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VILLAGE OF CASTOR
ANNUAL FINANCIAL REPORT
DECEMBER 31, 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 MAY 19 1999

Village of Castor

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Johnson, Thomas & Cunningham

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ACCOUNTANTS' COMPILATION REPORT ON THE FINANCIAL STATEMENTS

To the Board of Aldermen of
the Village of Castor

We have compiled the accompanying general purpose financial statements of the Village of Castor as of December 31, 1998, and for the year then ended, in accordance with Statements on Standards for accounting and review services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the modified accrual basis of accounting, which is the generally accepted accounting methods established by the Governmental Accounting Standards Board for governmental units.

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

Johnson, Thomas & Cunningham
Johnson, Thomas & Cunningham, CPA's

May 3, 1999
Natchitoches, Louisiana

FINANCIAL STATEMENTS

Village of Castor

Combined Balance Sheet-All Fund Types and Account Groups
December 31, 1998

<u>Assets</u>	<u>Governmental Fund Type General Fund</u>	<u>Proprietary Fund Type Enterprise Fund</u>
Cash & Cash Equivalents	\$20,572	\$ 21,101
Investments, at Cost	55,600	0
Revenue Receivable	3,871	2,745
Restricted Assets-		
Cash	0	8,492
Investments, at cost	0	4,000
Property, Plant, and Equipment-		
Land	0	11,250
Buildings and Improvements	0	0
Vehicles, Machinery, & Equipment	0	0
Water System	0	501,845
Sewer System	0	476,120
Less, Accumulated Depreciation	0	(268,316)
Amount to be Provided for Retirement of General Long-term Debt	<u>0</u>	<u>0</u>
Total Assets	<u>\$80,043</u>	<u>\$ 757,237</u>

See accompanying notes and accountants' compilation report.

<u>Account Group</u>		<u>Totals</u> <u>(Memorandum Only)</u> <u>December 31, 1998</u>
<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-term</u> <u>Debt</u>	
\$ 0	\$ 0	\$ 41,673
0	0	55,600
0	0	6,616
0	0	8,492
0	0	4,000
0	0	11,250
27,670	0	27,670
31,546	0	31,546
0	0	501,845
0	0	476,120
0	0	(268,316)
<u>0</u>	<u>31,000</u>	<u>31,000</u>
<u>\$59,216</u>	<u>\$31,000</u>	<u>\$ 927,496</u>

Continued next page.

Village of Castor

Combined Balance Sheet-All Fund Types and Account Groups
December 31, 1998

	Governmental <u>Fund Type</u> General <u>Fund</u>	Proprietary <u>Fund Type</u> Enterprise <u>Fund</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts Payable	\$ 1,731	\$ 638
Payable from Restricted Assets-		
Deposits Payable	0	8,536
Accrued Interest	0	1,425
Current Maturities of Revenue Bonds	0	1,000
Revenue Bonds Payable from		
Unrestricted Assets-		
Long-term	0	56,000
General Obligation Bonds Payable	<u>0</u>	<u>0</u>
Total Liabilities	<u>\$ 1,731</u>	<u>\$ 67,599</u>
Equity and Other Credits:		
Contributed Capital-		
From Municipality	\$ 0	\$ 65,324
From Grants	0	698,292
Investments in General Fixed Assets	0	0
Retained Earnings-		
Reserved for Restricted Assets	0	5,703
Unreserved (Deficit)	0	(79,681)
Fund Balance-		
Unreserved-		
Undesignated	<u>78,312</u>	<u>0</u>
Total Equity and Other Credits	<u>\$78,312</u>	<u>\$689,638</u>
Total Liabilities, Equity, and Other Credits	<u>\$80,043</u>	<u>\$757,237</u>

See accompanying notes and accountants' compilation report.

