 7,824 |
| Depreciation | 95,107 | 94,435 |
| Contractual Services | 3,591 | 7,647 |
| Utilities | 15,979 | 14,536 |
| Insurance | 3,363 | 5,434 |
| Truck Gas and Maintenance | 88 | 465 |
| Travel and Seminars | 185 | 216 |
| Telephone | 0 | 0 |
| Dues | 150 | 344 |
| Miscellaneous Taxes | 0 | 643 |
| Miscellaneous | 43 | 186 |
| Total Operating Expenditures | <u>193,596</u> | <u>191,029</u> |
| OPERATING INCOME (LOSS) | (41,010) | (39,443) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 3,255 | 3,381 |
| Interest Expense | (18,579) | (18,248) |
| Total Nonoperating Revenues (Expenses) | <u>(15,324)</u> | <u>(14,867)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | (56,334) | (54,310) |
| OPERATING FINANCING SOURCES (USES) | | |
| Transfers Out | <u>(10,800)</u> | <u>(15,400)</u> |
| NET INCOME (LOSS) | (67,134) | (69,710) |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 YEARS ENDED JUNE 30, 1999 AND 1998

| | <u>WATER SYSTEM</u> | <u>SEWER SYSTEM</u> |
|--|-------------------------|-------------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) | | |
| NET INCOME (LOSS) | \$ (67,134) | \$ (69,710) |
| DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS, AND SHARED REVENUES EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITION AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL | 56,567 | 56,567 |
| RETAINED EARNINGS, Beginning | <u>375,686</u> | <u>444,533</u> |
| RETAINED EARNINGS, Ending | \$ 365,119 | \$ 431,390 |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
 YEARS ENDED JUNE 30, 1999 AND 1998
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | 1999 | 1998 |
|---|------------|------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Customers | \$ 148,461 | \$ 151,586 |
| Cash Payments to Suppliers for Goods and Services | (75,495) | (50,617) |
| Cash Payments to Employees for Services | (37,374) | (40,259) |
| Net Cash Provided by Operating Activities | 35,592 | 60,710 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating Transfers Out to Other Funds | (10,800) | (15,400) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Net Change in Meter Deposits | 600 | 750 |
| Acquisition and Construction of Assets | 0 | (46,050) |
| Principal Paid on Revenue Bonds | (17,741) | (18,932) |
| Interest Paid on Revenue Bonds | (18,996) | (18,560) |
| Net Cash Used for Capital and Related Financing Activities | (36,137) | (82,792) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Investments | 3,255 | 3,381 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (8,090) | (34,101) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 108,794 | 142,895 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 100,704 | \$ 108,794 |

(CONTINUED)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1999 AND 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(CONTINUED)

| | WATER SYSTEM | SEWER SYSTEM |
|---|------------------|------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Revenue | \$ (41,010) | \$ (39,443) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | 95,107 | 94,435 |
| CHANGES IN ASSETS AND LIABILITIES | | |
| (Increase) Decrease in Accounts Receivable | (4,123) | (966) |
| (Increase) Decrease in Due from Funds | (16,508) | 3,428 |
| Increase (Decrease) in Accounts Payable | 1,766 | 2,197 |
| Increase (Decrease) in Salaries Payable | 354 | 177 |
| Increase (Decrease) in Sales Taxes Pay. | 6 | 0 |
| Total Adjustments | <u>76,602</u> | <u>99,271</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 35,592</u> | <u>\$ 59,828</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

NOTE A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Town of Cheneyville was incorporated in 1860 and is operated under the provision of the Lawrson Act. The Town operates under a Mayor-Board of Aldermen form of government and provides the following services: public safety (police and fire), highway and streets, sanitation, culture-recreation, public improvements, planning, zoning, and general administrative services.

The accounting and reporting policies of the Town of Cheneyville conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies and practices.

1. FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by or dependant on the Town executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Town is determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Town and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Town does provide facilities and some of its funding, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Town for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

2. FUND ACCOUNTING

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

2. FUND ACCOUNTING (Continued from the previous page.)

accounting entity. The operations of each fund are accounted for with a set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in this report, in two generic fund types and one broad fund category as follows:

GOVERNMENTAL FUNDS

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

Capital Projects Fund. The Capital Projects Fund accounts for financial resources to be used for the renovation of low income housing.

PROPRIETY FUNDS

Enterprise Funds.

Enterprise Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises, where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided 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. The Water System Fund, and the Sewer System Fund comprise the Town's Enterprise Funds.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

2. FUND ACCOUNTING (Continued from the previous page.)

ACCOUNT GROUPS

FIXED ASSETS AND LONG-TERM LIABILITIES

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been capitalized. Such assets are normally immovable and of value only to the Town, therefore, the purpose of stewardship for these items is satisfied without the recording of these assets. No depreciation has been provided on general fixed assets.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date donated. At June 30, 1999 all fixed assets were recorded based on historical cost.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

(Continued)

TOWN OF CHENEYVILLE

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

2. FUND ACCOUNTING (Continued from the previous page.)

Because of their spending measurement focus, expenditure recognition for governmental fund types exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expense) in net total assets.

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

| | <u>Water</u> <u>System</u> | <u>Sewer</u> <u>System</u> |
|--|-------------------------------|-------------------------------|
| Treatment Plant | | 20 years |
| Collection System | | 40 years |
| Lift Station, Tanks, Wells, and Lines | 20-25 years | 20 years |
| Buildings | 25 years | 25 years |
| Equipment | 5-8 years | 5-8 years |

Major portions of the sewer system were contributed by federal grants. The cost of the portion donated by the federal grants is included in Property, Plant and Equipment. Depreciation on this cost is a reduction of Contributed Capital as amortization and an increase in retained earnings.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

3. BASIS OF ACCOUNTING

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property Taxes are recorded as revenue when levied even though a portion of the taxes may be collected in subsequent years. Penalties and Interest, Occupational Licenses, Corporation Court Fines and Miscellaneous Revenues are recorded when received in cash because they are generally not measurable until actually received. Sales taxes, Franchise taxes, Intergovernmental Revenue, and Interest Income are accrued, when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available. Sales taxes are considered "measurable" when in the hands of the intermediary collecting government and are recognized as revenue at that time.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include (1) principal and interest on general long-term debt which is recognized when due; and (2) accumulated unpaid vacation and sick pay which are not accrued.

All propriety funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

4. BUDGETS AND BUDGETARY ACCOUNTING

The Town follows the following procedures in establishing the budget:

1. The Mayor meets with the Council and Town Clerk to review the prior year revenues and expenditures as a basis for projecting the current fiscal year budget.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

4. BUDGETS AND BUDGETARY ACCOUNTING (Continued from Previous Page)
2. Anticipated changes from the prior year are taken into account and reflected in the projections.
 3. Once adopted the budget is made available for public inspection and a budget summary is published in the Town's designated official journal.
 4. The Town doesn't formally integrate its budget as a management tool, however, it is used to make some financial decisions during the fiscal year.
 5. All budgetary appropriations lapse at the end of each fiscal year.
 6. Budgets are prepared for the General fund utilizing generally accepted accounting principles.
 7. A budget is not prepared for the Capital Projects Fund because its revenue was received exclusively from grant revenue and is budgeted on a grant basis only.

5. INVENTORIES

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories are stated at cost using the first in, first out method of pricing. Inventories are adjusted at year-end. At June 30, 1999, the cost of operating supplies on hand was considered immaterial and not recorded as assets.

6. INVESTMENTS

Investments are limited by Louisiana Revised Statute (R.S.) 33:2955 and the municipality'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 stated at cost or amortized cost. Discounts and premiums on the purchase of investments, if any, are amortized over the life of the investment

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

6. INVESTMENTS (Continued from the previous page)

remaining from the date of purchase to the date of maturity. All investments consist of savings deposits and, therefore, are included in cash and restricted cash.

7. RESTRICTED ASSETS

These assets consist of demand and savings deposits restricted for Water System Fund and Sewer System Fund debt service and customer deposits held to secure billings.

8. DEFINITION OF CASH AND CASH EQUIVALENTS USED IN THE STATEMENT OF CASH FLOWS

For the purpose of the Statement of Cash Flows presented in the enterprise funds, cash and cash equivalents are defined as follows:

Cash and highly liquid investments that are both:

- a. Readily convertible to known amounts of cash.
- b. So near maturity that they present insignificant risk of changes in value because of change in interest rates.

9. ACCUMULATED UNPAID VACATION, SICK-PAY, AND OTHER EMPLOYEE BENEFITS

Various days of vacation and sick leave per year may be accumulated by each employee. The number of days accumulated per year depends upon holiday and weekend time worked by the employees. Unused vacation and sick-pay is lost at the end of each calendar year. The Town determines the accrual for compensated absences which meet the following criteria:

1. The Town's obligation relating to employees' rights to receive compensation for future absences is attributable to employees' services already rendered.
2. The obligation relates to rights that vest or accumulate.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

9. ACCUMULATED UNPAID VACATION, SICK-PAY, AND OTHER EMPLOYEE BENEFITS (Continued from Previous Page)

3. Payment of the compensation is probable.

4. The amount can be reasonably estimated.

In accordance with the above criteria the Town has a liability that was considered immaterial in relation to the financial statements as of June 30, 1999.

10. BAD DEBTS

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

11. RESERVES

The Town records reserves to indicate that a portion of fund equity is legally segregated for a specific future use.

12. ENCUMBRANCES

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are appropriation, is not employed by the Town.

