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VILLAGE OF MOREAUVILLE, LOUISIANA

Financial Report

Year Ended June 30, 1998

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

Release Date JAN 13 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor Bordelon and
The Board of Aldermen
Village of Moreauville, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Moreauville, Louisiana as of June 30, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Village of Moreauville, Louisiana management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Moreauville, Louisiana, as of June 30, 1998, 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, we have also issued a report dated November 3, 1998 on our consideration of the Village of Moreauville's internal control structure over financial reporting and a report dated November 3, 1998 on our tests of its compliance with laws and regulations.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "Supplementary Information" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Moreauville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, prepared by another auditor, which is included for comparative purposes was taken from the financial report for that year in which his report dated November 4, 1997, expressed an unqualified opinion on the general purpose financial statements of the Village of Moreauville, Louisiana.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
November 3, 1998

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1998

	Governmental Fund Types			Proprietary Fund Type			Account Groups			Totals	
	General	Special Revenue	Debt Service	Enterprise	Fixed Assets	General Long-Term Debt	General		(Memorandum Only)	1997	
							1998	1997			
ASSETS AND OTHER DEBITS											
Cash -	\$ 3,653	\$17,626	\$74,849	\$ 64,461	\$ -	\$ -	\$ -	\$ -	\$ 160,589	\$ 132,414	
Demand deposits	106,592	40,000	-	147,445	-	-	-	-	294,037	285,084	
Time deposits	-	-	-	-	-	-	-	-	-	-	
Receivables, net of allowances for uncollectables of \$2,100 -	7,906	-	-	-	-	-	-	-	7,906	6,892	
Taxes	-	4,133	-	-	-	-	-	-	43,174	40,560	
Customer accounts	-	667	-	39,041	-	-	-	-	2,271	3,924	
Accrued interest	13,008	10,000	-	44,952	-	-	-	-	67,960	85,275	
Due from other funds	12,281	-	-	-	-	-	-	-	12,281	11,981	
Other	4,042	-	-	-	-	-	-	-	4,042	74,595	
Due from other governmental units	-	-	-	20,354	-	-	-	-	20,354	17,589	
Inventory, at cost	9,713	-	-	9,390	-	-	-	-	19,103	21,516	
Prepaid insurance	-	-	-	-	-	-	-	-	-	-	
Restricted assets -	-	-	-	-	-	-	-	-	-	-	
Cash and time deposits	-	-	-	76,638	-	-	-	-	76,638	74,421	
Accrued interest	-	-	-	422	-	-	-	-	422	592	
Fixed assets, net of accumulated depreciation	-	-	-	2,978,328	537,894	-	-	-	3,516,222	2,944,356	
Amount available in debt service funds	-	-	-	-	-	74,849	-	-	74,849	70,248	
Amount to be provided for debt retirement	-	-	-	-	-	61,879	-	-	61,879	85,594	
TOTAL ASSETS AND OTHER DEBITS	\$157,862	\$72,168	\$74,849	\$3,382,226	\$537,894	\$136,728	\$ -	\$4,361,727	\$3,855,041		

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (Continued)

June 30, 1998

	Governmental Fund Types			Proprietary Fund Type			Account Groups			Totals		
	General	Special Revenue	Debt Service	Enterprise	General Fixed Assets	Long-Term Debt	General		Memorandum Only			
							1998	1997	1998	1997		
LIABILITIES, EQUITY AND OTHER CREDITS												
LIABILITIES:												
Accounts payable	\$ 4,451	\$ -	\$ -	\$ 14,410	\$ -	\$ -	\$ -	\$ -	\$ 18,861	\$ 17,653		
Contract payables	-	-	-	-	-	-	-	-	-	124,837		
Payable from restricted assets -												
Accrued interest	-	-	-	707	-	-	-	-	707	731		
Revenue bonds	-	-	-	3,000	-	-	-	-	3,000	3,000		
Deposits	-	-	-	32,245	-	-	-	-	32,245	31,938		
Due to other funds	31,087	-	-	36,873	-	-	-	-	67,960	85,275		
Compensated absences	-	-	-	2,830	-	1,978	-	-	4,808	6,663		
Capital leases payable	-	-	-	-	-	12,750	-	-	12,750	19,304		
Bonds payable	-	-	-	86,000	-	122,000	-	-	208,000	223,000		
Total liabilities	35,538	-	-	176,065	-	136,728	-	-	348,331	512,401		
FUND EQUITY AND OTHER CREDITS												
Contributed capital	-	-	-	2,511,797	-	-	-	-	2,511,797	1,983,628		
Investment in general fixed assets	-	-	-	-	537,894	-	-	-	537,894	512,642		
Retained earnings -												
Reserved for revenue bond and interest retirement and revenue bond contingencies	-	-	-	-	-	-	-	-	-	27,249		
Unreserved	-	-	-	-	-	-	-	-	-	615,383		
Total retained earnings	-	-	-	-	-	-	-	-	-	642,632		
Fund balances -												
Reserved for debt service	-	-	74,849	-	-	-	-	-	-	74,849		
Designated	9,713	-	-	37,503	-	-	-	-	47,216	10,456		
Unreserved, undesignated	112,611	72,168	-	656,861	-	-	-	-	841,640	123,034		
Total fund balances	122,324	72,168	74,849	694,364	-	-	-	-	963,705	203,738		
Total fund equity	122,324	72,168	74,849	3,206,161	537,894	-	-	-	4,013,396	3,342,640		
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	\$157,862	\$72,168	\$74,849	\$3,382,226	\$537,894	\$136,728	\$-	\$4,361,727	\$3,855,041			

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
For the Year Ended June 30, 1998

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1998	1997
REVENUES						
Taxes	\$ 42,293	\$ 46,022	\$ -	\$ -	\$ 88,315	\$ 80,212
Licenses and permits	20,896	-	-	-	20,896	22,596
Intergovernmental	22,397	-	-	53,677	76,074	522,311
Fines	18,208	-	-	-	18,208	16,319
Miscellaneous	73,197	3,066	2,339	-	78,602	63,975
Total Revenue	<u>176,991</u>	<u>49,088</u>	<u>2,339</u>	<u>53,677</u>	<u>282,095</u>	<u>705,413</u>
EXPENDITURES						
Current -						
General government	57,333	1,210	-	-	58,543	56,580
Public safety -						
Police	39,095	-	-	-	39,095	39,571
Fire	10,749	-	-	-	10,749	8,566
Streets and sidewalks	43,886	-	-	-	43,886	15,651
Recreation	11,172	-	-	-	11,172	7,328
Capital outlay	13,763	24,460	-	123	38,346	597,397
Debt Service	7,835	-	18,866	-	26,701	19,691
Total expenditures	<u>183,833</u>	<u>25,670</u>	<u>18,866</u>	<u>123</u>	<u>228,492</u>	<u>744,784</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES						
	<u>(6,842)</u>	<u>23,418</u>	<u>(16,527)</u>	<u>53,554</u>	<u>53,603</u>	<u>(39,371)</u>
OTHER FINANCING SOURCES (USES)						
Proceeds from capital lease	-	-	-	-	-	20,999
Operating transfers in	28,500	-	21,128	-	49,628	56,133
Operating transfers out	-	(37,628)	-	-	(37,628)	(40,133)
Total other financing sources (uses)	<u>28,500</u>	<u>(37,628)</u>	<u>21,128</u>	<u>-</u>	<u>12,000</u>	<u>36,999</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES						
	21,658	(14,210)	4,601	53,554	65,603	(2,372)
FUND BALANCE (DEFICIT), BEGINNING						
	<u>100,666</u>	<u>86,378</u>	<u>70,248</u>	<u>(53,554)</u>	<u>53,603</u>	<u>206,110</u>
FUND BALANCES, ENDING						
	<u>\$ 122,324</u>	<u>\$ 72,168</u>	<u>\$ 74,849</u>	<u>\$ -</u>	<u>\$ 119,206</u>	<u>\$ 203,738</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES -
 BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND
 For the Year Ended June 30, 1998

