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ANNUAL FINANCIAL REPORT
OF THE
VILLAGE OF CANKTON, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 1999

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

Release Date DEC 15 1999

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Joel Lanclos, Jr., CPA
 Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Carl, CPA
 Michael A. Roy, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998

INDEPENDENT AUDITOR'S REPORT

The Honorable Donald Menard, Mayor
 and Members of the Board of Aldermen
 Village of Cankton, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Cankton, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

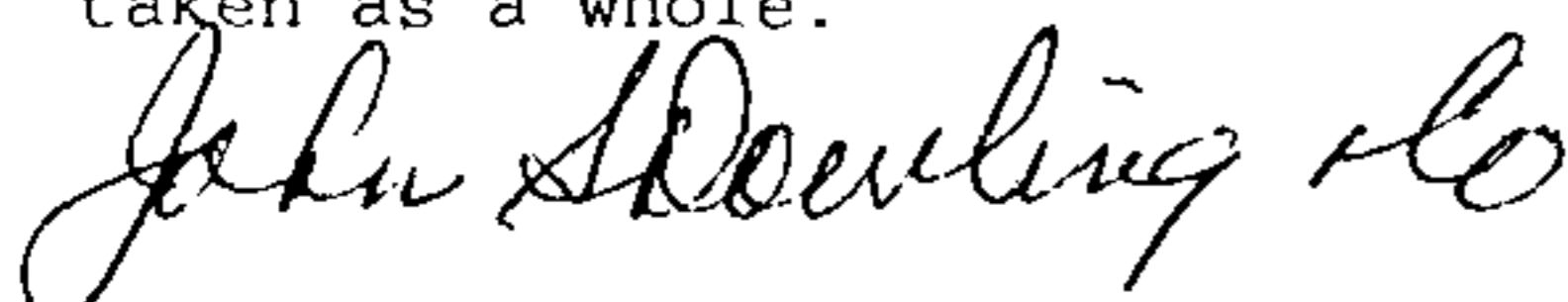
We conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial 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 Cankton, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated September 24, 1999 on our consideration of the Village of Cankton's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Donald Menard, Mayor
and Members of the Board of Aldermen
Village of Cankton, Louisiana

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Village of Cankton, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Village of Cankton, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

A handwritten signature in cursive script, appearing to read "John Dowling" followed by a flourish.

Opelousas, Louisiana
September 24, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

VILLAGE OF CANYON, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

ASSETS	GOVERNMENTAL FUND TYPES		ACCOUNT GROUP		TOTALS	
	GENERAL	SPECIAL REVENUE	PROPRIETARY FUND TYPE		(Memorandum Only)	
	GENERAL	REVENUE	GENERAL	FIXED ASSETS	1999	1998
Cash	\$3,792	\$10,844	\$18,715		\$33,351	\$48,695
Investments		70,000	78,235		148,235	130,000
Receivables			12,775		12,775	12,343
Accounts	1,964				1,964	1,934
Intergovernmental	300				300	
Due from employee						
Rural Development Block Grant Rec.		1,051	4,275		5,326	14,783
Due from other funds			3,195		3,195	5,326
Prepaid expenses						2,386
Restricted assets						
Cash			\$1,181		51,181	51,770
Due from operating account			153		153	
Property, plant, and equipment, net of accumulated depreciation			280,157	\$297,745	577,902	539,961
	<u>6,056</u>	<u>81,895</u>	<u>448,686</u>	<u>297,745</u>	<u>834,382</u>	<u>807,198</u>
<u>Total assets</u>						
<u>LIABILITIES AND FUND EQUITY</u>						
<u>LIABILITIES</u>						
Accounts payable	\$1,370	\$578	\$2,877		\$4,825	\$22,854
Payroll taxes payable	227		969		1,196	1,264
Sales taxes payable			222		222	237
Due to restricted assets			153		153	
Current portion of note payable- Farmers State Bank						3,063
Payable from restricted assets						
Accrued interest			575		575	596
Revenue bonds payable			3,000		3,000	3,000
Customers' deposits			10,738		10,738	9,215
Due to other funds	5,326				5,326	5,326
Due to LA Comm Law Enforcement	120				120	
Long-term debts						
Revenue bonds payable			81,000		81,000	84,000
Total liabilities	<u>7,043</u>	<u>578</u>	<u>99,534</u>	<u>-0-</u>	<u>107,155</u>	<u>129,555</u>

Continued on next page.