<u>Account Group</u>		<u>Totals</u> <u>(Memorandum Only)</u> <u>December 31, 1998</u>
<u>General</u> <u>Fixed</u> <u>Assets</u>	<u>General</u> <u>Long-term</u> <u>Debt</u>	
\$ 0	\$ 0	\$ 2,369
0	0	8,536
0	0	1,425
0	0	1,000
0	0	56,000
<u>0</u>	<u>31,000</u>	<u>31,000</u>
\$ <u>0</u>	<u>\$31,000</u>	<u>\$100,330</u>
\$ 0	\$ 0	\$ 65,324
0	0	698,292
59,216	0	59,216
0	0	5,703
0	0	(79,681)
<u>0</u>	<u>0</u>	<u>78,312</u>
<u>\$59,216</u>	<u>\$ 0</u>	<u>\$827,166</u>
<u>\$59,216</u>	<u>\$31,000</u>	<u>\$927,496</u>

Village of Castor

Statement of Revenues, Expenditures and Changes in Fund Balance-
Budget (GAAP Basis) and Actual
General Fund Type
Year Ended December 31, 1998

	<u>General Fund</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Taxes	\$ 40,000	\$ 44,096	\$ 4,096
Licenses & Permits	18,000	18,577	577
Intergovernmental	1,500	1,625	125
Interest	1,700	1,670	(30)
Fines & Forfeits	5,000	4,185	(815)
Miscellaneous	<u>390</u>	<u>59</u>	<u>(331)</u>
Total Revenues	<u>\$ 66,590</u>	<u>\$ 70,212</u>	<u>\$ 3,622</u>
Expenditures:			
Current-			
General Government	\$ 35,000	\$ 38,332	\$(3,332)
Public Safety	8,500	7,821	679
Debt Service	<u>2,600</u>	<u>2,600</u>	<u>0</u>
Total Expenditures	<u>\$ 46,100</u>	<u>\$ 48,753</u>	<u>\$(2,653)</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 20,490	\$ 21,459	\$ 969
Other Financing Sources (Uses) Operating Transfers Out	<u>(11,200)</u>	<u>(11,200)</u>	<u>0</u>
Excess of Revenues and Other Sources Over Expenditures and other Uses	\$ 9,290	\$ 10,259	\$ 969
Fund Balance-Beginning of Year	<u>68,053</u>	<u>68,053</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 77,343</u>	<u>\$ 78,312</u>	<u>\$ 969</u>

See accompanying notes and accountants' compilation report.

Village of Castor

Statement of Revenues, Expenses and Changes in Retained Earnings
Proprietary Fund Type
Enterprise Fund
Year Ended December 31, 1998

OPERATING REVENUES:	
Water & Sewer Sales	\$ 33,945
Installation & Connection Fees	1,175
Miscellaneous	<u>374</u>
Total Operating Revenues	<u>\$ 35,494</u>
OPERATING EXPENSES:	
Depreciation	\$ 28,593
Personnel Cost	8,876
Utilities	4,593
Repairs & Maintenance	5,700
Supplies	6,395
Taxes	1,204
Dues & Licenses	900
Vehicle Expense	3,750
Testing	<u>1,200</u>
Total Operating Expenses	<u>\$ 61,211</u>
Operating Income (Loss)	<u>\$(25,717)</u>
NON-OPERATING REVENUES AND EXPENSES:	
Rural Development Grant	\$ 15,000
Interest on Bonds	<u>(2,900)</u>
Net Income (Loss) Before Other Financing Sources	<u>\$(13,617)</u>
Other Financing Sources Operating Transfers In	<u>11,200</u>
Net Income (Loss)	\$ (2,417)
Retained Earnings (Deficit)- Beginning of Year	<u>(71,561)</u>
Retained Earnings (Deficit)- End of Year	<u>\$(73,978)</u>

See accompanying notes and accountants' compilation report.