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$ 38,000	\$ 42,293	\$ 4,293	\$43,000	\$46,022	\$3,022
Licenses and permits	19,000	20,896	1,896	-	-	-
Intergovernmental	21,790	22,397	607	-	-	-
Fines	15,200	18,208	3,008	-	-	-
Miscellaneous	52,100	73,197	21,097	2,800	3,066	266
Total Revenue	<u>146,090</u>	<u>176,991</u>	<u>30,901</u>	<u>45,800</u>	<u>49,088</u>	<u>3,288</u>
EXPENDITURES						
Current -						
General government	57,424	57,333	91	3,240	1,210	2,030
Public safety -						
Police	38,447	39,095	(648)	-	-	-
Fire	8,450	10,749	(2,299)	-	-	-
Streets and sidewalks	41,960	43,886	(1,926)	-	-	-
Recreation	5,000	11,172	(6,172)	-	-	-
Capital outlay	20,000	13,763	6,237	28,000	24,460	3,540
Debt Service	7,811	7,835	(24)	-	-	-
Total expenditures	<u>179,092</u>	<u>183,833</u>	<u>(4,741)</u>	<u>31,240</u>	<u>25,670</u>	<u>5,570</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(33,002)</u>	<u>(6,842)</u>	<u>(26,160)</u>	<u>14,560</u>	<u>23,418</u>	<u>8,858</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	38,000	28,500	(9,500)	-	-	-
Operating transfers out	-	-	-	(34,650)	(37,628)	(2,978)
Total other financing sources (uses)	<u>38,000</u>	<u>28,500</u>	<u>(9,500)</u>	<u>(34,650)</u>	<u>(37,628)</u>	<u>(2,978)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	4,998	21,658	16,660	(20,090)	(14,210)	5,880
FUND BALANCE, BEGINNING	<u>100,666</u>	<u>100,666</u>	<u>-</u>	<u>86,378</u>	<u>86,378</u>	<u>-</u>
FUND BALANCES, ENDING	<u>\$105,664</u>	<u>\$122,324</u>	<u>\$16,660</u>	<u>\$66,288</u>	<u>\$72,168</u>	<u>\$5,880</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS -
 ALL PROPRIETARY FUND TYPES
 For the Years Ended June 30, 1998 and 1997

	Enterprise Funds	
	<u>1998</u>	<u>1997</u>
OPERATING REVENUES		
Charges for services	<u>\$ 458,344</u>	<u>\$ 427,412</u>
OPERATING EXPENSES		
Gas Purchases	148,864	171,831
Salaries and related costs	80,033	81,734
Depreciation	96,724	85,731
Maintenance and repairs	40,993	35,127
Supplies	12,014	16,139
Contractual services	4,540	3,846
Other	90,091	76,320
Total operating expenses	<u>473,259</u>	<u>470,728</u>
OPERATING LOSS	<u>(14,915)</u>	<u>(43,316)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest on investments	11,224	9,586
Other	108	-
Interest and fiscal charges	<u>(4,516)</u>	<u>(4,651)</u>
Total nonoperating revenues	<u>6,816</u>	<u>4,935</u>
LOSS BEFORE OPERATING TRANSFERS	(8,099)	(38,381)
OPERATING TRANSFERS OUT	<u>(12,000)</u>	<u>(16,000)</u>
NET LOSS	(20,099)	(54,381)
Add: Depreciation on fixed assets acquired by grants, entitlements and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	71,831	51,994
RETAINED EARNINGS, BEGINNING	<u>642,632</u>	<u>645,019</u>
RETAINED EARNING, ENDING	<u>\$ 694,364</u>	<u>\$ 642,632</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

COMBINED STATEMENT OF CASH FLOWS -ALL PROPRIETARY FUND TYPES
For The Years Ended June 30, 1998 and 1997

	Enterprise Funds	
	1998	1997
Cash flows from operating activities:		
Operating loss	\$(14,915)	\$(43,316)
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation	96,724	85,731
Changes in assets and liabilities -		
Increase in accounts receivable	(2,567)	(2,962)
(Increase) decrease in inventory	(2,765)	1,137
Decrease in prepaid insurance	1,670	822
Increase in accounts payable	347	2,065
(Decrease) increase in compensated absences	(1,295)	626
Total adjustments	92,114	87,419
Net cash flows provided by operating activities	<u>77,199</u>	<u>44,103</u>
Cash flows from noncapital financing activities:		
Transfers to other funds	(8,036)	(22,860)
Other	108	-
Net cash used by noncapital financing activities	<u>(7,928)</u>	<u>(22,860)</u>
Cash flow from capital and related financial activities:		
Acquisition of capital assets	(643,338)	(8,810)
Interest and fiscal charges paid	(4,540)	(4,675)
Principal paid on bonds	(3,000)	(3,000)
Proceeds from grant	600,000	-
Net change in meter deposits	307	2,287
Net cash used by capital and related financing activities	<u>(50,571)</u>	<u>(14,198)</u>
Cash flows from investing activities:		
Net change in investment activity	(5,000)	-
Interest received on deposits	12,265	9,543
Net cash provided by investing activities	<u>7,265</u>	<u>9,543</u>
Increase in cash and cash equivalents	25,965	16,588
Cash and cash equivalents, beginning of year	<u>80,869</u>	<u>64,281</u>
Cash and cash equivalents, end of year	<u>\$106,834</u>	<u>\$ 80,869</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Village of Moreauville was incorporated in 1904 under the provisions of the Lawrason Act. The Village 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 and zoning, and general administrative services.

The accounting and reporting policies of the Village of Moreauville 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.

A. Financial Reporting Entity

This report includes all funds and account groups which are controlled by or dependent on the Village executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village 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 Village and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Village does provide facilities and some of its financing, no control is exercised over its operations. These financial statements include only expenditures incurred directly by the Village for fire protection and does not include operating expenditures paid with self-generated funds of the volunteer fire department.

B. Fund Accounting

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Governmental Funds -

General Fund

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

Special Revenue Fund

The Special Revenue Fund accounts for the proceeds of a 1% sales and use tax that is *legally restricted to expenditures for specific purposes*.

Debt Service Fund

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, *general long-term debt principal, interest and related costs*.

Capital Projects Fund

The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities funded by federal grant resources.

Proprietary 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 Gas and Water System Fund, and the Sewer System Fund comprise the Village's Enterprise Funds.

C. 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".

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, have not been the Village, therefore, the purpose of stewardship for these items is satisfied without 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, 1998 all fixed assets were recorded based upon 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.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by non-current 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 non-current) 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.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 System</u>	<u>Sewer System</u>
Pumps, motors, compressors	10 years	10 years
Lines and other system installations	50 years	50 years
Vehicles and movable equipment	5-8 years	5-8 years

Major portions of the sewer system were contributed by federal grants. The cost of these systems 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.

D. 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, 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.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include 98-1 principal and interest on general long-term debt which is recognized when due; and 98-2 accumulated unpaid vacation and sick pay which are not accrued.

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

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

E. Budgets and Budgetary Accounting

The Village follows the following procedures in establishing the budget:

1. The Mayor meets with the Council and Village Clerk to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
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 Village's designated official journal.
4. The Village doesn't formally integrate its budget as a management tool.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets are prepared for the general fund and special revenue funds utilizing generally accepted accounting principles.
7. The Village does not formally adopt budgets for the Debt Service Fund.

F. 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.

G. Investments

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 remaining from the date of purchase to the date of maturity. All investments consist of time deposits.

H. Restricted Assets

These assets consist of cash and short-term investments restricted for Water and Sewer System Funds Debt Service and contingencies.

I. 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:

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

J. 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. The Village accrues a liability for compensated absences which meet the following criteria:

1. The Village'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.
3. Payment of the compensation is probable.
4. The amount can be reasonably estimated.

In accordance with the above criteria the Village has a liability of \$4,808 for vacation and sick pay which has been earned but not taken by Village employees.

K. 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.

L. Reserves

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

M. 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 Village'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.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

N. 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.

(2) Cash and Time Deposits

At June 30, 1998 the bank balance of the Village’s deposits was \$533,370 and the book balance was \$531,264. Of the bank balance, \$269,578 was covered by FDIC insurance and \$263,792 was covered by collateral held at Commercial National Bank in Shreveport. All funds were collateralized and insured. The market value of collateral held was \$473,762. The carrying amount of the time deposits approximates market.

(3) Property Taxes

Property taxes attach as an enforceable lien on property as of January 2 of each year. Taxes are levied by the Village in October. Billed taxes become delinquent on March 1 of the following year. Revenues from property taxes are budgeted in the year billed.