13. COMPARATIVE DATA

Comparative data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's cash flow and operations. However, complete comparative data (i.e. presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

14. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

Total columns on the Combined Statements - Overview are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of 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.

NOTE B. CASH AND SAVINGS

At year end, the carrying amount of the Town's deposits, checking, savings accounts, and certificates of deposits was \$224,733 and the bank balances were \$273,062. Under state law, these deposits (or 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. These deposits were adequately secured from risk by Federal Depository Insurance and pledged securities held by the custodial bank in the name of the fiscal agent.

NOTE C. INVESTMENTS

The Town had funds invested in the Louisiana Asset Management Pool, Inc. as follows:

| | |
|---------------------------|------------------|
| District III Savings | \$ 91,234 |
| Water Meter Deposit Funds | <u>13,633</u> |
| Total Investments | <u>\$104,867</u> |

The above investments are categorized into three categories of credit risk:

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

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS
June 30, 1999
(Continued)

NOTE C. INVESTMENTS (Continued from the Previous Page.)

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

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

| Type of Investment | Category <u>1</u> | Category <u>2</u> | Category <u>3</u> | Fair Value/ Carrying Amount | Cost |
|--------------------|----------------------|----------------------|----------------------|-----------------------------------|-----------|
| Fed. Home Loan | | | | | |
| Bank Notes | \$13,886 | \$ 0 | \$ 0 | \$13,886 | \$13,886 |
| Fed. Farm Credit | | | | | |
| Bank Notes | 705 | 0 | 0 | 705 | 705 |
| Fed. National | | | | | |
| Mortgage | 7,963 | 0 | 0 | 7,963 | 7,963 |
| Fed. Home Loan | | | | | |
| Mtge. Corp. | 10,349 | 0 | 0 | 10,349 | 10,349 |
| Student Loan | 9,868 | 0 | 0 | 9,868 | 9,868 |
| Repurchase | | | | | |
| Agreements, | | | | 0 | |
| Overnight | 62,096 | 0 | 0 | 62,096 | 62,096 |
| Totals | \$104,867 | \$ 0 | \$ 0 | \$104,867 | \$104,867 |

Interest on the above investments is calculated on a daily basis and is added to the investment account balance on the last day of each month. Earnings rate at June 30, 1999 was at an effective yield of 4.84% annually.

NOTE D. AD VALOREM TAXES

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

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE D. AD VALOREM TAXES (Continued from the Previous Page)

The Town bills and collects its own property taxes using assessed values determined by the tax assessor of Rapides Parish.

For the year ended June 30, 1999, taxes of 8.25 mills were levied on property with assessed valuations totaling \$1,361,624 and were dedicated for general corporate purposes.

Total taxes levied were \$11,227 with uncollected taxes at June 30, 1999 of \$315.

NOTE E. INTERFUND RECEIVABLES, PAYABLES

Individual fund interfund receivables and payables balances at June 30, 1999, were as follows:

| | INTERFUND RECEIVABLES | INTERFUND PAYABLES |
|------------------|--------------------------|-----------------------|
| General Fund | \$12,228 | \$21,080 |
| Enterprise Funds | | |
| Water Fund | 25,880 | 0 |
| Sewer Fund | <u>0</u> | <u>17,028</u> |
| Totals | <u>\$38,108</u> | <u>\$38,108</u> |

NOTE F. INTERGOVERNMENTAL REVENUES

Intergovernmental receivables and revenues are comprised of the following:

| | RECEIVABLE | REVENUE |
|---------------|-----------------|------------------|
| General Fund | | |
| Tobacco Taxes | \$ 1,307 | \$ 5,228 |
| Sales Taxes | 9,277 | 172,115 |
| Video Poker | <u>44</u> | <u>1,185</u> |
| Totals | <u>\$10,628</u> | <u>\$178,528</u> |

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE G. UTILITY BILLINGS

The amounts due from customers for water, sewer and garbage billings as of June 30, 1999 was comprised of the following:

| | <u>Amount</u> | <u>%</u> |
|----------------------|-----------------|---------------|
| Current Billings | \$16,683 | 68.47 |
| Arrears | <u>7,684</u> | <u>31.53</u> |
| | 24,367 | <u>100.00</u> |
| Unbilled Receivables | <u>3,767</u> | |
| Total Due | <u>\$28,134</u> | |

Fifty percent of the arrears balance at June 30, 1999 was collected in July along with the customer's July billing. Since June 30, 1999 if a customer's account is over 30 days past due they are sent a cut-off notice and given 10 days in which to pay the arrear and current balance, if not paid their water is turned off.

NOTE H. RESTRICTED ASSETS - PROPRIETARY FUND TYPES

Restricted assets consisted of cash and savings deposits in the following accounts at June 30, 1999.

| | <u>Water System Fund</u> | <u>Sewer System Fund</u> | <u>Total</u> |
|--------------------------------------|----------------------------------|----------------------------------|-----------------|
| Meter Deposit Fund | \$ 3,615 | \$ 0 | \$ 3,615 |
| Meter Deposit Fd. - Investments | 13,633 | 0 | 13,633 |
| Water well Construction | 4,918 | 0 | 4,918 |
| Revenue Bond Sinking Fd. | 197 | 14,974 | 15,171 |
| Revenue Bond Reserve Fd. | 23,928 | 1,633 | 25,561 |
| Depreciation and Contingency Fund | <u>4,820</u> | <u>2,876</u> | <u>7,696</u> |
| Totals | <u>\$51,111</u> | <u>\$19,483</u> | <u>\$70,594</u> |

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE I. FIXED ASSETS

A summary of changes in General Fixed Assets follows:

| | Balance <u>07-01-98</u> | Additions | Deletions | Balance <u>06-30-99</u> |
|---------------|----------------------------|-----------------|-------------|----------------------------|
| Land | \$ 17,650 | \$ 0 | \$ 0 | \$ 17,650 |
| Buildings | 140,076 | 0 | 0 | 140,076 |
| Vehicles | 84,241 | 26,825 | 0 | 111,066 |
| Office Equip. | 31,355 | 6,446 | 0 | 37,801 |
| Equipment | <u>121,148</u> | <u>4,358</u> | <u>0</u> | <u>125,506</u> |
| Totals | <u>\$394,470</u> | <u>\$37,629</u> | <u>\$ 0</u> | <u>\$432,099</u> |

A summary of changes in proprietary fund type property, plant and equipment is as follows:

| | <u>Water System Fund</u> | | | |
|-------------------------------|----------------------------|-----------------|-------------|----------------------------|
| | Balance <u>07-01-98</u> | Additions | Deletions | Balance <u>06-30-99</u> |
| Land | \$ 6,860 | \$ 0 | \$ 0 | \$ 6,860 |
| Wells, lines and equipment | 965,722 | <u>0</u> | <u>0</u> | 965,722 |
| | 972,582 | 0 | 0 | 972,582 |
| Less: Accumu- lated Derpn. | <u>278,930</u> | <u>32,237</u> | <u>0</u> | <u>311,167</u> |
| Totals | <u>\$693,652</u> | <u>\$32,237</u> | <u>\$ 0</u> | <u>\$661,415</u> |

| | <u>Sewer System Fund</u> | | | |
|-------------------------------|----------------------------|-----------------|-------------|----------------------------|
| | Balance <u>07-01-98</u> | Additions | Deletions | Balance <u>06-30-99</u> |
| Land | \$ 14,800 | \$ 0 | \$ 0 | \$ 14,800 |
| Plant, lines and equipment | 1,862,109 | <u>0</u> | <u>0</u> | 1,862,109 |
| | 1,876,909 | 0 | 0 | 1,876,909 |
| Less: Accumu- lated Derpn. | <u>959,315</u> | <u>62,870</u> | <u>0</u> | <u>1,022,185</u> |
| Totals | <u>\$ 917,594</u> | <u>\$62,870</u> | <u>\$ 0</u> | <u>\$ 854,724</u> |

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE J. CHANGES IN LONG-TERM DEBT

The following is a summary of bond transactions of the Town for the year ended June 30, 1999:

| | Water Revenue <u>Debt</u> | Sewer Revenue <u>Bonds</u> | <u>Total</u> |
|-------------------------|---------------------------------|----------------------------------|------------------|
| Bonds Payable - 6-30-98 | \$238,378 | \$122,378 | \$360,756 |
| Bonds issued | 0 | 0 | 0 |
| Bonds retired | <u>2,742</u> | <u>15,000</u> | <u>17,742</u> |
| Bonds Payable - 6-30-99 | <u>\$235,636</u> | <u>\$107,378</u> | <u>\$343,014</u> |

Bonds payable at June 30, 1999 are comprised of the following individual issues:

Water Revenue Bonds:

\$256,500 of sewer revenue bonds dated June 23, 1995, due in monthly serial installments of \$1,300 through June, 2302, interest in 5.25 Percent

\$235,636

The Water revenue bonds described above were issued in connection with the construction of a new water well, which was completed in 1995. The bond issue is secured by a pledge of water revenues of the Town.

Sewer Revenue Bonds:

\$335,000 of Sewer revenue bonds dated December 11, 1979, due in annual serial installments of \$5,000 to \$25,000 through December, 2004; interest at 5 percent.