VILLAGE OF CANKTON, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS - (CONTINUED)
 JUNE 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>	<u>PROPRIETARY FUND TYPE ENTERPRISE</u>	<u>ACCOUNT GROUP GENERAL FIXED ASSETS</u>	<u>TOTALS</u> (Memorandum Only)
	<u>GENERAL</u>			<u>1999</u> <u>1998</u>
<u>FUND EQUITY</u>				
Contributed capital		\$287,438		\$287,438
Investment in general fixed assets			\$297,745	272,649
Retained earnings				
Reserved		37,021		38,960
Unreserved		24,693		(18,761)
Fund balance				
Unreserved				
Undesignated	\$(987)			80,330
Total fund equity	<u>81,317</u>	<u>349,152</u>	<u>297,745</u>	<u>97,357</u>
Total liabilities and fund equity	<u>6,056</u>	<u>448,686</u>	<u>297,745</u>	<u>807,198</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF CANKTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED JUNE 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>		<u>TOTALS</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>(Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
<u>REVENUES</u>				
Taxes	\$12,098	\$9,915	\$22,013	\$20,344
Licenses and permits	8,135		8,135	5,771
Intergovernmental	2,492		2,492	16,630
Fines	4,964		4,964	3,015
Charges for services	860		860	790
Miscellaneous revenues	<u>2,368</u>	<u>3,428</u>	<u>5,796</u>	<u>5,942</u>
<u>Total revenues</u>	<u>30,917</u>	<u>13,343</u>	<u>44,260</u>	<u>52,492</u>
<u>EXPENDITURES</u>				
Current operating				
Executive and				
administrative	26,517	5,232	31,749	27,993
Public safety				
Police Department	18,629		18,629	16,223
Fire Department				943
Capital outlay	<u>5,097</u>	<u>20,000</u>	<u>25,097</u>	<u>19,957</u>
<u>Total expenditures</u>	<u>50,243</u>	<u>25,232</u>	<u>75,475</u>	<u>65,116</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	<u>14,188</u>	_____	<u>14,188</u>	<u>14,500</u>
<u>Total other financing</u>				
<u>sources</u>	<u>14,188</u>	<u>-0-</u>	<u>14,188</u>	<u>14,500</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	(5,138)	(11,889)	(17,027)	1,876
<u>FUND BALANCE, beginning of year</u>	<u>4,151</u>	<u>93,206</u>	<u>97,357</u>	<u>95,481</u>
<u>FUND BALANCE, end of year</u>	<u>(987)</u>	<u>81,317</u>	<u>80,330</u>	<u>97,357</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF CANKTON, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
YEAR ENDED JUNE 30, 1999

	GENERAL FUND		SPECIAL REVENUE FUNDS		TOTALS	
	BUDGET	ACTUAL	BUDGET	ACTUAL	1999	(Memorandum Only) 1998
REVENUES						
Taxes	\$13,330	\$12,098	\$9,900	\$9,915	\$22,013	\$20,344
Licenses and permits	8,000	8,135			8,135	5,771
Intergovernmental	2,100	2,492			2,492	16,630
Fines	4,000	4,964			4,964	3,015
Charges for services	700	860			860	790
Miscellaneous revenues	1,950	2,368	3,000	3,428	5,798	5,942
Total revenues	<u>30,080</u>	<u>30,917</u>	<u>12,900</u>	<u>13,343</u>	<u>44,260</u>	<u>52,492</u>
EXPENDITURES						
Current operating						
Executive and administrative	27,265	26,517	5,690	5,232	31,749	27,993
Public Safety						
Police Department	16,320	18,629			18,629	16,223
Fire Department						943
Capital outlay	2,725	5,097	20,000	20,000	25,097	19,957
Total expenditures	<u>46,310</u>	<u>50,243</u>	<u>25,690</u>	<u>25,232</u>	<u>75,475</u>	<u>65,116</u>
OTHER FINANCING SOURCES (USES)						
Operating transfers in	18,000	14,188			14,188	14,500
Total other financing sources	<u>18,000</u>	<u>14,188</u>	<u>-0-</u>	<u>-0-</u>	<u>14,188</u>	<u>14,500</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	<u>1,770</u>	<u>(8,138)</u>	<u>(12,790)</u>	<u>(11,889)</u>	<u>(17,027)</u>	<u>1,876</u>
FUND BALANCE, beginning of Year		<u>4,151</u>		<u>93,206</u>	<u>97,357</u>	<u>95,481</u>
FUND BALANCE, end of Year		<u>(987)</u>		<u>81,317</u>	<u>80,330</u>	<u>97,357</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF CANKTON, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 1999