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

For the year ended June 30, 1998, taxes of 4.91 mills were levied on property with assessed valuations totaling \$2,034,320 and were dedicated for general corporate purposes.

Total taxes levied were \$9,939 with uncollected taxes at June 30, 1998 of \$-0-.

(4) Interfund Receivables, Payables

Individual fund interfund receivables and payables balances at June 30, 1998, were as follows:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 13,008	\$ 31,087
Sales tax fund	10,000	-
Enterprise funds		
Gas and water sewer	31,128	23,865
Sewer	13,824	13,008
Total	<u>\$ 67,960</u>	<u>\$ 67,960</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Intergovernmental Revenues

Intergovernmental receivables and revenues are comprised of the following:

	<u>Receivable</u>	<u>Revenue</u>
General Fund		
Tobacco taxes	\$ 1,242	\$ 4,969
Miscellaneous grants	-	694
Grass cutting	2,395	4,789
Grant	-	10,000
Beer taxes	405	1,945
Total General Fund	<u>4,042</u>	<u>22,397</u>
Capital Projects Fund	-	53,677
Total	<u>\$ 4,042</u>	<u>\$ 76,074</u>

(6) Restricted Assets – Proprietary Fund Types

Restricted assets consisted of cash, short-term time deposits and accrued interest receivable in the following accounts at June 30, 1998:

	<u>Gas and Water System</u>	<u>Sewer System</u>	<u>Total</u>
Customer Deposit Fund	\$35,850	\$ -	\$35,850
Revenue Bond Fund	-	9,934	9,934
Revenue Bond Reserve Fund	-	10,298	10,298
Depreciation and Contingency Fund	8,320	12,658	20,978
	<u>\$44,170</u>	<u>\$ 32,890</u>	<u>\$77,060</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Fixed Assets

Summary of changes in General Fixed Assets follows:

	<u>Balance 7/1/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/98</u>
Land and buildings	\$ 171,733	\$ 1,566	\$ -	\$ 173,299
Other improvements	144,900	-	-	144,900
Furnishing and equipment	62,998	3,686	-	66,684
Vehicles	133,011	20,000	-	153,011
	<u>\$ 512,642</u>	<u>\$ 25,252</u>	<u>\$ -</u>	<u>\$ 537,894</u>

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

	<u>Balance 7/1/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/98</u>
Gas and water system	\$ 1,006,303	\$ 637,586	\$ -	\$ 1,643,889
Sewer system	2,828,897	5,752	-	2,834,649
Total	3,835,200	643,338	-	4,478,538
Less accumulated depreciation	(1,403,486)	(86,724)	-	(1,500,210)
	<u>\$ 2,431,714</u>	<u>\$ 556,614</u>	<u>\$ -</u>	<u>\$ 2,978,328</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

A summary of proprietary fund type property, plant and equipment at June 30, 1998 follows:

	Enterprise	
	<u>Gas and Water</u>	<u>Sewer</u>
Gas distribution system	\$ 410,384	\$ -
Water plant and distribution system	1,107,303	-
Sewer distribution system	-	2,834,649
Furniture and fixtures	14,023	-
Trucks and other equipment	110,538	-
Waterwell site	600	-
Rights of way	1,041	-
	<u>1,643,889</u>	<u>2,834,649</u>
Less accumulated depreciation	<u>(636,929)</u>	<u>(863,281)</u>
	<u>\$ 1,006,960</u>	<u>\$ 1,971,368</u>

(8) Changes in Long-term Debt

The following is a summary of bond transactions of the Village for the year ended June 30, 1998:

	<u>General Long-term Debt</u>	<u>Sewer Revenue Bonds</u>	<u>Total</u>
Bonds payable - June 30, 1997	\$ 134,000	\$ 92,000	\$ 226,000
Bonds retired	<u>(12,000)</u>	<u>(3,000)</u>	<u>(15,000)</u>
Bonds payable - June 30, 1998	<u>\$ 122,000</u>	<u>\$ 89,000</u>	<u>\$ 211,000</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

\$249,000, of public improvement bonds
dated November 3, 1980, due in annual serial
installments of \$1,000 to \$18,000 through
May, 2005; interest at 5 percent \$122,000

The public improvement bonds described above were issued in connection with the construction of the wastewater collection and treatment system. These obligations are not "general" obligations but "special" obligations of the Village. The \$249,000 issue is secured by a pledge of sales tax revenues of the Village.

Sewer Revenue Bonds:

\$120,000 of sewer revenue bonds dated
November 3, 1980, due in annual serial
installments of \$1,000 to \$6,000 through
May, 2021; interest at 5 percent \$ 89,000

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$83,475 are as follows:

Year Ending June 30,	General Obligation Bonds	
	1980 Series	
	Principal	Interest
1999	\$ 12,000	\$ 5,800
2000	13,000	5,175
2001	14,000	4,500
2002	15,000	3,775
2003	16,000	3,000
2004-2007	52,000	3,950
	<u>\$ 122,000</u>	<u>\$ 26,200</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Year Ending June 30,	Revenue Bonds	
	1980 Sewer	
	Principal	Interest
1999	\$ 3,000	\$ 4,375
2000	3,000	4,225
2001	3,000	4,075
2002	3,000	3,925
2003	3,000	3,775
2004-2008	16,000	16,600
2009-2013	20,000	12,000
2014-2018	21,000	6,975
2019-2022	17,000	1,325
	<u>\$ 89,000</u>	<u>\$ 57,275</u>

There are a number of limitations and restrictions contained in the various bond indentures. The Village is in compliance with all significant limitations and restrictions.

A. Dedication of Proceeds and Flow of Funds -- 1% Sales and Use Tax

Proceeds of a 1% sales and use tax levied by the Village of Moreauville (1998 collections \$46,022; 1997 collections \$42,201) are dedicated to the following purposes:

1. Specifically, for the retirement of Public Improvement Sales Tax Bonds to be issued for the purpose of paying part of the cost of constructing sewers and sewerage disposal works; title to which shall be in the public.
2. Specifically, for the purpose of paying the cost of constructing sewers and sewerage disposal works, and maintaining and operating the same; title to which shall be in the public.
3. Generally, for the constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, any work of permanent public improvement, including equipment and furnishing therefor, title to which shall be in the public.

The proceeds of the sales tax shall be allocated as follows:

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited in a fund called the "Public Improvement Bond Series 1980 Sales Tax Sinking Fund".

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

2. Each month, an amount equal to 10% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the "Public Improvement Bond Series 1980 Sales Tax Reserve Fund".
3. Also, each month, funds of \$74.00 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, improvements 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.

B. Flow of Funds: Restrictions on Use – Sewer Revenues

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

1. Each month, an amount equal to 1/6 of the next maturing installment of interest and 1/12 of the next maturing installment of principal shall be deposited into a fund called the "Revenue Bond and Interest Sinking Fund".
2. Each month, an amount equal to 5% of the amount required to be paid monthly into the Sinking Fund (per (1) above) shall be set aside in a separate fund entitled the "Revenue Bond Reserve Fund".
3. Also each month, funds of \$74.00 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, improvements 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 fund.

C. Flow of Funds: Restrictions on Use – Utilities Revenues

Under the terms of the bond indenture on outstanding Utilities Revenue Refunding Bonds dated March 1, 1965, all net revenues earned or derived from the operations of the Utilities 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 known 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.

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.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Next, there shall be transferred monthly from the Revenue Fund into a "Public Utility Revenue Bond Reserve Fund" a sum at least equal to 20% of the amount required to be paid monthly into 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.

Funds will also be set aside into a "Depreciation and Contingencies Fund" at a rate of \$200 per month until the amount of \$10,000 is on deposit in the fund.

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 balance in this fund shall never be reduced below a minimum of \$3,000.

(9) Retirement Commitments

As of June 30, 1998 all employees of the Village are members of the Social Security System. Social Security paid during the fiscal year ended June 30, 1998 was \$10,505 on qualified payroll of \$137,324. The Village pays approximately \$40 a month per employee into an Individual Retirement Account (IRA) of their choice. There are five (5) employees covered for a total deduction of \$2,400. Of the \$2,400, \$1,440 are included in the General Fund expenditures and \$960 is included in the Enterprise Fund expenses. The Village may terminate this arrangement at any time and is not liable beyond the contributions made. The employee has control over his/her own plan investment.