\$107,378

Interest cost incurred during the year ended June 30, 1999 amounted to \$12,873 and \$5,706 in the Water System Fund and the Sewer System Fund, respectively.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE J. CHANGES IN LONG-TERM DEBT (Continued from the Previous Page)

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments are as follows:

| <u>Water Revenue Bonds</u> | | |
|---------------------------------------|------------------|------------------|
| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> |
| 2000 | \$ 3,313 | \$ 12,291 |
| 2001 | 3,491 | 12,113 |
| 2002 | 3,680 | 11,926 |
| 2003 | 3,878 | 11,727 |
| 2004 | 4,086 | 11,519 |
| 2005-2009 | 23,973 | 54,055 |
| 2010-2014 | 31,151 | 46,876 |
| 2015-2019 | 40,479 | 37,549 |
| 2020-2024 | 52,599 | 25,428 |
| 2025-2039 | <u>68,986</u> | <u>9,681</u> |
| | <u>\$235,636</u> | <u>\$233,165</u> |

| <u>Sewer Revenue Bonds</u> | | |
|---------------------------------------|------------------|-----------------|
| <u>Year Ending</u> <u>June 30,</u> | <u>Principal</u> | <u>Interest</u> |
| 2000 | \$ 20,000 | \$ 5,369 |
| 2001 | 20,000 | 4,369 |
| 2002 | 20,000 | 3,369 |
| 2003 | 20,000 | 2,369 |
| 2004 | 20,000 | 1,369 |
| 2005 | <u>7,378</u> | <u>369</u> |
| | <u>\$107,378</u> | <u>\$17,214</u> |

There are a number of limitations and restrictions contained in the various bond indentures. The Town is in compliance with all significant limitations and restrictions. The following is a summary of the major restrictions on the use of funds as required by the bond indentures.

1. FLOW OF FUNDS: RESTRICTIONS ON USE - WATER REVENUE

The revenues derived from the water user fees shall be allocated as follows:

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE J. CHANGES IN LONG-TERM DEBT (Continued from the previous page.)

- a) Each month, beginning on July 23, 1995, and each successive 23rd of the month an amount equal to \$1,300.46 shall be paid to Farmers Home Administration in payment of principal and interest. The installments of principal and interest may be prepaid at any time.
- b) Each month, \$66 is required to be paid monthly into a separate fund entitled the "Revenue Bond Reserve Fund".
- c) Also each month, funds of \$70.00 shall be transferred into a separate bank account entitled "Depreciation and Contingency Fund". Money in this fund may be used to care for depreciation, extensions, additions, improvement and replacements necessary to properly operate the sewer system. The monies may also be used to pay the principal and interest on the bonds if there are not sufficient funds in the other bond funds.

2. FLOW OF FUNDS: RESTRICTIONS ON USE - SEWER REVENUES

- a) Under the terms of the bond indenture on outstanding bonds all net revenues earned or derived from the operations of the System are pledged to the payment of principal and interest on the bonds. So long as any of the bonds remain outstanding, all revenue shall be deposited in a fund know as the "Public Utility Revenue Fund", and shall be used as follows:

Out of the Revenue Fund there shall be paid all reasonable expenses of administration, operations, and maintenance of the system.

- b) Each month there will be set aside into a fund called the "Revenue Bond Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds.
- c) Next, there shall be transferred monthly from the Revenue Fund into a "Revenue Bond Reserve Fund" a sum at least equal to 5% of the amount required to be paid monthly into

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE J. CHANGES IN LONG-TERM DEBT (Continued from the previous page.)

the Bond Sinking Fund. Payments into said fund are to continue until such time as there has been accumulated the sum of \$24,000. Such amount may be used solely for the purpose of paying the principal of and interest on bonds whenever and to the extent necessary to prevent default.

- d) Funds will also be set aside into a "Depreciation and Contingencies Fund" at a rate of \$104 per month. Money in this fund may be used to care for depreciation, extensions, additions, improvements, and replacements necessary to properly operate the System. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

The Town also entered into a lease to purchase a police car with a monthly payment of \$705 per month which includes principal and interest. At June 30, 1999 the principal due in future periods is as follows:

| Year | Principal | Interest | Total |
|---------------|-----------------|----------------|-----------------|
| June 30, 2000 | \$7,504 | \$ 957 | \$8,461 |
| June 30, 2001 | 7,959 | 502 | 8,461 |
| June 30, 2002 | <u>4,158</u> | <u>72</u> | <u>4,230</u> |
| Totals | <u>\$19,621</u> | <u>\$1,531</u> | <u>\$21,152</u> |

NOTE K. RETIREMENT COMMITMENTS

As of June 30, 1999 all employees of the Town are members of the Social Security System. Town is not liable for any other retirement commitments.

NOTE L. CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

At June 30, 1999 the Town was involved in litigation. However, this legal proceeding is not likely to have an adverse impact on the Town's funds. The Court has ruled in favor of the Town and if the Town should lose the case the damage is not expected to exceed the Town's liability insurance.

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE M. AMORTIZATION OF CONTRIBUTED CAPITAL

External contributions of capital relating to the acquisition of plant and equipment for the Water System Fund and the Sewer System Fund (proprietary funds) are being amortized over periods equal to the lives of assets acquired with such contributions of capital. During the year ended June 30, 1999 amortization amounted to \$11,590 and \$44,977, for the Water System Fund and The Sewer System Fund, respectively.

NOTE N. DEFICIT FUND BALANCE

There were no deficit fund balances in any of the Town's funds at June 30, 1999.

NOTE O. EXPENDITURES IN EXCESS OF APPROPRIATIONS

For the year ended June 30, 1999 the following funds had incurred expenditures in excess of appropriations.

| | <u>Budget</u> | <u>Expenditures</u> | Variance Favorable (Unfavorb.) |
|-------------------|------------------|---|--------------------------------------|
| General Fund | <u>\$281,802</u> | <u>\$393,936</u> | <u>(\$112,134)</u> |
| | | <u>Expenses in Excess of Revenues</u> | |
| Sewer System Fund | | \$50,250 | |
| Water System Fund | | 6,084 | |

NOTE P. COMPENSATION PAID BOARD MEMBERS

The Town paid the mayor and alderman the following per diem:

| | |
|-------------------|----------------|
| Ruby Hawkins | \$ 3,438 |
| Isreal Jones | 1,200 |
| Ollie Crittle | 900 |
| Elizabeth Grimble | 900 |
| Shirley Wade | 900 |
| Ambrose Jackson | <u>900</u> |
| Totals | <u>\$8,238</u> |

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE Q. LEASE REVENUE

The Town has a lease with the Cenla Community Action Committee, Inc. The lease is a year to year lease with a monthly rental amount of \$300. The lease is on the lunchroom building at Lincoln Williams Elementary School. Future minimum rental income to be received as per the above lease is \$2,400 as of June 30, 1999.

NOTE R. RELATED AND THIRD PARTY ACTIVITY

The Town of Cheneyville, Louisiana, was not involved in any related or third party transactions.

NOTE S. SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The Town maintains two enterprise funds. Segment information for the year ended June 30, 1999 follows:

| | Water System <u>Fund</u> | Sewer System <u>Fund</u> | <u>Totals</u> |
|--|--------------------------------|--------------------------------|---------------|
| Operating revenues | \$ 74,899 | \$ 77,687 | \$ 152,586 |
| Depreciation | 32,237 | 62,870 | 95,107 |
| Operating income (loss) | 4,020 | (45,030) | (41,010) |
| Current capital contrib. | 0 | 0 | 0 |
| Plant, property and equip., net additions | 0 | 0 | 0 |
| Net working capital | 74,186 | (15,273) | 58,913 |
| Total assets | 789,190 | 884,761 | 1,673,951 |
| Long-term liabilities payable from operating revenue | 232,322 | 87,378 | 319,700 |
| Total Equity | 535,949 | 748,599 | 1,284,548 |

(Continued)

TOWN OF CHENEYVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(Continued)

NOTE T. GRANTS

The Town received and disbursed the following grant funds during the current fiscal year:

| | Grant Funds _____ Received | Grant Expenditures |
|--|-------------------------------------|-----------------------|
| Flood Mitigation Plan St. of La. - Dept. of Public Safety - Red Delta | \$22,500 | \$22,500 |
| Summer Enrichment - Recreation | 4,125 | 4,358 |
| Rapides Parish Police Jury - Street Overlay | 958 | 138 |
| Rural Development | 57,166 | 58,939 |
| Totals | <u>0</u> | <u>382</u> |
| | <u>\$84,749</u> | <u>\$86,317</u> |