	<u>1999</u>	<u>ENTERPRISE</u> <u>(Memorandum Only)</u> <u>1998</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$159,334	\$136,938
<u>Total operating revenues</u>	<u>159,334</u>	<u>136,938</u>
<u>OPERATING EXPENSES</u>		
Personal services	46,652	43,736
Contractual services	12,675	6,600
Supplies	5,135	7,969
Other expenses	25,883	24,357
Depreciation	<u>13,966</u>	<u>13,241</u>
<u>Total operating expenses</u>	<u>104,311</u>	<u>95,903</u>
<u>OPERATING INCOME</u>	<u>55,023</u>	<u>41,035</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	5,075	1,807
Interest expense	<u>(4,394)</u>	<u>(4,813)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>681</u>	<u>(3,006)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	<u>55,704</u>	<u>38,029</u>
<u>OPERATING TRANSFERS (OUT)</u>		
Operating transfers out	<u>(14,189)</u>	<u>(14,500)</u>
<u>Total operating transfers (out)</u>	<u>(14,189)</u>	<u>(14,500)</u>
<u>NET INCOME</u>	41,515	23,529
<u>RETAINED EARNINGS (DEFICIT), beginning of year</u>	<u>20,199</u>	<u>(3,330)</u>
<u>RETAINED EARNINGS (DEFICIT), end of year</u>	<u>61,714</u>	<u>20,199</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF CANKTON, LOUISIANA
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED JUNE 30, 1999

	<u>ENTERPRISE</u>	
	(Memorandum Only)	
	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$160,647	\$137,301
Cash payments to suppliers for goods and services	(48,379)	(34,138)
Cash payments to employees for services	<u>(46,646)</u>	<u>(43,194)</u>
<u>Net cash provided by operating activities</u>	<u>65,622</u>	<u>59,969</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets	(26,811)	(5,038)
Principal paid on revenue bonds and loan	(6,063)	(6,838)
Interest paid on revenue bonds and loan	<u>(4,415)</u>	<u>(4,833)</u>
<u>Net cash (used) for capital and related financing activities</u>	<u>(37,289)</u>	<u>(16,709)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers out	<u>(14,189)</u>	<u>(14,500)</u>
<u>Net cash (used) for noncapital financing activities</u>	<u>(14,189)</u>	<u>(14,500)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest earned	5,075	1,807
Investments - Certificate of deposit	<u>(18,235)</u>	<u>(60,000)</u>
<u>Net cash (used) by investing activities</u>	<u>(13,160)</u>	<u>(58,193)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	984	(29,433)
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>68,912</u>	<u>98,345</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>69,896</u>	<u>68,912</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$55,023	\$41,035
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	13,966	13,241
(Increase) decrease in accounts receivable	(432)	(1,660)
(Increase) decrease in prepaid expenses	(809)	(124)
Increase (decrease) in accounts payable	(3,640)	4,912
Increase (decrease) in payroll taxes payable	6	542
Increase (decrease) in sales taxes payable	(15)	(62)
Net increase in customers' deposits	<u>1,523</u>	<u>2,085</u>
<u>Total adjustments</u>	<u>10,599</u>	<u>18,934</u>
<u>Net cash provided by operating activities</u>	<u>65,622</u>	<u>59,969</u>

The accompanying notes are an integral part of these statements.

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of the Village of Cankton conform to generally accepted accounting principles as applicable to governments.

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Village to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Village.
2. Organizations for which the Village does not appoint a voting majority but are fiscally dependent on the Village.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

The Village of Cankton is a primary government and the accompanying general purpose financial statements present information only on the funds maintained by the Village and do not present information on any other governmental unit.

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 of this report, into three generic fund types and two broad fund categories as follows:

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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. Special Revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

Proprietary Fund

Enterprise Fund. The Enterprise Fund is 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 and 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.

Basis of Accounting. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds and expendable trust funds 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.

All proprietary funds, nonexpendable trust funds and pension trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increase (e.g., revenues) and decreases (e.g., expenses) in net total assets.