Village of Castor
Proprietary Fund Type
Enterprise Fund
Statement of Cash Flows
Year Ended December 31, 1998

	<u>Proprietary Fund Type</u> <u>Enterprise Fund</u>
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ 35,120
Cash Payments for Goods, Services, and Employees	<u>(26,296)</u>
Net Cash Provided by Operating Activities	\$ <u>8,824</u>
Cash Flows from Non-capital Financing Activities:	
Operating Transfers - Out to Other Funds	\$ 0
Operating Transfers - In from Other Funds	<u>11,200</u>
Net Cash provided by (Uses For) Non-capital Financing Activities	\$ <u>11,200</u>
Cash Flows from Capital and Related Financing Activities:	
Rural Development Grants Received	\$ 15,000
Purchase of Equipment and Water Line Construction	(15,766)
Principal Paid on Revenue Bonds	(1,000)
Interest Paid on Revenue Bonds	<u>(2,900)</u>
Net Cash Used for Capital and Related Financing Activities	\$ <u>(4,666)</u>
Net Cash Provided by Investing Activities:	
Interest on Investments	\$ <u>374</u>
Net Cash Provided by Investing Activities	\$ <u>374</u>
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 15,732
Cash and Cash Equivalents, January 1, 1998	<u>13,861</u>
Cash and Cash Equivalents, December 31, 1998	\$ <u>29,593</u>

Continued next page.

See accompanying notes and accountants' compilation report.

Village of Castor
Proprietary Fund Type
Enterprise Fund
Statement of Cash Flows
Year Ended December 31, 1998

	<u>Proprietary Fund Type</u> <u>Enterprise Fund</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$(25,717)
Adjustment to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	\$ 28,593
Changes in Assets and Liabilities:	
Decrease in Accounts Receivable	3,742
Decrease in Due from General Fund	3,957
(Decrease) in Accounts Payable	(1,726)
(Decrease) in Accrued Interest	<u>(25)</u>
Total Adjustments	\$ <u>34,541</u>
Net Cash Provided by Operating Activities	\$ <u>8,824</u>

* For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

See accompanying notes and accountants' compilation report.

NOTES TO THE FINANCIAL STATEMENTS

Village of Castor
Notes to Financial Statements
December 31, 1998

INTRODUCTION

Pursuant to the provisions of Section 11, of the Act No. 136, of the Session Acts of the General Assembly of the State of Louisiana, approved July 13, 1898, and Acts amendatory thereof, the Village of Castor, Louisiana, (Village) was declared a corporation by Proclamation executed by Governor John M. Parker on June 26, 1920. The Village is located in Ward 3 of Bienville Parish, State of Louisiana, and is managed by an elected Mayor and three aldermen. The Village provides a basic range of municipal services. These include police protection, public works (streets and lights), public improvements, water and sewer services, planning and zoning, social, cultural and general administration services. Management is compensated for services rendered to the Village. The population of the Village is 230 with 150 water and sewer customers. The Village has four employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

The Village of Castor (Village) is the basic level of government which has financial accountability and control over all activities related to the Village operations and services provided. The Village is not included in any other governmental "reporting entity" as defined by GASB pronouncements, since the Village Mayor and Board of Aldermen are elected by the public and have decision making authority to levy taxes, the power to designate management, the ability to significantly influence operations and primary accountability for fiscal matters. In addition, there are no component units as defined in Governmental Accounting Standards Board Statement 14 which are included in the Village's reporting entity.

C. FUND ACCOUNTING

The accounts of the Village are organized on the basis of funds or account groups, each of which is considered a separate accounting entity. The operations of each funds are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. The various funds are summarized by type in the financial statements. The following fund types and account groups are used by the Village:

Village of Castor
Notes to Financial Statements
December 31, 1998

Governmental Fund Type

General Fund - The General Fund is the general operating fund of the Village and accounts for all revenues and expenditures of the Village not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other funds are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund. Fixed assets and long-term debt of the general fund is accounted for in the Account Groups as described below under Account Groups.