SUPPLEMENTARY INFORMATION

FINANCIAL STATEMENTS FOR INDIVIDUAL FUNDS
AND ACCOUNT GROUPS

GENERAL FUND

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

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1999 and 1998

| ASSETS | <u>1999</u> | <u>1998</u> |
|------------------------------------|-------------------|-------------------|
| ASSETS | | |
| Cash - Unrestricted | \$ 35,999 | \$ 130,939 |
| Cash - Restricted | 0 | 382 |
| Property Taxes Receivable | 315 | 598 |
| Intergovernmental Taxes Receivable | 10,585 | 12,640 |
| Franchise Fees Receivable | 3,977 | 4,706 |
| Intergovernmental Funds Receivable | 44 | 176 |
| Customer Accounts Receivable | 5,214 | 1,977 |
| Investments | 91,234 | 0 |
| Due From Other Funds | <u>12,228</u> | <u>15,081</u> |
| TOTAL ASSETS | <u>\$ 159,596</u> | <u>\$ 166,498</u> |
| LIABILITIES AND FUND BALANCE | | |
| LIABILITIES | | |
| Accounts Payable | \$ 6,752 | \$ 5,544 |
| Accrued Payroll Taxes | 619 | 691 |
| Accrued Salaries Payable | 4,951 | 2,956 |
| Other Accrued Expenses | 795 | 90 |
| Due to Other Funds | <u>21,080</u> | <u>7,425</u> |
| Total Liabilities | 34,198 | 16,706 |
| FUND BALANCE | | |
| Undesignated | <u>125,398</u> | <u>149,792</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 159,596</u> | <u>\$ 166,498</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS)
 AND ACTUAL FOR THE YEAR ENDED JUNE 30, 1999 WITH
 COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED
 JUNE 30, 1998

| | 1999 BUDGET | 1999 ACTUAL | VARIANCE FAVORABLE (UNFAVOR.) | 1998 ACTUAL |
|---------------------------|----------------|----------------|-------------------------------------|----------------|
| REVENUES | | | | |
| Taxes Collected | \$ 11,000 | \$ 11,622 | \$ 622 | \$ 11,319 |
| Sales Taxes | | | | |
| Collected | 108,000 | 114,949 | 6,949 | 119,793 |
| Tobacco Taxes | 5,000 | 5,228 | 228 | 5,228 |
| Beer Taxes | 2,000 | 1,566 | (434) | 1,379 |
| Occupational | | | | |
| Licenses | 15,000 | 15,103 | 103 | 16,222 |
| Franchise Fees | 24,000 | 26,153 | 2,153 | 26,454 |
| Mowing | 5,000 | 2,684 | (2,316) | 3,934 |
| Video Poker | 3,000 | 1,185 | (1,815) | 1,935 |
| Grant Revenues | 0 | 84,749 | 84,749 | 16,489 |
| Garbage Fees | 24,000 | 26,345 | 2,345 | 19,081 |
| Entex Collection | 600 | 600 | 0 | 600 |
| Fines and | | | | |
| Fines and | | | | |
| Forfeitures | 75,000 | 33,483 | (41,518) | 79,951 |
| Interest Received | 3,000 | 5,477 | 2,477 | 2,811 |
| Rental Income | 4,100 | 3,900 | (200) | 3,900 |
| Public Donations | 0 | 1,177 | 1,177 | 0 |
| Miscellaneous | 3,000 | 1,197 | (1,803) | 5,731 |
| Total Revenues | <u>282,700</u> | <u>335,418</u> | <u>52,718</u> | <u>314,827</u> |
| EXPENDITURES | | | | |
| CURRENT | | | | |
| General | | | | |
| Government | 79,367 | 101,151 | 21,784 | 82,891 |
| Police | 90,750 | 87,076 | (3,674) | 106,382 |
| Streets and | | | | |
| Sanitation | 109,325 | 81,859 | (27,466) | 69,045 |
| Recreation | 0 | 138 | 138 | 3,833 |
| Lincoln Williams | 0 | 32 | 32 | 6,319 |
| Grant Expends. | 0 | 86,180 | 86,180 | 4,087 |
| DEBT SERVICE | 2,360 | 4,230 | 1,870 | 8,436 |
| CAPITAL OUTLAYS | 0 | 33,271 | 33,271 | 11,631 |
| Total | | | | |
| Expenditures | <u>281,802</u> | <u>393,936</u> | <u>112,134</u> | <u>292,624</u> |
| EXCESS OF REVENUES | | | | |
| OVER (UNDER) | | | | |
| EXPENDITURES | | | | |
| BEFORE OTHER | | | | |
| FINANCING SOURCES | | | | |
| (USES) | 898 | (58,518) | (59,416) | 22,203 |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND
 COMPAARATIVE STATEMENT OF REVENUES, EXPENDIUTRES
 AND CHANGES IN FUND BALANCE - BUDGET (GAAP BSIS)
 AND ACTUAL FOR THE YEAR ENDED JUNE 30, 1999 WITH
 COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED
 JUNE 30, 1998
 (CONTINUED)

| | <u>1999 BUDGET</u> | <u>1999 ACTUAL</u> | <u>VARIANCE FAVORABLE (UNFAVOR.)</u> | <u>1998 ACTUAL</u> |
|---|------------------------|------------------------|--|------------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) EXCESS OF REVENUES OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES) | \$ 898 | \$ (58,518) | \$ (59,416) | \$ 22,203 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Proceeds from Capital Lease | 0 | 23,325 | 23,325 | 0 |
| Operating Transfers In | <u>10,000</u> | <u>10,800</u> | <u>800</u> | <u>15,400</u> |
| Total Other Financing Sources (Uses) | <u>10,000</u> | <u>34,125</u> | <u>24,125</u> | <u>15,400</u> |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | 10,898 | (24,394) | (35,292) | 37,603 |
| FUND BALANC, Beginning | <u>0</u> | <u>149,792</u> | <u>149,792</u> | <u>112,189</u> |
| FUND BALANCE, Ending | <u>\$ 10,898</u> | <u>\$ 125,398</u> | <u>\$ 114,500</u> | <u>\$ 149,792</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998

| | BUDGET 1999 | ACTUAL 1999 | VARIANCE FAVORABLE (UNFAVOR.) | ACTUAL 1998 |
|---------------------------------------|------------------|-------------------|-------------------------------------|-------------------|
| GENERAL GOVERNMENTAL | | | | |
| Mayor and Aldermen | \$ 8,020 | \$ 8,238 | \$ (218) | \$ 8,209 |
| Other Salaries | 14,347 | 15,330 | (983) | 10,973 |
| Payroll Taxes | 1,900 | 2,806 | (906) | 1,458 |
| Election Costs | 0 | 0 | 0 | 236 |
| Executive Expend. | 500 | 0 | 500 | 250 |
| Professional Fees | 5,800 | 27,683 | (21,883) | 17,664 |
| Bldg. Maintenance | 2,000 | 5,308 | (3,308) | 3,898 |
| Town Hall Supplies | 2,000 | 262 | 1,738 | 158 |
| Dues | 1,500 | 1,089 | 411 | 920 |
| Insurance | 25,000 | 19,135 | 5,865 | 17,203 |
| Publishing | 2,400 | 1,260 | 1,140 | 1,286 |
| Office | 4,000 | 5,686 | (1,686) | 7,055 |
| Tax Assessor Fees | 800 | 703 | 97 | 606 |
| Utilities | 5,000 | 4,597 | 403 | 4,404 |
| Travel and Seminars | 1,500 | 2,972 | (1,472) | 2,863 |
| Telephone | 3,000 | 2,779 | 221 | 3,140 |
| Outside Services | 600 | 0 | 600 | 2,008 |
| Taxes and Licenses | 0 | 179 | (179) | 0 |
| Miscellaneous | 1,000 | 3,123 | (2,123) | 560 |
| Total General Government Expenditures | <u>\$ 79,367</u> | <u>\$ 101,151</u> | <u>\$ (21,784)</u> | <u>\$ 82,891</u> |
| POLICE | | | | |
| Salaries | \$ 57,000 | \$ 63,780 | \$ (6,780) | \$ 71,772 |
| Payroll Taxes | 4,850 | 3,196 | 1,654 | 4,977 |
| Equipment and and Supplies | 2,500 | 994 | 1,506 | 6,117 |
| Automobile | 10,000 | 7,353 | 2,647 | 11,374 |
| Prisoner Expds. | 1,200 | 5 | 1,195 | 3,780 |
| Training | 1,500 | 921 | 580 | 135 |
| Dues | 0 | 1 | (1) | 9 |
| Insurance | 5,000 | 4,978 | 22 | 4,715 |
| Telephone | 1,300 | 1,119 | 181 | 1,323 |
| Uniforms | 1,200 | 1,475 | (275) | 1,749 |
| Animal Control | 150 | 104 | 46 | 50 |
| Drug Enforcement | 550 | 309 | 241 | 0 |
| Radio Expenditures | 1,000 | 1,304 | (304) | 0 |
| Office and Equipment Maintenance | 3,000 | 375 | 2,625 | 0 |
| Miscellaneous | 500 | 240 | 260 | 381 |
| Total Police Expenditures | <u>\$ 90,750</u> | <u>\$ 87,076</u> | <u>\$ 3,674</u> | <u>\$ 106,382</u> |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