(10) Contingent Liabilities

At June 30, 1998, the Village was not involved in litigation.

(11) Amortization of Contributed Capital

External contributions of capital relating to the acquisition of plant and equipment for the enterprise funds are being amortized over periods equal to the lives of assets acquired with such contributions of capital. Amortizations amounted to \$18,742 and \$53,089 in the Gas and Water Utility Fund and the Sewer Fund, respectively, during the year ended June 30, 1998.

(12) Deficit Fund Balance

As of June 30, 1998 no fund had a deficit.

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(13) Expenditures in Excess of Appropriations

For the year ended June 30, 1998 the General Fund incurred expenditures in excess of appropriations in the amount of \$4,741.

(14) Compensation Paid Board Members

The Village paid the mayor and aldermen the following per diem:

		<u>Term Expires</u>
Lionel Bordelon, Jr.	\$ 4,200	December 31, 1998
Leonard Gauthier, Jr.	1,008	-
Oscar Goody, Jr.	1,512	December 31, 1998
Todd Coco	1,512	December 31, 1998
Eric Gormsen	504	December 31, 1998
	<u>\$ 8,232</u>	

(15) Segment Information for Enterprise Funds

The Village maintains two enterprise funds. Segment information for the year ended June 30, 1998 follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Totals</u>
Operating revenues	393,354	64,990	458,344
Depreciation	36,851	59,873	96,724
Operating income (loss)	21,044	(35,959)	(14,915)
Net income (loss)	17,700	(37,799)	(20,099)
Current capital contributions	600,000	-	600,000
Plant, property & equipment net additions	637,586	5,752	643,338
Net working capital	228,711	85,123	313,834
Total assets	1,307,081	2,075,145	3,382,226
Long-term liabilities payable from operating revenue	-	86,000	86,000
Total equity	1,235,671	1,970,491	3,206,162

VILLAGE OF MOREAUVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(16) 1995 LCDBG Grant

The following summarizes the project activity during the fiscal year ended June 30, 1998:

	Federal Grant Funds	Local Grant Funds	Total Project Funds
Total project revenue	\$ 600,000	\$ 31,500	\$ 631,500
Less revenue to date	<u>600,000</u>	<u>31,500</u>	<u>631,500</u>
Uncollected Funds	<u>-</u>	<u>-</u>	<u>-</u>
Public works expenditures	529,978	-	529,978
Engineering fees	66,932	31,235	98,167
Other expenditures	<u>3,090</u>	<u>265</u>	<u>3,355</u>
Total expenditures	<u>600,000</u>	<u>31,500</u>	<u>631,500</u>
Total Unexpended Funds	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

	Revenues	Expenditures
Totals as per above	\$ 600,000	\$ 600,000
Deduct prior year amounts	<u>546,323</u>	<u>599,877</u>
Current year amounts	53,677	123
Add accrual beginning of year	70,553	124,973
Deduct accrual end of year	<u>-</u>	<u>-</u>
Current year amounts per cash basis	<u><u>\$ 124,230</u></u>	<u><u>\$ 125,096</u></u>

(17) Capital Lease Payable

The Village entered into a lease to purchase a 1996 Ford Crown Victoria Police Sedan for a term of 36 months with interest of 7.7% and monthly payments of \$651. The payout schedule for the years 1999 and 2000 are principal of \$7,076 and \$5,675, respectively, and interest of \$736 and \$184, respectively. The cost of the automobile included in General Fixed Assets is \$20,999.

SUPPLEMENTAL INFORMATION

FINANCIAL STATEMENTS OF 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.

VILLAGE OF MOREAUVILLE, LOUISIANA

GENERAL FUND
COMPARATIVE BALANCE SHEET
June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash -		
Demand deposits	\$ 3,653	\$ 9,100
Time deposits	106,592	82,639
Receivables -		
Taxes - utility franchises	7,906	6,892
Accrued interest	667	1,053
Due from other funds	13,008	18,008
Other	12,281	11,981
Due from other governmental units	4,042	4,042
Prepaid insurance	<u>9,713</u>	<u>10,456</u>
TOTAL ASSETS	<u>\$ 157,862</u>	<u>\$ 144,171</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ 4,451	\$ 3,454
Due to other funds	<u>31,087</u>	<u>40,051</u>
Total liabilities	<u>35,538</u>	<u>43,505</u>
FUND BALANCE		
Designated	9,713	10,456
Unreserved - undesignated	<u>112,611</u>	<u>90,210</u>
Total fund balance	<u>122,324</u>	<u>100,666</u>
TOTAL LIABILITIES AND FUND BALANCE	<u>\$ 157,862</u>	<u>\$ 144,171</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 1998

With comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		
REVENUES				
Taxes	\$ 38,000	\$ 42,293	\$ 4,293	\$ 38,011
Licenses and permits	19,000	20,896	1,896	22,596
Intergovernmental	21,790	22,397	607	16,086
Fines	15,200	18,208	3,008	16,319
Miscellaneous	52,100	73,197	21,097	59,230
Total Revenue	<u>146,090</u>	<u>176,991</u>	<u>30,901</u>	<u>152,242</u>
EXPENDITURES				
Current -				
General government	57,424	57,333	91	55,690
Public safety -				
Police	38,447	39,095	(648)	39,571
Fire	8,450	10,749	(2,299)	8,566
Streets and sidewalks	41,960	43,886	(1,926)	15,651
Recreation	5,000	11,172	(6,172)	7,328
Capital outlay	20,000	13,763	6,237	27,744
Debt Service	7,811	7,835	(24)	1,302
Total Expenditures	<u>179,092</u>	<u>183,833</u>	<u>(4,741)</u>	<u>155,852</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(33,002)</u>	<u>(6,842)</u>	<u>26,160</u>	<u>(3,610)</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from capital lease	-	-	-	20,999
Operating transfers in	38,000	28,500	(9,500)	26,000
Operating transfers out	-	-	-	(2,923)
Total other financing sources	<u>38,000</u>	<u>28,500</u>	<u>(9,500)</u>	<u>44,076</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	4,998	21,658	16,660	40,466
FUND BALANCE, BEGINNING	<u>100,666</u>	<u>100,666</u>	-	<u>60,200</u>
FUND BALANCES, ENDING	<u>\$ 105,664</u>	<u>\$ 122,324</u>	<u>\$ 16,660</u>	<u>\$ 100,666</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES - BUDGET (GAAP BASIS) AND ACTUAL
 For the Year Ended June 30, 1998
 With comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		
TAXES				
Ad valorem	\$ 9,000	\$ 9,939	\$ 939	\$ 9,542
Franchise	29,000	32,354	3,354	28,469
Total taxes	<u>38,000</u>	<u>42,293</u>	<u>4,293</u>	<u>38,011</u>
LICENSES AND PERMITS				
Occupational	<u>19,000</u>	<u>20,896</u>	<u>1,896</u>	<u>22,596</u>
INTERGOVERNMENTAL				
Tobacco taxes	5,000	4,969	(31)	4,969
Beer Taxes	2,000	1,945	(55)	2,006
Video poker	-	694	694	-
Grass Cutting	4,790	4,789	(1)	4,789
Grant Proceeds	10,000	10,000	-	4,322
Total intergovernmental	<u>21,790</u>	<u>22,397</u>	<u>607</u>	<u>16,086</u>
FINES	<u>15,200</u>	<u>18,208</u>	<u>3,008</u>	<u>16,319</u>
MISCELLANEOUS				
Casino funds	40,000	54,401	14,401	40,898
Interest	2,000	4,524	2,524	3,287
Rental	4,300	5,105	805	3,600
Street light income	4,800	4,960	160	4,793
Miscellaneous	1,000	4,207	3,207	6,652
Total miscellaneous	<u>52,100</u>	<u>73,197</u>	<u>21,097</u>	<u>59,230</u>
Total revenues	<u>\$146,090</u>	<u>\$176,991</u>	<u>\$30,901</u>	<u>\$152,242</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL

For the Year Ended June 30, 1998

With comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		
GENERAL AND ADMINISTRATIVE				
Salaries and per diem	\$ 42,108	\$ 42,717	\$ (609)	\$ 41,620
Payroll taxes	3,366	3,340	26	2,588
Insurance	2,725	2,444	281	2,947
Office supplies and expenses	2,500	1,939	561	2,561
Legal and other professional fees	1,700	1,300	400	1,405
Other operating expenses	2,625	3,210	(585)	2,186
Benefits	2,400	2,383	17	2,383
Total general and administrative	<u>57,424</u>	<u>57,333</u>	<u>91</u>	<u>55,690</u>
POLICE PROTECTION				
Salaries	22,584	22,786	(202)	21,019
Payroll taxes	1,475	1,516	(41)	1,471
Automobile expenses	3,100	2,829	271	5,963
Insurance	6,000	5,966	34	6,247
Benefits	268	645	(377)	468
Supplies	1,620	1,632	(12)	-
Other operating expenses	3,400	3,721	(321)	4,403
Total police protection	<u>38,447</u>	<u>39,095</u>	<u>(648)</u>	<u>39,571</u>
FIRE PROTECTION				
Insurance	5,700	5,080	620	5,530
Supplies	1,250	2,363	(1,113)	1,979
Appropriation	-	2,200	(2,200)	-
Truck expenses	1,500	1,106	394	1,057
Total fire protection	<u>8,450</u>	<u>10,749</u>	<u>(2,299)</u>	<u>8,566</u>

(continued)

VILLAGE OF MOREAUVILLE, LOUISIANA

GENERAL FUND
STATEMENT OF EXPENDITURES
BUDGET (GAAP BASIS) AND ACTUAL (CONTINUED)

For the Year Ended June 30, 1998

With comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		
STREETS AND SIDEWALKS				
Street lights and power	10,500	11,085	(585)	10,255
Truck and tractor expenses	750	293	457	390
Street drainage and maintenance	30,000	31,377	(1,377)	4,156
Insurance	710	1,131	(421)	850
Total streets and sidewalks	<u>41,960</u>	<u>43,886</u>	<u>(1,926)</u>	<u>15,651</u>
RECREATION				
Tennis Courts -				
Materials and supplies	700	3,503	(2,803)	3,554
Utilities	150	237	(87)	829
Subtotal	<u>850</u>	<u>3,740</u>	<u>(2,890)</u>	<u>4,383</u>
Community Center -				
Materials and supplies	3,200	3,519	(319)	809
Insurance	450	544	(94)	462
Other expenses	500	3,369	(2,869)	1,674
Subtotal	<u>4,150</u>	<u>7,432</u>	<u>(3,282)</u>	<u>2,945</u>
Total recreation	<u>5,000</u>	<u>11,172</u>	<u>(6,172)</u>	<u>7,328</u>
CAPITAL OUTLAY				
General & administration	-	-	-	1,165
Streets & sidewalks	11,000	13,288	(2,288)	4,783
Police protection	-	-	-	21,796
Community center	9,000	475	8,525	-
Total capital outlay	<u>20,000</u>	<u>13,763</u>	<u>6,237</u>	<u>27,744</u>
DEBT SERVICE				
Police protection	7,811	7,835	(24)	1,302
Total expenditures	<u>\$179,092</u>	<u>\$183,833</u>	<u>\$ (4,741)</u>	<u>\$155,852</u>

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of proceeds of Villages 1% sales and use tax. These taxes are dedicated to the following purposes: constructing, re-surfacing, lighting and improving of public streets, sidewalks and bridges; constructing, purchasing, improving, maintaining and operating recreational facilities and equipment; and constructing, acquiring or improving lands, buildings, and equipment and furnishings therefore, title to which shall be in the public.

VILLAGE OF MOREAUVILLE, LOUISIANA

SALES TAX - SPECIAL REVENUE FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash -		
Demand deposits	\$ 17,626	\$ 11,487
Time deposits	40,000	60,000
Receivables, net -		
Customer accounts	4,133	4,086
Accrued interest	409	805
Due from other funds	<u>10,000</u>	<u>10,000</u>
TOTAL ASSETS	<u><u>\$ 72,168</u></u>	<u><u>\$ 86,378</u></u>
LIABILITIES AND FUND BALANCE		
LIABILITIES	<u>\$ -</u>	<u>\$ -</u>
FUND BALANCE		
Unreserved - undesignated	<u>72,168</u>	<u>86,378</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ 72,168</u></u>	<u><u>\$ 86,378</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA

SALES TAX SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
BUDGET (GAAP BASIS) AND ACTUAL

For The Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		
REVENUES				
Taxes - sales	\$ 43,000	\$ 46,022	\$ 3,022	\$ 42,201
Interest	2,800	3,066	266	2,679
Total revenues	<u>45,800</u>	<u>49,088</u>	<u>3,288</u>	<u>44,880</u>
EXPENDITURES				
Current -				
General government:				
Legal and other professional fees	400	600	(200)	400
Office expense and other	2,840	610	2,230	490
Capital outlay	28,000	24,460	3,540	951
Total expenditures	<u>31,240</u>	<u>25,670</u>	<u>5,570</u>	<u>1,841</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>14,560</u>	<u>23,418</u>	<u>8,858</u>	<u>43,039</u>
OTHER FINANCING USES				
Operating transfers out				
Debt service funds	(20,650)	(21,128)	(478)	(21,210)
General fund	(14,000)	(16,500)	(2,500)	(16,000)
Total other financing uses	<u>(34,650)</u>	<u>(37,628)</u>	<u>(2,978)</u>	<u>(37,210)</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES	(20,090)	(14,210)	5,880	5,829
FUND BALANCE, BEGINNING	<u>86,378</u>	<u>86,378</u>	-	<u>80,549</u>
FUND BALANCE, ENDING	<u>\$ 66,288</u>	<u>\$ 72,168</u>	<u>\$ 5,880</u>	<u>\$ 86,378</u>

DEBT SERVICE FUND

Public Improvement Bonds 11/30/80 - To accumulate monies for payment of the 1980 \$249,000 Public Improvement bonds, which are serial bonds due in annual installments, plus interest, through 2006. Debt Service is financed by dedication of the Villages 1% sales and use tax.

VILLAGE OF MOREAUVILLE, LOUISIANA

DEBT SERVICE FUND
COMPARATIVE BALANCE SHEET
JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash -		
Demand deposits	<u>\$74,849</u>	<u>\$70,248</u>
LIABILITIES AND FUND BALANCE		
LIABILITIES		
	\$ -	\$ -
FUND BALANCE		
Reserved for debt service	<u>74,849</u>	<u>70,248</u>
TOTAL LIABILITIES AND FUND BALANCE		
	<u>\$74,849</u>	<u>\$70,248</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

DEBT SERVICE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES
 AND CHANGES IN FUND BALANCE
 For The Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
REVENUES		
Interest	<u>\$ 2,339</u>	<u>\$ 2,066</u>
EXPENDITURES		
Debt Service -		
Principal retirement	12,000	11,000
Interest and fiscal charges -		
Interest	6,461	6,975
Fiscal charges	405	414
Total expenditures	<u>18,866</u>	<u>18,389</u>
DEFICIENCY OF REVENUES OVER EXPENDITURES	(16,527)	(16,323)
OTHER FINANCING SOURCES		
Operating transfers in -		
Sales tax fund	<u>21,128</u>	<u>21,210</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	4,601	4,887
FUND BALANCE, BEGINNING	<u>70,248</u>	<u>65,361</u>
FUND BALANCE, ENDING	<u><u>\$74,849</u></u>	<u><u>\$70,248</u></u>

CAPITAL PROJECTS FUND

1995 LCDBG Grant -To account for monies to plan and construct the fire protection improvements to the existing water system. Funding is provided by a Housing and Urban Development grant in the amount of \$600,000 and local funds in the amount of \$ 31,000.