Proprietary Fund Type

The Proprietary Fund (Enterprise Fund) is operated on a fund basis whereby a self-balancing set of accounts is maintained that comprise its assets, liabilities, fund equity, revenues and expenses. The operations are financed and operated in a manner similar to a private business enterprise, where the intent of the governing body is that the cost (expenses, including depreciation) of providing services on a continuing basis be financed or recovered primarily through user charges. Fixed assets and long-term debt are recorded in the Proprietary Fund (Enterprise Fund).

Account Groups

General Fixed Assets Account Group - This group is established to account for all fixed assets of the Village Governmental Fund(s) - General Fund.

General Long-term Debt Account Group - This group is established to account for all long-term debt of the Village Governmental Fund(s) - General Fund, and for those long-term liabilities to be liquidated with resources to be provided in future periods.

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types (General Fund) are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is followed by the governmental fund types (General Fund). Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual, i.e., both measurable and available. Available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than long-term debt, are recorded when the related fund liability is incurred, if measurable.

Village of Castor
Notes to Financial Statements
December 31, 1998

Revenues from local sources consist primarily of sales taxes, property taxes, occupational licenses, utility franchise taxes, and tobacco taxes. Property tax revenues are recorded when susceptible to accrual. Other revenues, other than grants, are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

The proprietary fund type (Enterprise Fund) is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With the measurement focus, all assets and all liabilities associated with the operation of this fund is included on the balance sheet. The Enterprise Fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

E. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposit and those investments with original maturities of 90 days or less. Under state law, the Village may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Village may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

F. INVENTORIES

Supplies are purchased in immaterial quantities and are recorded as expenditures in the General Fund and expenses in the Enterprise Fund as they become measurable.

G. PREPAID ITEMS

Prepaid items are recorded as a current asset in the fund benefiting from the prepaid item and recognized as an expenditure or expense over the useful life of the asset. Immaterial prepaid items are charged to the expenditure or expense as the item is paid or is measurable.

Village of Castor
Notes to Financial Statements
December 31, 1998

H. RESTRICTED ASSETS

Certain proceeds of the Enterprise Fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The specific restrictions are as follows:

The Enterprise Fund revenue bond is secured and payable in principal and interest exclusively by a pledge of the income and revenues of the Enterprise Fund Sewer System (System), subject only to the prior payment of the reasonable and necessary expenses of operating and maintaining the system.

All of the income and revenues to be earned by the operation of the System shall be deposited in a separate and special bank account designated as the "Sewer Revenue Fund". This bank account shall be maintained for the following express purposes:

- (a) The payment of all reasonable and necessary expenses of operating and maintaining the System.
- (b) Monthly transfer of ($\frac{1}{12}$ th) of the total principal and interest requirement falling due in the ensuing year to an account designated as the "Sewer Revenue Bond and Interest Sinking Fund". Interest earned on the Sewer Revenue Bond and Interest Sinking Fund shall be deposited in the Sewer Revenue Fund.
- (c) Monthly transfer of (5%) of the amount to be paid into the aforesaid Sinking Fund provided for in paragraph (b) above, to an account designated as the "Sewer Reserve Fund". Such transfers to continue until the Sewer Reserve Fund has accumulated a balance equal to the highest combined principal and interest on the Bonds falling due in any year. Interest earned on the Sewer Reserve Fund shall be deposited in the Sewer Revenue Fund.
- (d) Monthly transfer of twenty-nine dollars (\$29.00) to an account designated as the "Depreciation and Contingency Fund" to be used for extensions, additions, improvements, replacements, and system depreciation necessary to properly operate the System. Interest earned on the Depreciation and Contingency account shall be added to the Depreciation and Contingency account.

I. FIXED ASSETS AND DEPRECIATION

Property, plant and equipment of all funds are stated at historical cost. Donated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. Proprietary Fund

Village of Castor
Notes to Financial Statements
December 31, 1998

fixed assets are recorded in the Enterprise Fund and depreciated using the straight-line method. Estimated useful lives, in years, for depreciable assets are as follows:

Water System	10-35
Sewer System	25-40

Land is recorded at cost and not depreciated.