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. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Unbilled and billed utilities receivable are recorded at fiscal year-end. Revenues earned and expenses incurred are recognized in a government's proprietary funds in essentially the same manner as in commercial accounting. Proprietary funds and similar component units apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. Only minor adaptations are involved in applying the revenue realization and expense recognition principles in the governmental environment.

Cash and Investments. Louisiana statutes authorize the Village to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100 percent of the uninsured amount on deposit with the bank.

At year-end, the carrying amount of the Village's deposits was \$232,767. The bank balance of cash was \$83,083 and of investments was \$148,233. Investments are stated at cost or amortized cost, which approximates market. These investments consist of certificates of deposit and savings accounts. Of the bank balance, approximately \$129,871 is covered by federal deposit insurance, and approximately \$100,640 is covered by securities held by the bank in the Village's name. At June 30, 1999, approximately \$805 of deposits were unsecured.

Cash and Cash Equivalents. For purposes of the statement of cash flows, the Village considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fixed Assets. All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Fund are recorded in the General Fixed Assets Account Group. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon. Contributed property is recorded at fair market value or estimated fair market value.

Property, plant, and equipment which constitute assets of the Enterprise Fund are recorded at cost and depreciation is computed thereon under the straight-line or MACRS method of depreciation based on estimated useful lives of the individual assets.

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Interest costs during construction, where applicable, are capitalized.

Bad Debts. Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the direct write-off method when the account is deemed uncollectible.

Budgets and Budgetary Accounting. The Village follows these procedures in establishing the budgetary data reflected in these financial statements:

1. At least 30 days prior to the beginning of the fiscal year the Mayor submits to the Village Council an operating and capital budget for the succeeding year.
2. A public meeting is scheduled by the Village Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Village Council.
3. The budget must be finally adopted by the Council no later than the last day of the preceding fiscal year.
4. The Mayor and Village Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
5. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Fund. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budgeted accounts shown in these financial statements as of June 30, 1999, were amended during a public meeting held on June 9, 1999.

Encumbrances. The Village does not employ the encumbrance system of accounting.

Inventory. The Village practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Village does not record any of these items as inventory because the amount of the items in stock is insignificant.

Compensated Absences. An employee must be employed by the Village of Cankton for at least one (1) year before they will be entitled to one (1) week paid vacation. After five (5) years employment with the Village the employee will be entitled to two (2) weeks paid vacation per year. Unused vacation may not be accumulated or carried over from one anniversary date of employment to another. An employee may get paid for any unused vacation during that same calendar year. All employees shall earn sick leave at a rate of one (1) day for each month worked, provided however, no employee may accumulate more than ten (10) days sick leave per year and no more than thirty (30) days of sick leave overall.

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Comparative Data. Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Village's financial position and operations. However, 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.

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

NOTE (2) INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund		\$5,326
Special Revenue Fund		
Sales Tax Fund	\$1,051	
Enterprise Fund	<u>4,275</u>	_____
	<u>5,326</u>	<u>5,326</u>

NOTE (3) RETIREMENT

The employees of the Village contribute to the social security system.

NOTE (4) RESERVES OF FUND EQUITY

The Village records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Village.

	Balance at June 30, <u>1999</u>
Enterprise Fund	
Reserved for bond retirement	\$26,141
Reserved for bond contingency	<u>10,880</u>
	<u>37,021</u>

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (5) DEDICATION OF SALES TAX PROCEEDS

Proceeds of the one percent (1%) sales and use tax being levied by the Village of Cankton, after payment of all necessary expenses of collection and administration, have been dedicated to constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks, sewers and sewerage disposal works, public buildings, police department and equipment, public parks, recreational facilities, waterworks, disposal of garbage, street lighting, purchasing of immovable property and purchasing and acquiring equipment and furnishings for the aforesaid public works, buildings, improvements, and facilities.

NOTE (6) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUND

A summary of property, plant, and equipment of the Enterprise Fund at June 30, 1999 is as follows:

<u>Description</u>	<u>Life in Years</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Depreciation This Year *</u>
Computer equipment	5	\$5,811	\$3,168	\$2,643	\$572
Water utility system	40	461,889	200,955	260,934	13,394
Vehicle	3	<u>23,285</u>	<u>6,705</u>	<u>16,580</u>	<u> </u>
		<u>490,985</u>	<u>210,828</u>	<u>280,157</u>	<u>13,966</u>

<u>Changes During the Year</u>	<u>Cost</u>	<u>Accumulated Depreciation</u>
<u>BALANCE, beginning of year</u>	\$464,174	\$196,862
Additions:		
Water utility system	7,015	
Computer equipment	3,216	
Transportation equipment	16,580	
Depreciation	<u> </u>	<u>13,966</u>
<u>BALANCE, end of year</u>	<u>490,985</u>	<u>210,828</u>

* All assets are depreciated under the straight-line or MACRS method.