GENERAL FUND

STATEMENT OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) AND ACTUAL FOR THE YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998 (CONTINUED)

| | BUDGET 1999 | ACTUAL 1999 | VARIANCE FAVORABLE (UNFAVOR.) | ACTUAL 1998 |
|-------------------------------|-------------------|-------------------|-------------------------------------|-------------------|
| STREETS AND SANITATION | | | | |
| Salaries | \$ 25,000 | \$ 23,280 | \$ 1,720 | \$ 23,433 |
| Payroll Taxes | 2,125 | 1,694 | 431 | 1,579 |
| Radio Expenditures | 0 | 300 | (300) | 128 |
| Truck and Tractor | 8,000 | 2,468 | 5,532 | 1,525 |
| Material and Supplies | 30,000 | 17,809 | 12,191 | 6,729 |
| Insurance | 8,000 | 3,356 | 4,644 | 3,967 |
| Garbage Disposal Fees | 22,000 | 20,717 | 1,283 | 21,569 |
| Utilities | 9,000 | 7,794 | 1,206 | 9,451 |
| Travel | 200 | 0 | 200 | 12 |
| Mowing | 1,000 | 0 | 1,000 | 0 |
| Debris Removal | 2,000 | 591 | 1,409 | 243 |
| Engineering Fees | 1,000 | 3,565 | (2,565) | 0 |
| Telephone | 0 | 127 | (127) | 0 |
| Miscellaneous | 1,000 | 157 | 843 | 409 |
| Total Street Expenditures | <u>\$ 109,325</u> | <u>\$ 81,859</u> | <u>\$ 27,466</u> | <u>\$ 69,045</u> |
| RECREATION | | | | |
| Sals. and Materials | <u>\$ 0</u> | <u>\$ 138</u> | <u>\$ (138)</u> | <u>\$ 3,833</u> |
| LINCOLN WILLIAMS | | | | |
| | <u>\$ 0</u> | <u>\$ 32</u> | <u>\$ (32)</u> | <u>\$ 6,319</u> |
| GRANT EXPENDITURES | | | | |
| Rural Development | \$ 0 | \$ 382 | \$ (382) | \$ 4,087 |
| Flood Mitigation Plan | 0 | 22,500 | (22,500) | 0 |
| Street Overlay | 0 | 58,939 | (58,939) | 0 |
| Red River Delta Grant | 0 | 4,358 | (4,358) | 0 |
| Total Grant Expds. | <u>\$ 0</u> | <u>\$ 86,180</u> | <u>\$ (86,180)</u> | <u>\$ 4,087</u> |
| DEBT SERVICE | | | | |
| Police Car | <u>\$ 2,360</u> | <u>\$ 4,230</u> | <u>\$ (1,870)</u> | <u>\$ 8,436</u> |
| CAPITAL OUTLAYS | | | | |
| General Government | \$ 0 | \$ 6,446 | \$ (6,446) | \$ 11,631 |
| Police | 0 | 23,325 | (23,325) | 0 |
| Streets and Sanitation | 0 | 3,500 | (3,500) | 0 |
| Total Capital Outlays | <u>\$ 0</u> | <u>\$ 33,271</u> | <u>\$ (33,271)</u> | <u>\$ 11,631</u> |
| TOTAL EXPENDITURES | <u>\$ 281,802</u> | <u>\$ 393,936</u> | <u>\$ (112,134)</u> | <u>\$ 292,624</u> |

The accompanying notes are an integral part of this statement.

ENTERPRISE FUNDS

WATER SYSTEM FUND - To account for the provision of gas and water services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administrative, operations, maintenance, financing and related debt service, billing and collection.

SEWER SYSTEM FUND - To account for the provision of sewer services to the 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, billing and collection.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING BALANCE SHEETS - ALL PROPRIETARY FUND TYPES
 JUNE 30, 1999 AND 1998

| ASSETS | WATER SYSTEM | SEWER SYSTEM |
|--|-------------------|-------------------|
| | ----- | ----- |
| CURRENT ASSETS | | |
| Cash | \$ 39,134 | \$ 0 |
| Accounts Receivable | 11,649 | 10,554 |
| Due from Other Funds | 25,880 | 0 |
| Total Current Assets | <u>76,663</u> | <u>10,554</u> |
| RESTRICTED ASSETS | | |
| Customer Deposits | 3,615 | 0 |
| Investments | 13,633 | 0 |
| Construction Account | 4,918 | 0 |
| Bond and Interest Sinking Fund | 197 | 14,974 |
| Bond Reserve Fund | 23,928 | 1,633 |
| Bond Depreciation and Contingencies Fund | 4,820 | 2,876 |
| Total Restricted Assets | <u>51,111</u> | <u>19,483</u> |
| PLANT AND EQUIPMENT | | |
| Systems - at Cost, Net of Accumulated Depreciation (1999 - \$1,333,351 and 1998 - \$1,238,245) | 654,556 | 839,924 |
| Land | 6,860 | 14,800 |
| Total Plant and Equipment | <u>661,416</u> | <u>854,724</u> |
| TOTAL ASSETS | <u>\$ 789,190</u> | <u>\$ 884,761</u> |

The accompanying notes are

| <u>1999</u> | <u>1998</u> |
|--------------|--------------|
| \$ 39,134 | \$ 50,317 |
| 22,203 | 18,082 |
| 25,880 | 12,225 |
| 87,217 | 80,624 |
| 3,615 | 15,914 |
| 13,633 | 0 |
| 4,918 | 4,918 |
| 15,171 | 13,207 |
| 25,561 | 23,081 |
| 7,696 | 5,444 |
| 70,594 | 62,564 |
| 1,494,480 | 1,589,586 |
| 21,660 | 21,660 |
| 1,516,140 | 1,611,246 |
| \$ 1,673,951 | \$ 1,754,434 |

(Continued)

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING BALANCE SHEETS - ALL PROPRIETARY FUND TYPES
 JUNE 30, 1999 AND 1998
 (CONTINUED)

| | WATER SYSTEM | SEWER SYSTEM |
|---|-------------------|-------------------|
| LIABILITIES AND FUND BALANCE | | |
| CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS) | | |
| Accounts Payable | \$ 1,549 | \$ 3,136 |
| Bank Overdraft | 0 | 4,936 |
| Accrued Payroll | 727 | 727 |
| Accrued Sales Taxes Payable | 201 | 0 |
| Due to Sewer System Revenue Fund | 0 | 17,028 |
| Total Current Liabilities | <u>2,477</u> | <u>25,827</u> |
| CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS) | | |
| Customer Deposits | 14,891 | 0 |
| Revenue Bonds Payable | 3,314 | 20,000 |
| Accrued Interest Payable | 237 | 2,957 |
| Total Restricted Liabilities | <u>18,442</u> | <u>22,957</u> |
| LONG-TERM LIABILITIES | | |
| Revenue Bonds Payable | 232,322 | 87,378 |
| Total Liabilities | 253,241 | 136,162 |
| FUND EQUITY | | |
| Contributed Capital (Net of Accumulated Amortization) | 328,419 | 535,307 |
| Retained Earnings | | |
| Reserved | 36,220 | 19,483 |
| Unreserved | 171,310 | 193,809 |
| Total Retained Earnings | <u>207,530</u> | <u>213,292</u> |
| Total Fund Equity | <u>535,949</u> | <u>748,599</u> |
| TOTAL LIABILITIES AND FUND BALANCE | <u>\$ 789,190</u> | <u>\$ 884,761</u> |

The accompanying notes are

| <u>1999</u> | <u>1998</u> |
|---------------------|---------------------|
| \$ 4,685 | \$ 2,919 |
| 4,936 | 0 |
| 1,454 | 1,295 |
| 201 | 0 |
| 17,028 | 19,881 |
| <u>28,304</u> | <u>24,095</u> |
| 14,891 | 14,291 |
| 23,314 | 18,166 |
| 3,194 | 3,610 |
| <u>41,399</u> | <u>36,067</u> |
| 319,700 | 342,589 |
| <u>389,403</u> | <u>402,751</u> |
| 863,726 | 920,293 |
| 55,703 | 46,651 |
| 365,119 | 384,739 |
| <u>420,822</u> | <u>431,390</u> |
| <u>1,284,548</u> | <u>1,351,683</u> |
| <u>\$ 1,673,951</u> | <u>\$ 1,754,434</u> |

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1999 AND 1998

| | WATER SYSTEM | SEWER SYSTEM |
|--|-----------------|-----------------|
| REVENUES | | |
| Charges for Services | \$ 74,899 | \$ 77,687 |
| Miscellaneous | 0 | 0 |
| Total Revenues | <u>74,899</u> | <u>77,687</u> |
| OPERATING EXPENDITURES | | |
| Salaries | 18,864 | 18,864 |
| Payroll Taxes | 1,467 | 1,467 |
| Chemicals | 1,030 | 5,656 |
| Office and Postage | 571 | 605 |
| Repairs and Maintenance | 590 | 5,957 |
| Lab Reports | 65 | 6,137 |
| Materials and Supplies | 6,257 | 7,560 |
| Depreciation | 32,237 | 62,870 |
| Contractual Services | 1,358 | 2,233 |
| Utilities | 6,322 | 9,657 |
| Insurance | 1,837 | 1,526 |
| Truck Gas and Maintenance | 58 | 30 |
| Travel and Seminars | 60 | 125 |
| Telephone | 0 | 0 |
| Dues | 150 | 0 |
| Miscellaneous Taxes | 0 | 0 |
| Miscellaneous | 13 | 30 |
| Total Operating Expenditures | <u>70,879</u> | <u>122,717</u> |
| OPERATING INCOME (LOSS) | 4,020 | (45,030) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 2,769 | 486 |
| Interest Expense | (12,873) | (5,706) |
| Total Nonoperating Revenues (Expenses) | <u>(10,104)</u> | <u>(5,220)</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS | (6,084) | (50,250) |
| OPERATING FINANCING SOURCES (USES) | | |
| Transfers Out | <u>(10,800)</u> | <u>0</u> |
| NET INCOME (LOSS) | (16,884) | (50,250) |