J. COMPENSATED ABSENCES

The Village has no formal leave policy. Therefore, no liability for compensated absences exists.

K. BUDGETS

The Village is required by state law to adopt annual budget for the General Fund. The General Fund budget is presented on the modified accrual basis of accounting. This basis is consistent with generally accepted accounting principles (GAAP).

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- (a) Prior to December 15 of the preceding calendar year, the Village prepares a budget for the next succeeding year beginning January 1, for the General Fund and the Proprietary Fund.
- (b) The proposed budget is made available for public inspection at the Village office.
- (c) Action necessary to adopt and finalize the budget is completed prior to year end. And the adopted budget contains the same information as that required by the proposed budget.
- (d) After adoption, a certified copy of the budget is retained by the Mayor at the Village office.
- (e) The budget amounts are compared to actual amounts on a monthly basis and when actual receipts plus projected revenue collections for the year fail to meet budgeted revenues by five percent or more, or when actual expenditures or expenses plus projected expenditures or expenses to year end exceeded budgeted expenditures or expenses by five percent or more the budget is amended.

Village of Castor
Notes to Financial Statements
December 31, 1998

L. LONG-TERM LIABILITIES

Long-term debt of the General Fund is recognized in the General Long-term Debt Account Group.

Long-term debt of the Enterprise Fund is recognized within the Enterprise Fund.

M. PROPERTY TAXES

The Village levies taxes on real and business personal property located within its boundaries. Property taxes are levied by the Village on property values assessed by the Bienville Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

For the year ended December 31, 1998, 14 mills were levied on property for the payment of general obligation bonds.

Village property tax revenues are recognized when levied and are recorded as current receivables.

The property tax calendar is as follows:

Assessment Date	January 1, 1998
Levy Date	June 1, 1998
Tax Bills Mailed	November 15, 1998
Total Taxes are Due	December 31, 1998
Penalties and Interest are Added	January 1, 1999
Lien Date	No Set Policy
Tax Sale	No Set Policy

Property taxes levied for the current year are recognized as revenues, even though a portion is collectible in the period subsequent to the levy year.

Assessed values are established by the Bienville Parish Tax Assessor each year on a uniform basis at the following percent of fair market value:

Land	10%
Residential	10%
Industrial	15%
Machinery	15%
Commercial	15%
Public Service (excluding land)	25%

A reevaluation of all property is required to be completed no less than every four years. A reevaluation was completed for the tax roll of January 1, 1996.

Village of Castor
Notes to Financial Statements
December 31, 1998

N. BAD DEBTS

Uncollectible amounts are charged against earnings at the time information becomes available which indicated the particular account is uncollectible. Although this method does not conform to generally accepted accounting principles, the amounts charged do not materially differ from those determined under generally accepted accounting principles.

O. TOTAL COLUMNS (MEMORANDUM ONLY)

The total columns on the combined balance sheet - all fund types is captioned memorandum only to indicate that they are presented only to facilitate financial analysis. Interfund eliminations have not been made in the aggregation of this data; and it is, therefore, not comparable to a consolidation.

P. INTERFUND TRANSACTIONS

The Village has several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of a fund for expenditures or expenses initially made from that fund which are properly applicable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as a reduction of the expenditures or expense in the fund that is being reimbursed. Non-recurring or non-routine transfers of equity between funds are treated as residual equity transfers and are reported as additions to, or deductions from, fund balance. All other transfers are treated as operating transfers and are included in the results of operations of governmental funds.

Q. EQUITY AND OTHER CREDITS

Contributed Capital - Grants, entitlement, or shared revenues received that are restricted for the acquisition or construction of capital assets are recorded as contributed capital. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired for such contributions.