VILLAGE OF MOREAUVILLE, LOUISIANA

CAPITAL PROJECTS FUND
 COMPARATIVE BALANCE SHEET
 JUNE 30, 1998 AND 1997

	<u>1998</u>	<u>1997</u>
ASSETS		
Cash -		
Demand deposits	\$ -	\$ 866
Due from other governmental units	<u>-</u>	<u>70,553</u>
TOTAL ASSETS	<u><u>\$ -</u></u>	<u><u>\$71,419</u></u>
 LIABILITIES AND FUND BALANCE		
LIABILITIES		
Accounts payable	\$ -	\$ 136
Contracts payables	<u>-</u>	<u>124,837</u>
TOTAL LIABILITIES	<u>-</u>	<u>124,973</u>
 FUND BALANCE (DEFICIT)		
Reserved for grant expenditures	<u>-</u>	<u>(53,554)</u>
TOTAL LIABILITIES AND FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$71,419</u></u>

VILLAGE OF MOREAUVILLE, LOUISIANA

CAPITAL PROJECTS FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 For The Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
REVENUES		
Intergovernmental - LCDBG grant	\$53,677	\$506,225
EXPENDITURES		
Capital outlay - public works	<u>123</u>	<u>568,702</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	53,554	(62,477)
OTHER FINANCING SOURCES		
Operating transfers in- General Fund	<u>-</u>	<u>8,923</u>
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER EXPENDITURES	53,554	(53,554)
FUND BALANCE (DEFICIT), BEGINNING	<u>(53,554)</u>	<u>-</u>
FUND BALANCE (DEFICIT), ENDING	<u>\$ -</u>	<u>\$ (53,554)</u>

ENTERPRISE FUNDS

Gas and Water Utility Fund - To account for the provision of gas and water services to the residents of the Village. 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 collections.

Sewer Utility Fund - To account for the provision of sewer services to the residents of the Village. 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 collections.

VILLAGE OF MOREAUVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING BALANCE SHEET - ALL PROPRIETARY FUND TYPES
 For the Year Ended June 30, 1998
 With Comparative Totals For the Year Ended June 30, 1997

	Gas and Water Utility	Sewer Utility	Totals	
			1998	1997
ASSETS				
Cash -				
Demand deposits	\$ 46,101	\$ 18,360	\$ 64,461	\$ 40,713
Time deposits	110,445	37,000	147,445	142,445
Receivables, net -				
Customer accounts	39,041	-	39,041	36,474
Accrued interest	816	379	1,195	2,066
Inventory, at cost	19,803	551	20,354	17,589
Due from other funds	31,128	13,824	44,952	57,267
Prepaid insurance	8,617	773	9,390	11,060
Restricted assets -				
Cash and time deposits	43,748	32,890	76,638	74,421
Accrued interest income	422	-	422	592
Fixed assets (net of accumulated depreciation)	1,006,960	1,971,368	2,978,328	2,431,714
TOTAL ASSETS	\$1,307,081	\$2,075,145	\$3,382,226	\$2,814,341
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 12,560	\$ 1,850	\$ 14,410	\$ 14,063
Payroll taxes payable	-	-	-	-
Compensated absences	2,740	90	2,830	4,125
Payable from restricted assets -				
Accrued interest	-	707	707	731
Revenue bonds	-	3,000	3,000	3,000
Deposits	32,245	-	32,245	31,938
Due to other funds	23,865	13,008	36,873	45,224
Bonds payable	-	86,000	86,000	89,000
TOTAL LIABILITIES	71,410	104,655	176,065	188,081
FUND EQUITY				
Contributed Capital, net	661,218	1,850,579	2,511,797	1,983,628
Retained earnings -				
Reserved for revenue bond and interest retirement and contingencies	8,320	29,183	37,503	27,249
Unreserved	566,133	90,728	656,861	615,383
Total retained earnings	574,453	119,911	694,364	642,632
TOTAL FUND EQUITY	1,235,671	1,970,490	3,206,161	2,626,260
TOTAL LIABILITIES AND FUND EQUITY	\$1,307,081	\$2,075,145	\$3,382,226	\$2,814,341

VILLAGE OF MOREAUVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For The Year Ended June 30, 1998

With Comparative Totals for the Year Ended June 30, 1997

	Gas and Water Utility	Sewer Utility	Totals	
			1998	1997
OPERATING REVENUES				
Charges for services	<u>\$ 393,354</u>	<u>\$ 64,990</u>	<u>\$ 458,344</u>	<u>\$ 427,412</u>
OPERATING EXPENSES				
Gas purchases	148,864	-	148,864	171,831
Salaries and related benefits	69,470	10,563	80,033	81,734
Depreciation	36,851	59,873	96,724	85,731
Maintenance and repairs	30,572	10,421	40,993	35,127
Supplies	10,423	1,591	12,014	16,139
Contractual services	3,540	1,000	4,540	3,846
Other	72,590	17,501	90,091	76,320
Total operating expneses	<u>372,310</u>	<u>100,949</u>	<u>473,259</u>	<u>470,728</u>
OPERATING INCOME (LOSS)	<u>21,044</u>	<u>(35,959)</u>	<u>(14,915)</u>	<u>(43,316)</u>
NONOPERATING REVENUES (EXPENSES)				
Interest	8,548	2,676	11,224	9,586
Other	108	-	108	-
Interest and fiscal charges	-	(4,516)	(4,516)	(4,651)
Total nonoperating revenues (expenses)	<u>8,656</u>	<u>(1,840)</u>	<u>6,816</u>	<u>4,935</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	29,700	(37,799)	(8,099)	(38,381)
OPERATING TRANSFERS OUT	<u>(12,000)</u>	<u>-</u>	<u>(12,000)</u>	<u>(16,000)</u>
NET INCOME (LOSS)	17,700	(37,799)	(20,099)	(54,381)
ADD: DEPRECIATION ON FIXED ASSETS ACQUIRED BY GRANTS, ENTITLEMENTS AND SHARED REVENUES EXTERNALLY RESTRICTED FOR CAPITAL ACQUISITION AND CONSTRUCTION THAT REDUCES CONTRIBUTED CAPITAL	18,742	53,089	71,831	51,994
RETAINED EARNINGS, BEGINNING	<u>538,011</u>	<u>104,621</u>	<u>642,632</u>	<u>645,019</u>
RETAINED EARNINGS, ENDING	<u>\$ 574,453</u>	<u>\$ 119,911</u>	<u>\$ 694,364</u>	<u>\$ 642,632</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING STATEMENT OF CASH FLOWS -ALL PROPRIETARY FUND TYPES
 For The Year Ended June 30, 1998
 With Comparative Actual Amounts for the Year Ended June 30, 1997

	Gas and Water Fund	Sewer Utility	Totals	
			1998	1997
Cash flows from operating activities:				
Operating income (loss)	\$ 21,044	\$(35,959)	\$ (14,915)	\$(43,316)
Adjustments to reconcile operating income (loss) to net cash provided by operating activity -				
Depreciation	36,851	59,873	96,724	85,731
Changes in assets and liabilities -				
Accounts receivable	(2,567)	-	(2,567)	(2,962)
Inventory	(3,168)	403	(2,765)	1,137
Prepaid insurance	908	762	1,670	822
Accounts payable	(75)	422	347	2,065
Compensated absences	(1,256)	(39)	(1,295)	626
Total adjustments	30,693	61,421	92,114	87,419
Net Cash flows provided by operating activities	51,737	25,462	77,199	44,103
Cash flows from noncapital financing activities:				
Transfers to other funds	(6,428)	(1,608)	(8,036)	(22,860)
Other	108	-	108	-
Net cash used by noncapital financing activities	(6,320)	(1,608)	(7,928)	(22,860)
Cash flow from capital and related financial activities:				
Acquisition of capital assets	(637,586)	(5,752)	(643,338)	(8,810)
Interest and fiscal charges paid	-	(4,540)	(4,540)	(4,675)
Principal paid on bonds	-	(3,000)	(3,000)	(3,000)
Proceeds from grant	600,000	-	600,000	-
Net change in meter deposits	307	-	307	2,287
Net cash used capital and related financing activities	(37,279)	(13,292)	(50,571)	(14,198)
Cash flows from investing activities:				
Net change in investment activity	5,000	(10,000)	(5,000)	-
Interest received on deposits	9,651	2,614	12,265	9,543
Net cash (used) provided by investing activities	14,651	(7,386)	7,265	9,543
Increase in cash and cash equivalents	22,789	3,176	25,965	16,588
Cash and cash equivalents, beginning of year	32,795	48,074	80,869	64,281
Cash and cash equivalents, end of year	\$ 55,584	\$ 51,250	\$106,834	\$ 80,869