The accompanying notes are

| 1999 | 1998 |
|-----------------|-----------------|
| \$ 152,586 | \$ 151,586 |
| 0 | 0 |
| <u>152,586</u> | <u>151,586</u> |
| 37,728 | 40,259 |
| 2,934 | 2,461 |
| 6,686 | 5,916 |
| 1,176 | 1,194 |
| 6,547 | 5,132 |
| 6,202 | 4,337 |
| 13,817 | 7,824 |
| 95,107 | 94,435 |
| 3,591 | 7,647 |
| 15,979 | 14,536 |
| 3,363 | 5,434 |
| 88 | 465 |
| 185 | 216 |
| 0 | 0 |
| 150 | 344 |
| 0 | 643 |
| 43 | 186 |
| <u>193,596</u> | <u>191,029</u> |
| (41,010) | (39,443) |
| 3,255 | 3,381 |
| (18,579) | (18,248) |
| <u>(15,324)</u> | <u>(14,867)</u> |
| (56,334) | (54,310) |
| (10,800) | (15,400) |
| <u>(67,134)</u> | <u>(69,710)</u> |

(Continued)

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
 RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 YEARS ENDED JUNE 30, 1999 AND 1998

| | WATER SYSTEM | SEWER SYSTEM |
|--|-------------------|-------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) | | |
| NET INCOME (LOSS) | \$ (16,884) | \$ (50,250) |
| DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS, AND SHARED REVENUES EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITION AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL | 11,590 | 44,977 |
| RETAINED EARNINGS, Beginning | 176,604 | 199,082 |
| RETAINED EARNINGS, Ending | <u>\$ 171,310</u> | <u>\$ 193,809</u> |

The accompanying notes are

| <u>1999</u> | <u>1998</u> |
|-------------------|-------------------|
| \$ (67,134) | \$ (69,710) |
| 56,567 | 56,567 |
| <u>375,686</u> | <u>444,533</u> |
| <u>\$ 365,119</u> | <u>\$ 431,390</u> |

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES

YEARS ENDED JUNE 30, 1999 AND 1998

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | WATER SYSTEM | SEWER SYSTEM |
|---|-----------------|-----------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Customers | \$ 72,546 | \$ 75,915 |
| Cash Payments to Suppliers for Goods and Services | (32,911) | (42,584) |
| Cash Payments to Employees for Services | (18,687) | (18,687) |
| Net Cash Provided by Operating Activities | 20,948 | 14,644 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating Transfers Out to Other Funds | (10,800) | 0 |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Net Change in Meter Deposits | 600 | 0 |
| Acquisition and Construction of Assets | 0 | 0 |
| Principal Paid on Revenue Bonds | (2,741) | (15,000) |
| Interest Paid on Revenue Bonds | (12,877) | (6,119) |
| Net Cash Used for Capital and Related Financing Activities | (15,018) | (21,119) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Investments | 2,769 | 486 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,101) | (5,989) |
| BEGINNING OF THE YEAR | 92,346 | 20,536 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 90,245 | \$ 14,547 |

The accompanying notes are

| <u>1999</u> | <u>1998</u> |
|-------------------|-------------------|
| \$ 148,461 | \$ 151,586 |
| (75,495) | (50,617) |
| <u>(37,374)</u> | <u>(40,259)</u> |
| 35,592 | 60,710 |
| (10,800) | (15,400) |
| 600 | 750 |
| 0 | (46,050) |
| (17,741) | (18,932) |
| <u>(18,996)</u> | <u>(18,560)</u> |
| (36,137) | (82,792) |
| <u>3,255</u> | <u>3,381</u> |
| (8,090) | (34,101) |
| <u>108,794</u> | <u>142,895</u> |
| <u>\$ 100,704</u> | <u>\$ 108,794</u> |

(Continued)

an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
 YEARS ENDED JUNE 30, 1999 AND 1998
 INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
 (CONTINUED)

| | WATER SYSTEM | SEWER SYSTEM |
|---|------------------|------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Revenue | \$ 4,020 | \$ (45,030) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | 32,237 | 62,870 |
| CHANGES IN ASSETS AND LIABILITIES | | |
| (Increase) Decrease in Accounts Receivable | (2,352) | (1,771) |
| (Increase) Decrease in Due from Funds | (13,655) | (2,853) |
| Increase (Decrease) in Accounts Payable | 515 | 1,251 |
| Increase (Decrease) in Salaries Payable | 177 | 177 |
| Increase (Decrease) in Sales Taxes Pay. | 6 | 0 |
| Total Adjustments | <u>16,928</u> | <u>59,674</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 20,948</u> | <u>\$ 14,644</u> |

The accompanying notes are

| <u>1999</u> | <u>1998</u> |
|------------------|------------------|
| \$ (41,010) | \$ (39,443) |
| 95,107 | 94,435 |
| (4,123) | (966) |
| (16,508) | 3,428 |
| 1,766 | 2,197 |
| 354 | 1,059 |
| 6 | 0 |
| <u>76,602</u> | <u>100,153</u> |
| <u>\$ 35,592</u> | <u>\$ 60,710</u> |

an integral part of this statement.

TOWN OF CHENEYVILLE - WATER FUND

ENTERPRISE FUND
 WATER SYSTEM FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 1999 AND 1998

| | <u>1999</u> | <u>1998</u> |
|--|-------------------|-------------------|
| ASSETS | | |
| CURRENT ASSETS | | |
| Cash on Hand and in Banks | \$ 39,134 | \$ 44,896 |
| Customer Accounts Receivable | 11,649 | 9,297 |
| Due from Other Funds | 25,880 | 12,225 |
| Total Assets | <u>76,663</u> | <u>66,418</u> |
| RESTRICTED ASSETS | | |
| Customer Deposit Account | 3,615 | 2,914 |
| Investments | 13,633 | 13,000 |
| Construction Account | 4,918 | 4,918 |
| Bond and Intrest Sinking Fund | 197 | 190 |
| Bond Reserve Fund | 23,928 | 22,556 |
| Bond Depreciation and Contingencies Fund | 4,820 | 3,871 |
| Total Restricted Assets | <u>51,111</u> | <u>47,449</u> |
| PLANT AND EQUIPMENT | | |
| Water System - at Cost, Net of Accumulated Depreciation (1999 - \$311,166 and 1998 - \$278,930) | 654,556 | 686,792 |
| Land | 6,860 | 6,860 |
| Total Plant and Equipment | <u>661,416</u> | <u>693,652</u> |
| TOTAL ASSETS | <u>\$ 789,190</u> | <u>\$ 807,519</u> |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUND
 WATER SYSTEM FUND
 COMPARATIVE BALANCE SHEETS
 JUNE 30, 1999 AND 1998
 (CONTINUED)

| LIABILITIES AND FUND EQUITY | <u>1999</u> | <u>1998</u> |
|---|-------------------|-------------------|
| CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS) | | |
| Accounts Payable | \$ 1,549 | \$ 1,034 |
| Accrued Payroll Taxes | 0 | 0 |
| Accrued Insurance Payable | 0 | 0 |
| Accrued Salaries Payable | 727 | 550 |
| Sales Taxes Payable | <u>201</u> | <u>195</u> |
| Total Current Liabilities (Payable from Current Assets) | 2,477 | 1,779 |
| CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS) | | |
| Customer Deposits | 14,891 | 14,291 |
| Revenue Bonds Payable | 3,314 | 3,166 |
| Accrued Interest Payable | <u>237</u> | <u>241</u> |
| Total Current Liabilities (Payable From Restricted Assets) | 18,442 | 17,698 |
| LONG-TERM LIABILITIES | | |
| Revenue Bonds Payable | <u>232,322</u> | <u>235,211</u> |
| Total Liabilities | 253,241 | 254,688 |
| FUND EQUITY | | |
| Contributed Capital (Net of Accumulated Amortization) | 328,419 | 340,009 |
| Retained Earnings | | |
| Reserved | 36,220 | 31,535 |
| Unreserved | <u>171,310</u> | <u>181,287</u> |
| Total Retained Earnings | 207,530 | 212,822 |
| Total Fund Equity | <u>535,949</u> | <u>552,831</u> |
| TOTAL LIABILITIES & FUND EQUITY | <u>\$ 789,190</u> | <u>\$ 807,519</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUND
WATER SYSTEM FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND
TYPE FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

| | <u>1999</u> | <u>1998</u> |
|--|-----------------|-----------------|
| OPERATING REVENUES | | |
| Charges for Service | \$ 74,899 | \$ 74,613 |
| OPERATING EXPENSES | | |
| Salaries | 18,864 | 19,808 |
| Payroll Taxes | 1,467 | 1,200 |
| Bank Charges | 0 | 0 |
| Chemicals | 1,030 | 1,203 |
| Office and Postage | 571 | 594 |
| Repairs and Maintenance | 590 | 1,219 |
| Lab Reports | 65 | 0 |
| Materials and Supplies | 6,257 | 2,845 |
| Depreciation | 32,237 | 32,278 |
| Contractual Services | 1,358 | 6,854 |
| Utilities | 6,322 | 6,311 |
| Telephone | 0 | 0 |
| Insurance | 1,837 | 2,605 |
| Truck Gas and Maintenance | 58 | 185 |
| Travel and Seminars | 60 | 63 |
| Printing and Publishing | 0 | 0 |
| Dues and Subscriptions | 150 | 250 |
| Other Taxes | 0 | 0 |
| Miscellaneous | 13 | 31 |
| Total Expenses | <u>70,879</u> | <u>75,446</u> |
| OPERATING INCOME (LOSS) | 4,020 | (833) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Interest Income | 2,769 | 2,404 |
| Interest Expense | <u>(12,873)</u> | <u>(11,793)</u> |
| Total Nonoperating Revenues (Expenses) | <u>(10,104)</u> | <u>(9,389)</u> |
| INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES) | (6,084) | (10,222) |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE - WATER FUND, LOUISIANA