2. CASH AND CASH EQUIVALENTS

At December 31, 1998, the Village has unrestricted cash and cash equivalents (book balances) totaling \$41,673 as follows:

	<u>General Fund</u>	<u>Enterprise Fund</u>
General Fund Operating	\$14,340	\$ 0
Petty Cash	25	0
Property Tax Savings	6,207	0
Water/Sewer Operating	<u>0</u>	<u>21,101</u>
Total	<u>\$20,572</u>	<u>\$21,101</u>

Village of Castor
Notes to Financial Statements
December 31, 1998

3. INVESTMENTS

At December 31, 1998, the Village has investments totaling \$55,600, and are as follows:

Certificates of Deposit at Bank of Ringgold, LA	\$55,600
--	----------

The certificates of deposit have maturities of more than 90 days.

4. RESTRICTED ASSETS

The Enterprise Fund has restricted assets as follows:

Sewer Revenue Bond & Int. Sinking Fund Account	\$ 1,813
Sewer Reserve Fund Account	3,389
Sewer Depreciation & Contingency Fund Account	<u>3,290</u>
	\$ <u>8,492</u>
Water & Sewer Customer Deposits- Sewer Revenue Account	\$ 8,492
Certificate of Deposit	<u>4,000</u>
	<u>\$12,492</u>
Total	<u>\$20,984</u>

5. INSURANCE OF BANK BALANCES

At December 31, 1998, the Village had total cash and cash equivalents, investments, and restricted cash of \$112,510. All funds were covered by federal depository insurance (FDIC).

6. PROPERTY, PLANT, AND EQUIPMENT

A summary of changes in general fixed assets is as follows:

<u>Items</u>	<u>Balance 12-31-97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 12-31-98</u>
Buildings	\$27,670	\$0	\$0	\$27,670
Vehicles & Equipment	27,052	0	0	27,052
Office Furniture & Equipment	<u>4,494</u>	<u>0</u>	<u>0</u>	<u>4,494</u>
Total	<u>\$59,216</u>	<u>\$0</u>	<u>\$0</u>	<u>\$59,216</u>

Village of Castor
Notes to Financial Statements
December 31, 1998

Property, Plant, and Equipment recorded in the Village's Enterprise Fund at December 31, 1997 are:

	<u>Water System</u>	<u>Sewer System</u>	<u>Totals</u>
Carrying Value	\$501,845	\$476,120	\$977,965
Less, Accumulated Depreciation	<u>96,440</u>	<u>171,876</u>	<u>268,316</u>
Net Investment in Fixed Assets	<u>\$405,405</u>	<u>\$304,244</u>	<u>\$709,649</u>

The Water System and Sewer System are depreciated on a straight-line basis over their estimated useful life of 10-40 years.

7. LONG-TERM LIABILITIES

General Long-term Debt

General Obligation Bonds of the Village, \$22,000, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1998 is \$15,500.

General Obligation Bonds of the Sewer District No. 1, \$22,000, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1998 is \$15,500.

During 1998, interest of \$1,600 was charged on the above General Obligation Bonds. The annual principal requirements for the next five years are as follows:

July 15, 1999	\$ 1,000
July 15, 2000	1,000
July 15, 2001	1,000
July 15, 2002	1,000
July 15, 2003	<u>1,000</u>
Total	\$ 5,000
July 15, 2004-2023	<u>26,000</u>
Total	<u>\$31,000</u>

Village of Castor
Notes to Financial Statements
December 31, 1998

Revenue Bonds

The revenue bonds are accounted for in the Enterprise Fund and consists of the revenue bonds of the Village of Castor, LA - \$70,000.00, 5% serial bonds on July 15, 1985. Annual principal and interest payments are due through July 15, 2023. The principal balance at December 31, 1998 is \$57,000. During 1998, interest of \$2,900 was charged on the revenue bonds. The annual principal requirements for the next five years are as follows:

July 15, 1999	\$ 1,000
July 15, 2000	1,000
July 15, 2001	1,000
July 15, 2002	1,000
July 15, 2003	<u>1,000</u>
Total	\$ 5,000
July 15, 2004-2023	<u>52,000</u>
Total	<u>\$57,000</u>

8. FUND DEFICIT

At December 31, 1998, the unreserved retained earnings deficit of the Enterprise Fund totals \$(79,681). Management plans to make necessary operating transfers over the next five years to reduce or eliminate the deficit balance in retained earnings.