NOTE (7) CONTRIBUTED CAPITAL

Contributed capital on June 30, 1999 consists of:

Contributions from federal grants	\$186,274
Contributions from state grants	60,000
Contributions from municipality	<u>41,164</u>
	<u>287,438</u>

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (8) PROPRIETARY FUND TYPE - FLOW OF FUNDS - RESTRICTION ON USE

Under the terms of the bond indenture on outstanding water utility bonds dated May 12, 1978, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the utility system are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the "Bond and Interest Redemption Fund" an amount constituting 1/12 of the next maturing installment of principal and 1/12 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments.

There shall also be set aside into a "Bond Reserve Fund" an amount equal to five percent (5%) of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to \$7,500. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Redemption Fund and as to which there would otherwise be default.

Funds will also be set aside into a contingency fund at the rate of \$336 each year. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. 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.

NOTE (9) ENTERPRISE FUND - RESTRICTED ASSETS

Certain assets of the Enterprise Fund have been restricted for debt service and customers' deposits. These assets consist of cash and short-term investments as follows:

Waterworks system sinking fund	\$17,511
Depreciation and contingency fund	10,880
Revenue bond fund	12,205
Customers' deposits	10,585
Due from operating account	<u>153</u>
<u>Total restricted assets</u>	<u>51,334</u>

VILLAGE OF CANKTON, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE (10) PROPRIETARY FUND CHANGES IN LONG-TERM DEBT

The following is a summary of changes in Proprietary Fund long-term debt for the year ended June 30, 1999:

<u>Description</u>	<u>Balance at July 1, 1998</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance (Short and Long-term Portion) at June 30, 1999</u>
\$115,000 of Water Revenue				
Bonds dated May 12, 1978	\$87,000		\$3,000	\$84,000
Note payable - Farmers State Bank	<u>3,063</u>	—	<u>3,063</u>	—
	<u>90,063</u>	<u>-0-</u>	<u>6,063</u>	<u>84,000</u>

On February 28, 1994, with the approval from the State Board Commission, the Village signed a \$18,030, 5-year commercial loan with Farmers State Bank. The loan bears interest at 5.85 percent and payments are due on the first day of each month, commencing April 5, 1994.

Maturity of short and long-term debts are scheduled as follows:

<u>Year Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2000	\$3,000	\$4,200	\$7,200
2001	3,000	4,050	7,050
2002	3,000	3,900	6,900
2003	3,000	3,750	6,750
2004	3,000	3,600	6,600
2005-2009	20,000	15,250	35,250
2010-2014	25,000	9,750	34,750
2015-2018	<u>24,000</u>	<u>3,000</u>	<u>27,000</u>
	<u>84,000</u>	<u>47,500</u>	<u>131,500</u>

NOTE (11) CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1999:

	<u>Balance, July 1, 1998</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance, June 30, 1999</u>
Land	\$2,500			\$2,500
Buildings	188,610	\$1,890		190,500
Equipment	39,258	22,955		62,213
Other structures and improvements	<u>42,280</u>	<u>252</u>	—	<u>42,532</u>
	<u>272,648</u>	<u>25,097</u>	<u>-0-</u>	<u>297,745</u>

NOTE (12) DEFICITS IN INDIVIDUAL FUNDS

The General Fund reflects a deficit fund balance at June 30, 1999 of \$987.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

VILLAGE OF CANKTON, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
<u>CURRENT ASSETS</u>		
Cash	\$3,792	\$8,575
Intergovernmental receivable	1,964	1,934
Due from employee	300	
Rural Development Block Grant Rec.		<u>14,783</u>
<u>Total current assets</u>	<u>6,056</u>	<u>25,292</u>
<u>Total assets</u>	<u>6,056</u>	<u>25,292</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	\$1,370	\$15,514
Payroll taxes payable	227	301
Due to other funds	5,326	5,326
Due to LA Comm Law Enforcement	<u>120</u>	
<u>Total liabilities</u>	<u>7,043</u>	<u>21,141</u>
<u>FUND BALANCE</u>		
Unreserved	<u>(987)</u>	<u>4,151</u>
<u>Total fund balance</u>	<u>(987)</u>	<u>4,151</u>
<u>Total liabilities and fund balance</u>	<u>6,056</u>	<u>25,292</u>