ENTERPRISE FUND
WATER SYSTEM FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND
TYPE FOR THE YEARS ENDED JUNE 30, 1999 AND 1998
(CONTINUED)

| | <u>1999</u> | <u>1998</u> |
|---|-------------------|-------------------|
| (CONTINUED FROM THE PREVIOUS PAGE) | | |
| INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES) | \$ (6,084) | \$ (10,222) |
| OTHER FINANCING SOURCES (USES) Operating Transfers Out | <u>10,800</u> | <u>10,000</u> |
| NET INCOME (LOSS) | (16,884) | (20,222) |
| DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS, AND SHARED REVENUES EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITION AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL | 11,590 | 11,590 |
| RETAINED EARNINGS, Beginning | <u>176,604</u> | <u>189,919</u> |
| RETAINED EARNINGS, Ending | <u>\$ 171,310</u> | <u>\$ 181,287</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
WATER SYSTEM FUND

COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 1999 AND 1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | <u>1999</u> | <u>1998</u> |
|---|------------------|------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Customers | \$ 72,546 | \$ 74,613 |
| Cash Payments to Suppliers for Goods and Services | (32,911) | (21,278) |
| Cash Payments to Employees for Services | (18,687) | (19,808) |
| Net Cash Provided by Operating Activities | <u>20,948</u> | <u>33,527</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating Transfers Out to Other Funds | (10,800) | (10,000) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Net Change in Meter Deposits | 600 | 750 |
| Acquisition and Construction of Assets | 0 | 0 |
| Principal Paid on Revenue Bonds | (2,741) | (3,932) |
| Interest Paid on Revenue Bonds | (12,877) | (11,691) |
| Net Cash Used for Capital and Related Financing Activities | <u>(15,018)</u> | <u>(14,873)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Investments | <u>2,769</u> | <u>2,404</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (2,101) | 11,058 |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | <u>92,346</u> | <u>81,288</u> |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | <u>\$ 90,245</u> | <u>\$ 92,346</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
WATER SYSTEM FUND

COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1999 AND 1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(CONTINUED)

| | <u>1999</u> | <u>1998</u> |
|---|------------------|------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Revenue | \$ 4,020 | \$ (833) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | 32,237 | 32,237 |
| CHANGES IN ASSETS AND LIABILITIES | | |
| (Increase) Decrease in Accounts Receivable | (2,352) | (464) |
| (Increase) Decrease in Due from Funds | (13,655) | 1,486 |
| Increase (Decrease) in Accounts Payable | 515 | 550 |
| Increase (Decrease) in Salaries Payable | 177 | 509 |
| Increase (Decrease) in Sales Taxes Pay. | 6 | 42 |
| Total Adjustments | <u>16,928</u> | <u>34,360</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 20,948</u> | <u>\$ 33,527</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE - SEWER FUND, LOUISIANA

ENTERPRISE FUND
SEWER SYSTEM FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

| ASSETS | <u>1999</u> | <u>1998</u> |
|-----------------------------------|-------------------|-------------------|
| CURRENT ASSETS | | |
| Accounts Receivable | \$ 10,554 | \$ 8,783 |
| Total Current Assets | <u>10,554</u> | <u>8,783</u> |
| RESTRICTED ASSETS | | |
| Bond and Interest Sinking | 14,974 | 13,017 |
| Bond Reserve Fund | 1,633 | 525 |
| and Contingencies Fund | <u>2,876</u> | <u>1,573</u> |
| Total Restricted Assets | 19,483 | 15,115 |
| PLANT AND EQUIPMENT | | |
| Sewer System - at Cost, Net of | | |
| Accumulated Depreciation (1999 - | | |
| \$1,022,185 and 1998 - \$959,315) | 839,924 | 902,794 |
| Land | <u>14,800</u> | <u>14,800</u> |
| Total Plant and Equipment | <u>854,724</u> | <u>917,594</u> |
| TOTAL ASSETS | <u>\$ 884,761</u> | <u>\$ 941,492</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE - SEWER FUND, LOUISIANA

ENTERPRISE FUND
SEWER SYSTEM FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1999 AND 1998

| | <u>1999</u> | <u>1998</u> |
|---|-------------------|-------------------|
| LIABILITIES AND FUND EQUITY | | |
| CURRENT LIABILITIES (PAYABLE FROM CURRENT ASSETS) | | |
| Accounts Payable | \$ 3,136 | \$ 1,885 |
| Bank Overdraft | 4,936 | (5,420) |
| Accrued Expenses | 727 | 550 |
| Due to Other Funds | <u>17,028</u> | <u>19,881</u> |
| Total Current Liabilities (Payable from Current Assets) | 25,827 | 16,896 |
| CURRENT LIABILITIES (PAYABLE FROM RESTRICTED ASSETS) | | |
| Revenue Bonds Payable | 20,000 | 15,000 |
| Accrued Interest Payable | <u>2,957</u> | <u>3,370</u> |
| Total Current Liabilities (Payable From Restricted Assets) | 22,957 | 18,370 |
| LONG-TERM LIABILITIES | | |
| Revenue Bonds Payable | <u>87,378</u> | <u>107,378</u> |
| Total Liabilities | 136,162 | 142,644 |
| FUND EQUITY | | |
| CONTRIBUTED CAPITAL (Net of Accumulated Amortization) | 535,307 | 580,284 |
| RETAINED EARNINGS | | |
| Reserved | 19,483 | 15,115 |
| Unreserved | <u>193,809</u> | <u>203,449</u> |
| Total Retained Earnings | <u>213,292</u> | <u>218,564</u> |
| TOTAL LIABILITIES AND FUND EQUITY | <u>\$ 884,761</u> | <u>\$ 941,492</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUND
SEWER SYSTEM FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND
TYPE FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

| | <u>1999</u> | <u>1998</u> |
|--|----------------|----------------|
| OPERATING REVENUES | | |
| Sewer Fees | \$ 77,687 | \$ 76,972 |
| Miscellaneous | <u>0</u> | <u>0</u> |
| Total Revenues | 77,687 | 76,972 |
| OPERATING EXPENSES | | |
| Salaries | 18,864 | 20,451 |
| Payroll Taxes | 1,467 | 1,261 |
| Bank Charges | 0 | 0 |
| Chemicals | 5,656 | 4,713 |
| Office and Postage | 605 | 600 |
| Repairs and Maintenance | 5,957 | 3,913 |
| Lab Reports | 6,137 | 4,338 |
| Materials and Supplies | 7,560 | 4,979 |
| Depreciation | 62,870 | 62,157 |
| Contractual Services | 2,233 | 793 |
| Utilities | 9,657 | 8,225 |
| Insurance | 1,526 | 2,829 |
| Dues and Subscriptions | 0 | 95 |
| Truck Gas and Maintenance | 30 | 280 |
| Travel and Seminars | 125 | 153 |
| Telephone | 0 | 0 |
| Printing and Publising | 15 | 0 |
| Miscellaneous Taxes | 0 | 643 |
| Miscellaneous | <u>15</u> | <u>154</u> |
| Total Expenditures | <u>122,717</u> | <u>115,584</u> |
| OPERATING INCOME (LOSS) | (45,030) | (38,612) |
| NONOPERATING REVENUES (EXPENSES) | | |
| Grant Proceeds | 0 | 0 |
| Interest Income | 486 | 977 |
| Interest Expense | <u>(5,706)</u> | <u>(6,456)</u> |
| Total Nonoperating Revenues (Expenses) | <u>(5,220)</u> | <u>(5,479)</u> |
| NET INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES) | (50,250) | (44,091) |

(Continued)

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA
 ENTERPRISE FUND - SEWER SYSTEM FUND

COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 AND CHANGES IN RETAINED EARNINGS - PROPRIETARY
 FUND TYPE FOR THE YEARS ENDED
 JUNE 30, 1999 AND 1998
 (CONTINUED)

| | 1999 | 1998 |
|---|-------------|-------------|
| (CONTINUED FROM PREVIOUS PAGE) | | |
| NET INCOME (LOSS) BEFORE OTHER FINANCING SOURCES (USES) | \$ (50,250) | \$ (44,091) |
| OTHER FINANCING SOURCES (USES) | | |
| Operating Transfers In | 0 | 0 |
| Operating Transfers Out | 0 | (5,400) |
| Other Financing Sources (Uses) | 0 | (5,400) |
| NET INCOME (LOSS) | (50,250) | (49,491) |
| DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS, AND SHARED REVENUES EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITION AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL | 44,977 | 44,977 |
| RETAINED EARNINGS, Beginning | 199,082 | 207,963 |
| RETAINED EARNINGS, Ending | \$ 193,809 | \$ 203,449 |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
SEWER SYSTEM FUND

COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
YEARS ENDED JUNE 30, 1999 AND 1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS

| | 1999 | 1998 |
|---|-----------|-----------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Cash Received from Customers | \$ 75,915 | \$ 76,972 |
| Cash Payments to Suppliers for Goods and Services | (42,584) | (29,338) |
| Cash Payments to Employees for Services | (18,687) | (20,451) |
| Net Cash Provided by Operating Activities | 14,644 | 27,183 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES: | | |
| Operating Transfers Out to Other Funds | 0 | (5,400) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES: | | |
| Acquisition and Construction of Assets | 0 | (46,050) |
| Principal Paid on Revenue Bonds | (15,000) | (15,000) |
| Interest Paid on Revenue Bonds | (6,119) | (3,869) |
| Net Cash Used for Capital and Related Financing Activities | (21,119) | (64,919) |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Interest Received on Investments | 486 | 977 |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | (5,989) | (42,159) |
| CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR | 20,536 | 65,695 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | \$ 14,547 | \$ 23,536 |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