9. COMPENSATION PAID MAYOR AND BOARD OF ALDERMEN

During 1998, the following amounts were paid or reimbursed to the Mayor and Board of Aldermen:

Lane R. Freeman - Mayor's Salary	\$3,420
Lane R. Freeman - Travel Reimbursements	<u>1,380</u>
Total to Mayor	<u>\$4,800</u>
Aldermen-	
C. F. Bogan	\$ 275
Charles Harper	300
Frank Sullivan	300
Mark Plunkett	<u>25</u>
Total to Aldermen	<u>\$ 900</u>
Total	<u>\$5,700</u>

Johnson, Thomas & Cunningham

Certified Public Accountants

Exhibit F
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Eddie G. Johnson, C.P.A. - A Professional Corporation (1968-1996)

Mark D. Thomas, C.P.A. - A Professional Corporation

Roger M. Cunningham, C.P.A. - A Professional Corporation

*321 Bienville Street
Natchitoches, Louisiana 71457
(318) 352-3652
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INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Board of Alderman of
the Village of Castor

We have performed the procedures included in the *Louisiana Government Audit Guide* and enumerated below, which were agreed to by the management of the Village of Castor and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of Castor's compliance with certain laws and regulations during the year ended December 31, 1998 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

Not applicable.

Code of Ethics for Public Officials and Public Employees

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

Management provided us with the required list, including the noted information.

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

Management provided us with the required list.

4. Determine whether any of those employees included in the listing obtained from management in agreed-upon procedures (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None found.

Budgeting

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

Management provided us with a copy of the original budget.
There were no amendments to the budget during the year.

6. Trace the budget adoption to the minute book.

We traced the adoption of the budget to the minute book.

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

We compared the revenues and expenditures of the final budget to actual revenues and expenditures. Actual revenues and expenditures for the year did not exceed budgeted amounts by more than 5%.

8. Randomly select 6 disbursements made during the period under examination and:

- (a) trace payments to supporting documentation as to proper amount and payee;

We examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

- (b) determine if payments were properly coded to the correct fund and general ledger account; and

All payments examined were properly coded to the correct fund and general ledger account.

- (c) determine whether payments received approval from proper authorities.

All payments examined were properly approved by the proper authorities.

Meetings

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

The Village of Castor is only required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building.

Debt

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

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

Advances and Bonuses

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

None found.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

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


Johnson, Thomas & Cunningham, CPA's

May 3, 1999
Natchitoches, Louisiana

APPENDIX F. LOUISIANA ATTESTATION QUESTIONNAIRE

May 3, 1999 Date

Johnson Thomas & Cunningham, CPAs
321 Bienville St.
Natchitoches, LA 71457
(Auditors)

In connection with your compilation of our financial statements as of December 31, 1998 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of May 3, 1999 (date).

Public Bid Law

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

Yes [] No []

Code of Ethics for Public Officials and Public Employees

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

Yes [] No []

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

Yes [] No []

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirements of LSA-RS 39:43.

Yes [] No []

Accounting and Reporting

Accounting and Reporting

All non-exempt governmental records are available as a public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:38.

Yes [] No []

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

Yes [] No []

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

Yes [] No []

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes [] No []

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchases in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 33 of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60.

Yes [] No []

Advances and Bonuses

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

Yes [] No []

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

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

Secretary _____ Date _____

Treasurer _____ Date _____

Lane R. Freeman, *Mayor* _____ President 5/13/99 Date _____

Note-Quasi-public entities should delete reference to the above statutes, unless required to follow such laws by contract with their public funding agencies. The quasi-public entities should include a representation that they have complied with the contractual provisions under which they have received state and/or local funds.