VILLAGE OF MOREAUVILLE, LOUISIANA

GAS AND WATER ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 June 30, 1998 and 1997

ASSETS	1998	1997
CURRENT ASSETS		
Cash -		
Demand deposits	\$ 46,101	\$ 23,619
Time deposits	110,445	115,445
Receivables -		
Accounts - utility billings (less allowance for doubtful accounts of \$2,100)	39,041	36,474
Accrued interest	816	1,749
Due from other funds - General fund	31,128	40,051
Inventory, at cost	19,803	16,635
Prepaid insurance	8,617	9,525
TOTAL CURRENT ASSETS	255,951	243,498
RESTRICTED ASSETS		
Depreciation and contingencies -		
Time deposits	8,265	8,265
Accrued interest	55	155
Customers' meter deposit -		
Cash	9,483	9,176
Time deposits	26,000	26,000
Accrued interest	367	437
TOTAL RESTRICTED ASSETS	44,170	44,033
FIXED ASSETS		
Plant and equipment	1,643,889	1,006,303
Less accumulated depreciation	(636,929)	(600,078)
TOTAL FIXED ASSETS	1,006,960	406,225
TOTAL ASSETS	\$1,307,081	\$ 693,756

	<u>1998</u>	<u>1997</u>
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Payable from current assets		
Accounts payable	\$ 12,560	\$ 12,635
Compensated absences	2,740	3,996
Due to other funds	23,865	27,216
Payable from restricted assets		
Customer's meter deposits	32,245	31,938
TOTAL CURRENT LIABILITIES	<u>71,410</u>	<u>75,785</u>
FUND EQUITY		
Contributed capital, net	<u>661,218</u>	<u>79,960</u>
Retained earnings		
Reserved	8,320	-
Unreserved	566,133	538,011
Total retained earnings	<u>574,453</u>	<u>538,011</u>
TOTAL FUND EQUITY	<u>1,235,671</u>	<u>617,971</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$1,307,081</u>	<u>\$ 693,756</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

GAS AND WATER ENTERPRISE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 For the Year Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES		
Charges for services		
Gas	\$293,158	\$266,416
Water	86,742	85,891
Installation and other charges	13,454	12,319
Total operating revenues	<u>393,354</u>	<u>364,626</u>
OPERATING EXPENSES		
Gas Purchased	148,864	171,831
Salaries and benefits	69,470	68,536
Depreciation	36,851	26,721
Maintenance and repairs	30,572	23,715
Supplies	10,423	14,459
Contractual services	3,540	2,946
Other -		
Insurance	14,228	15,396
Benefits	3,052	2,913
Truck and tractor expenses	16,491	10,105
Office	7,011	6,009
Other supplies and expenses	7,352	7,055
Collection expenses	170	185
Utilities and telephone	14,208	12,077
Miscellaneous	10,078	8,430
Total operating expenses	<u>372,310</u>	<u>370,378</u>
OPERATING INCOME (LOSS)	<u>21,044</u>	<u>(5,752)</u>
NONOPERATING REVENUES		
Interest	8,548	7,587
Other	108	-
Total nonoperating revenues	<u>8,656</u>	<u>7,587</u>
INCOME BEFORE OPERATING TRANSFERS	29,700	1,835
OPERATING TRANSFERS OUT	<u>(12,000)</u>	<u>(16,000)</u>
NET INCOME (LOSS)	17,700	(14,165)
Depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	18,742	-
RETAINED EARNINGS, BEGINNING	<u>538,011</u>	<u>552,176</u>
RETAINED EARNING, ENDING	<u>\$574,453</u>	<u>\$538,011</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
 GAS AND WATER ENTERPRISE FUNDS
 COMPARATIVE STATEMENT OF CASH FLOWS
 For The Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating income (loss)	\$ 21,044	\$(5,752)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities -		
Depreciation	36,851	26,721
Changes in assets and liabilities -		
(Increase) in accounts receivable	(2,567)	(2,962)
(Increase) decrease in inventory	(3,168)	1,130
Decrease in prepaid insurance	908	1,212
Increase (decrease) in accounts payable	(75)	2,068
Increase (decrease) in compensated absences	(1,256)	707
Total adjustments	<u>30,693</u>	<u>28,876</u>
Net Cash flows provided by operating activities	<u>51,737</u>	<u>23,124</u>
 Cash flows from noncapital financing activities:		
Transfers to other funds	(6,428)	(17,687)
Other	108	-
Net cash used by noncapital financing activities	<u>(6,320)</u>	<u>(17,687)</u>
 Cash flow from capital and related financial activities:		
Acquisition of capital assets	(637,586)	(6,097)
Proceeds from grant	600,000	-
Net change in meter deposits	307	2,287
Net cash used by capital and related financing activities	<u>(37,279)</u>	<u>(3,810)</u>
 Cash flows from investing activities:		
Net change in investment activity	5,000	-
Interest received on deposits	9,651	7,649
Net cash provided by investing activities	<u>14,651</u>	<u>7,649</u>
 Increase in cash and cash equivalents	22,789	9,276
 Cash and cash equivalents, beginning of year	<u>32,795</u>	<u>23,519</u>
 Cash and cash equivalents, end of year	<u>\$ 55,584</u>	<u>\$32,795</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

SEWER ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
June 30, 1998 And 1997

	1998	1997
ASSETS		
CURRENT ASSETS		
Cash in demand deposits	\$ 18,360	\$ 17,094
Cash in time deposits	37,000	27,000
Accrued interest receivable	379	317
Inventory	551	954
Due from other funds	13,824	17,216
Prepaid insurance	773	1,535
Total Current Assets	70,887	64,116
RESTRICTED ASSETS		
Cash	32,890	30,980
PLANT AND EQUIPMENT, at cost		
Less accumulated depreciation	2,834,649	2,828,897
Net plant and equipment	(863,281)	(803,408)
	1,971,368	2,025,489
TOTAL ASSETS	\$2,075,145	\$2,120,585
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES (Payable from current assets)		
Accounts payable	\$ 1,850	\$ 1,428
Compensated absences	90	129
Due to other funds	13,008	18,008
	14,948	19,565
CURRENT LIABILITIES (Payable from restricted assets)		
Bonds payable	3,000	3,000
Accrued interest	707	731
	3,707	3,731
Total current liabilities	18,655	23,296
LONG-TERM LIABILITIES		
Bonds payable (net of current portion)	86,000	89,000
TOTAL LIABILITIES	104,655	112,296
FUND EQUITY		
Contributed Capital, net	1,850,579	1,903,668
Retained earnings		
Reserved	29,183	27,249
Unreserved	90,728	77,372
Total retained earnings	119,911	104,621
Total fund equity	1,970,490	2,008,289
TOTAL LIABILITIES AND FUND EQUITY	\$2,075,145	\$2,120,585

VILLAGE OF MOREAUVILLE, LOUISIANA

SEWER ENTERPRISE FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS
 For The Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
OPERATING REVENUES		
Charges for services	<u>\$ 64,990</u>	<u>\$ 62,786</u>
OPERATING EXPENSES		
Salaries and benefits	10,563	10,285
Depreciation	59,873	59,010
Maintenance and repairs	10,421	11,412
Small tools and supplies	1,591	1,680
Professional fees	1,000	900
Other -		
Telephone and utilities	10,953	11,137
Insurance	2,371	2,129
Testing and sludge removal	2,040	1,920
Gas and oil	605	852
Other	1,532	1,025
Total operating expenses	<u>100,949</u>	<u>100,350</u>
OPERATING LOSS	<u>(35,959)</u>	<u>(37,564)</u>
NONOPERATING REVENUE (EXPENSES)		
Interest income	2,676	1,999
Interest expense	<u>(4,516)</u>	<u>(4,651)</u>
Total nonoperating revenues (expenses)	<u>(1,840)</u>	<u>(2,652)</u>
NET LOSS	(37,799)	(40,216)
Add: Depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	53,089	51,994
RETAINED EARNINGS, BEGINNING	<u>104,621</u>	<u>92,843</u>
RETAINED EARNINGS, ENDING	<u>\$ 119,911</u>	<u>\$ 104,621</u>