ENTERPRISE FUNDS
SEWER SYSTEM FUND

COMPARATIVE STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES
YEARS ENDED JUNE 30, 1999 AND 1998
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS
(CONTINUED)

| | <u>1999</u> | <u>1998</u> |
|---|------------------|------------------|
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Operating Revenue | \$ (45,030) | \$ (38,612) |
| ADJUSTMENTS TO RECONCILE OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES: | | |
| Depreciation | 62,870 | 62,157 |
| CHANGES IN ASSETS AND LIABILITIES | | |
| (Increase) Decrease in Accounts Receivable | (1,771) | (502) |
| (Increase) Decrease in Due from Funds | (2,853) | 1,942 |
| Increase (Decrease) in Accounts Payable | 1,251 | 1,647 |
| Increase (Decrease) in Accrued Salaries Payable | 177 | 550 |
| Total Adjustments | <u>59,674</u> | <u>65,794</u> |
| NET CASH PROVIDED BY OPERATING ACTIVITIES | <u>\$ 14,644</u> | <u>\$ 27,182</u> |

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF CHENEYVILLE, LOUISIANA
 COMPARATIVE STATEMENT OF GENERAL FIXED ASSETS
 JUNE 30, 1999 AND 1998

| | 1999 | 1998 |
|---------------------------------------|------------|------------|
| GENERAL FIXED ASSETS | | |
| Land | \$ 17,650 | \$ 17,650 |
| Buildings | 140,076 | 140,076 |
| Vehicles | 111,066 | 84,241 |
| Equipment | 125,506 | 121,148 |
| Office Equipment | 37,801 | 31,355 |
| TOTAL GENERAL FIXED ASSETS | \$ 432,099 | \$ 394,470 |
| INVESTMENT IN GENERAL FIXED ASSETS | | |
| General Fund Revenues | \$ 285,786 | \$ 252,515 |
| Federal and State Grants | 146,313 | 141,955 |
| INVESTMENT IN GENERAL FIXED ASSETS | \$ 432,099 | \$ 394,470 |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 YEAR ENDED JUNE 30, 1999

| | <u>LAND</u> | <u>BUILDINGS</u> |
|---|------------------|-------------------|
| GENERAL FIXED ASSETS, Beginning of Year | \$ 17,650 | \$ 140,076 |
| ADDITIONS | 0 | 0 |
| DEDUCTIONS | <u>0</u> | <u>0</u> |
| GENERAL FIXED ASSETS, End of Year | <u>\$ 17,650</u> | <u>\$ 140,076</u> |

The accompanying notes are an

| VEHICLES | EQUIPMENT | OFFICE EQUIPMENT | TOTALS |
|-------------------|-------------------|---------------------|-------------------|
| \$ 84,241 | \$ 121,148 | \$ 31,355 | \$ 394,470 |
| 26,825 | 4,358 | 6,446 | 37,629 |
| 0 | 0 | 0 | 0 |
| <u>\$ 111,066</u> | <u>\$ 125,506</u> | <u>\$ 37,801</u> | <u>\$ 432,099</u> |

integral part of this statement.

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. Payments of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF CHENEYVILLE, LOUISIANA

STATEMENT OF GENERAL LONG-TERM DEBT
FOR THE YEAR ENDED JUNE 30, 1999 WITH COMPARATIVE
TOTALS FOR JUNE 30, 1998

| | CAP. LEASE POLICE CAR <u>1999</u> | CAP. LEASE POLICE CAR <u>1998</u> |
|--|---|---|
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG- TERM DEBT | <u>\$ 19,621</u> | <u>\$ 0</u> |
| GENERAL LONG-TERM DEBT PAYABLE | | |
| AMOUNT DUE ON CAPITAL LEASE OF: Police Car | <u>\$ 19,621</u> | <u>\$ 0</u> |

The accompanying notes are an integral part of this statement.

TOWN OF CHENEYVILLE, LOUISIANA

June 30, 1999

SUPPLEMENTAL INFORMATION - YEAR 2000 COMPLIANCE

The Year 2000 does not pose a problem for the accounting system of the Town of Cheneyville, Louisiana. However, the Town receives a substantial amount of its revenues from other governmental units and relies on these units as well as private sources for billing information and collection of monies which belong to the Town. If these other private and governmental units are not 2000 Year ready this could cause a disruption of funds. The Town believes that these outside units are Year 2000 Compliant.

TOWN OF CHENEYVILLE, LOUISIANA

June 30, 1999

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Internal Control and Compliance Material to the Financial Statements

| <u>Findings</u> | <u>Corrective Action Taken</u> | <u>Planned Corrective Action</u> |
|--|--|---|
| Insufficient segregation of duties. | No | Soon as Town is fiscally able and suitable employee can be found. |
| Inadequate controls over safeguarding loss of assets due to failure of the Town's monetary depository. | Yes | |
| Audit completion within six months of year end | Yes | |
| Year 2000 Compliance | Yes | |

Roy K. Derbonne, Jr. RECEIVED
LEGISLATIVE AUDITOR

Certified Public Accountant 2000 JAN -4 PM 12:31
1101-A Bolton Avenue
Alexandria, Louisiana 71301-6878

Tel: 318-445-6678
Fax: 318-445-8967

Member
Society of Louisiana C.P.A.'s

The Honorable Mayor and Members
of the Town Council
Town of Cheneyville, Louisiana

In planning and performing my audit of the general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Cheneyville, Louisiana, for the year ended June 30, 1999, I considered its internal control structure in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and the combining and individual fund and account group financial statements and not to provide assurance on the internal control structure. However, I noted two matters involving internal control structure and its operation that I consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgement, could adversely affect the Town of Cheneyville, Louisiana's ability to record, process, summarize, and report financial data consistent with the assertions of management in the general purpose financial statements and the combining and individual fund and account group financial statements.

Internal Control Findings

Finding 1

As was reported last year, there is not a sufficient segregation of duties in the receipting of money and the recording of transactions in the accounting records. However, I also realize that due to the size of the Town's operations, it may not be cost effective to employ the necessary controls to effect a sufficient segregation of duties.

Plan of Action

As soon as it is feasible, the Town will employ another person in the Clerk's office to effect a segregation of duties.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does

The Honorable Mayor and
and Members of the Town Council of
Cheneyville, Louisiana

Page 2

not reduce to a relatively low level the risk that errors or irregularities in the amounts that would be material in relation to the general purpose financial statements and the combining and individual fund and account group 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.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above.

Other Matters

Finding 2

At year end, the utility bill arrearage was higher than usual. This is a situation which needs to be resolved.

Plan of Action

The Town administration has addressed this problem by instituting a cut-off policy. A customer who does not pay their utility bill by the due date is sent a notice, which allows a ten day grace period, in which to bring the account current. If the bill is still unpaid at the end of the ten day period, the customer's utilities is cut-off.

Finding 3

Police records concerning fines and court dockets were difficult to follow, as information was record in several different documents. This required additional time to test these records for audit purposes. If the information were recorded in one journal, with cross references, this would facilitate the audit and result in a much better record keeping system.

Plan of Action

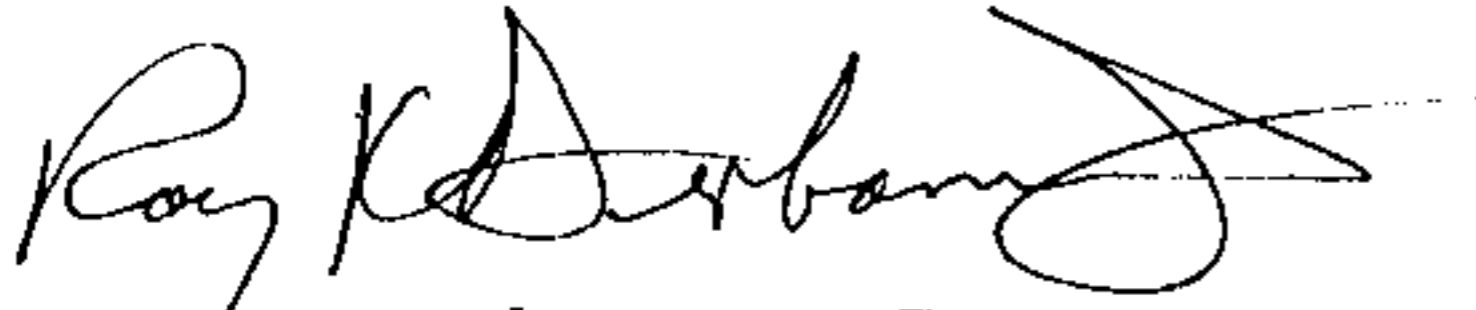
The Town has purchased software which is designed to maintain and keep track of tickets, fines and court proceedings.

I wish to take this opportunity to thank the Mayor and the Town Clerk for providing all records and documents which were requested.

The Honorable Mayor and
and Members of the Town Council of
Cheneyville, Louisiana

Page 3

This report is intended solely for the information and use of the Town
of Cheneyville, Louisiana's management, and others within the adminis-
tration.

A handwritten signature in black ink, appearing to read "Roy K. Derbonne, Jr.", with a stylized flourish at the end.

Roy K. Derbonne, Jr.
Certified Public Accountant

December 22, 1999