VILLAGE OF MOREAUVILLE, LOUISIANA
 SEWER ENTERPRISE FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 For The Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash flows from operating activities:		
Operating loss	<u>\$ (35,959)</u>	<u>\$ (37,564)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation	59,873	59,010
Changes in assets and liabilities -		
Decrease in inventory	403	7
(Increase) decrease in prepaid insurance	762	(390)
Increase (decrease) in accounts payable	422	(3)
(Decrease) in compensated absences	<u>(39)</u>	<u>(81)</u>
Total adjustments	<u>61,421</u>	<u>58,543</u>
Net cash flows provided by operating activities	<u>25,462</u>	<u>20,979</u>
 Cash flows from noncapital financing activities:		
Transfers to other funds	<u>(1,608)</u>	<u>(5,173)</u>
Net cash used by noncapital financing activities	<u>(1,608)</u>	<u>(5,173)</u>
 Cash flow from capital and related financial activities:		
Interest and fiscal charges paid	(4,540)	(4,675)
Principal paid on bonds	(3,000)	(3,000)
Acquisition of capital assets	<u>(5,752)</u>	<u>(2,713)</u>
Net cash used capital and related financing activities	<u>(13,292)</u>	<u>(10,388)</u>
 Cash flows from investing activities:		
Net change in investment activity	(10,000)	-
Interest received on deposits	<u>2,614</u>	<u>1,894</u>
Net cash (used) provided by for investing activities	<u>(7,386)</u>	<u>1,894</u>
 Increase in cash and cash equivalents	3,176	7,312
 Cash and cash equivalents, beginning of year	<u>48,074</u>	<u>40,762</u>
 Cash and cash equivalents, end of year	<u>\$ 51,250</u>	<u>\$ 48,074</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

VILLAGE OF MOREAUVILLE, LOUISIANA

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
 BY FUNCTION AND ACTIVITY
 For the Year Ended June 30, 1998

	General Fixed Assets <u>June 30, 1997</u>	<u>Additions</u>	<u>Deductions</u>	General Fixed Assets <u>June 30, 1998</u>
Land and buildings	\$ 171,733	\$ 1,566	\$ -	\$ 173,299
Other improvements	144,900	-	-	144,900
Vehicles	133,011	20,000	-	153,011
Furnishing and equipment	<u>62,998</u>	<u>3,686</u>	-	<u>66,684</u>
	<u>\$ 512,642</u>	<u>\$ 25,252</u>	<u>\$ -</u>	<u>\$ 537,894</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

To account for unmatured principal 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.

VILLAGE OF MOREAUVILLE, LOUISIANA
SCHEDULE OF GENERAL LONG-TERM DEBT
June 30, 1998

PUBLIC IMPROVEMENT BONDS ISSUED 11-30-80

AMOUNT AVAILABLE AND TO BE PROVIDED
FOR PAYMENT OF GENERAL LONG-TERM DEBT

Amount available in debt service fund for debt retirement	\$ 74,849
Amount to be provided for retirement of long-term debt	<u>61,879</u>
	<u>136,728</u>

GENERAL LONG-TERM DEBT PAYABLE

Bonds Payable	122,000
Capital leases payable	12,750
Compensated absences	<u>1,978</u>
	<u>\$ 136,728</u>

INTERNAL CONTROL AND
COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Mayor Bordelon and
The Board of Aldermen
Village of Moreauville, Louisiana

We have audited the general-purpose financial statements of the Village of Moreauville as of and for the year ended June 30, 1998, and have issued our report thereon dated November 3, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Moreauville, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Moreauville, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as items 98-1 and 98-2.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe item 98-1 of the reportable conditions described above is a material weakness.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
November 3, 1998

OTHER SCHEDULES

VILLAGE OF MOREAUVILLE, LOUISIANA

Schedule of Findings ,Questioned Costs and Corrective Action
Year Ended June 30, 1998

<u>Fund Involved</u>	<u>Findings</u>	<u>Questioned Cost</u>
All funds	<p>98-1 No segregation of duties</p> <p>Recommendation:</p> <p>Due to the size of the governmental unit it would not be cost-effective to properly segregate duties.</p> <p>Response/Corrective Action:</p> <p>No response and/or corrective action required.</p>	N/A
Enterprise Funds	<p>98-2 Improper control over inventory of supplies</p> <p>Finding:</p> <p>Inventory at the water plant is not maintained in a closed area and perpetual inventory records were not up to date at time of field work.</p> <p>Recommendation:</p> <p>Inventory should be kept under the control of one person with perpetual records updated monthly. Comparison to actual counts should be done at least quarterly and variances reported to the council.</p> <p>Corrective Action:</p> <p>A complete physical inventory will be completed by December 31, 1998. Perpetual inventory records will be maintained at the water plant. The Village's clerk will also maintain perpetual inventory records from invoices and work orders on computer. The inventory records will be reconciled at least quarterly internally and will be randomly tested by the auditors upon request.</p>	N/A

VILLAGE OF MOREAUVILLE, LOUISIANA

Prior Year Audit Findings
June 30, 1998

The following listing indicates the June 30, 1997 findings and/or comments and the status of it as of June 30, 1998.

<u>Findings</u>	<u>Status at June 30, 1998</u>
97-1 Inadequate segregation of duties	Finding in current year, but not cost-effective to correct
97-2 Purchases from related parties	Corrective action taken

VILLAGE OF MOREAUVILLE, LOUISIANA

GAS AND WATER ENTERPRISE FUND
SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
RESTRICTED ACCOUNTS REQUIRED BY BOND ORDINANCE
For The Year Ended June 30, 1998

	Depreciation and Contingencies Fund
Cash and interest bearing deposits - beginning of year	\$ 8,265
Cash receipts - Interest received	<u>563</u>
Total cash and interest bearing deposits available	8,828
Cash disbursements - Transfer to operating account	<u>(563)</u>
Cash and interest bearing deposits - end of year	<u>\$ 8,265</u>

VILLAGE OF MOREAUVILLE, LOUISIANA

SEWER ENTERPRISE FUNDS
 SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
 RESTRICTED ACCOUNTS REQUIRED BY REVENUE BOND ORDINANCE
 For The Year Ended June 30, 1998

	Interest and Sinking Fund	Reserve Account	Depreciation and Contingencies Fund	Total
Cash and interest bearing deposits - beginning of year	<u>\$ 9,949</u>	<u>\$ 9,623</u>	<u>\$ 11,408</u>	<u>\$ 30,980</u>
Cash receipts				
Transfers from operating account	7,525	376	888	8,789
Interest received	-	299	362	661
Total cash receipts	<u>7,525</u>	<u>675</u>	<u>1,250</u>	<u>9,450</u>
Total cash and interest bearing deposits available	<u>17,474</u>	<u>10,298</u>	<u>12,658</u>	<u>40,430</u>
Cash disbursements				
Transfer to paying agent	<u>(7,540)</u>	<u>-</u>	<u>-</u>	<u>(7,540)</u>
Cash and interest bearing deposits - end of year	<u>\$ 9,934</u>	<u>\$ 10,298</u>	<u>\$ 12,658</u>	<u>\$ 32,890</u>

VILLAGE OF MOREAUVILLE
Enterprise Fund
Utility Fund

Schedule of Number of Utility Customers
(Unaudited)
June 30, 1998

Records maintained by the City indicated the following number of customers were being served during the months of June, 1998 :

<u>Department</u>	<u>1998</u>
Water:	
Commercial	30
Residential	<u>493</u>
Total	<u>523</u>
Sewerage:	
Commercial	30
Residential	<u>393</u>
Total	<u>423</u>

VILLAGE OF MOREAUVILLE

Schedule of Insurance in Force
(Unaudited)
June 30, 1998

<u>Description of Coverage</u>	<u>Asset Covered</u>	<u>Ins. Co.</u>	<u>Policy #</u>	<u>Expiration Date</u>
Workmen's Comp	Employees	Risk Management	WC-0210	1/1/99
Fire:	Water Plant	Prejean	CFP533298	1/16/99
	Community Center	LB Coco	CFP537543	9/30/98
	City Hall	LB Coco	CFP537543	9/30/98
General Liability	n/a	Risk Management	LMC-272	4/1/99
Physical Damage	Police Car	Prejean	APD801716	5/4/99
Inland Marine	Town Equipment	Prejean	IMC300926	10/20/98
Blanket Bond	Clerk	Cenla Ins. Exchange	181-984-37	3/3/00