VILLAGE OF CANKTON, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		<u>VARIANCE</u>	<u>1998</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>ACTUAL</u>
			<u>(UNFAVORABLE)</u>	
<u>REVENUES</u>				
Taxes	\$13,330	\$12,098	\$(1,232)	\$11,903
Licenses and permits	8,000	8,135	135	5,771
Intergovernmental	2,100	2,492	392	16,630
Fines	4,000	4,964	964	3,015
Charges for services	700	860	160	790
Miscellaneous	<u>1,950</u>	<u>2,368</u>	<u>418</u>	<u>2,302</u>
<u>Total revenues</u>	<u>30,080</u>	<u>30,917</u>	<u>837</u>	<u>40,411</u>
<u>EXPENDITURES</u>				
Current operating				
Executive and administrative	27,265	26,517	748	23,926
Public Safety				
Police Department	16,320	18,629	(2,309)	16,223
Fire Department				943
Capital outlay	<u>2,725</u>	<u>5,097</u>	<u>(2,372)</u>	<u>14,542</u>
<u>Total expenditures</u>	<u>46,310</u>	<u>50,243</u>	<u>(3,933)</u>	<u>55,634</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>(16,230)</u>	<u>(19,326)</u>	<u>(3,096)</u>	<u>(15,223)</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	<u>18,000</u>	<u>14,188</u>	<u>(3,812)</u>	<u>14,500</u>
<u>Total other financing</u>				
<u>sources</u>	<u>18,000</u>	<u>14,188</u>	<u>(3,812)</u>	<u>14,500</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>1,770</u>	<u>(5,138)</u>	<u>(6,908)</u>	<u>(723)</u>
<u>FUND BALANCE, beginning of year</u>		<u>4,151</u>		<u>4,874</u>
<u>FUND BALANCE, end of year</u>		<u>(987)</u>		<u>4,151</u>

VILLAGE OF CANKTON, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE	1998
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>TAXES</u>				
Franchise - telephone	\$1,600	\$1,705	\$105	\$1,402
Franchise - gas	1,100	865	(235)	870
Franchise - electric	9,130	9,528	398	9,631
Franchise - cable television	<u>1,500</u>	<u> </u>	<u>(1,500)</u>	<u> </u>
Total taxes	<u>13,330</u>	<u>12,098</u>	<u>(1,232)</u>	<u>11,903</u>
<u>LICENSES AND PERMITS</u>				
Occupational licenses	<u>8,000</u>	<u>8,135</u>	<u>135</u>	<u>5,771</u>
<u>INTERGOVERNMENTAL</u>				
Rural Development Block Grant				14,783
State beer tax	300	168	(132)	101
State tobacco tax	1,800	2,124	324	1,746
LA Community Law Enforcement Grant	<u> </u>	<u>200</u>	<u>200</u>	<u> </u>
Total intergovernmental	<u>2,100</u>	<u>2,492</u>	<u>392</u>	<u>16,630</u>
<u>FINES</u>				
Court fines	<u>4,000</u>	<u>4,964</u>	<u>964</u>	<u>3,015</u>
<u>CHARGES FOR SERVICES</u>				
Rental of hall	<u>700</u>	<u>860</u>	<u>160</u>	<u>790</u>
<u>MISCELLANEOUS</u>				
Interest income		113	113	167
Insurance rebate	1,200	1,293	93	1,273
Food stamps reimbursement				114
Contributed property		250	250	450
Miscellaneous	<u>750</u>	<u>712</u>	<u>(38)</u>	<u>298</u>
Total miscellaneous	<u>1,950</u>	<u>2,368</u>	<u>418</u>	<u>2,302</u>
Total revenues	<u>30,080</u>	<u>30,917</u>	<u>837</u>	<u>40,411</u>

VILLAGE OF CANKTON, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>EXECUTIVE AND ADMINISTRATIVE</u>				
Notices and publications	\$100	\$40	\$60	\$295
Conventions and travel	2,200	2,218	(18)	3,333
Dues	400	529	(129)	387
Insurance	2,600	2,142	458	3,147
Accounting and legal	1,500	533	967	1,166
Office supplies	400	1,174	(774)	471
Payroll taxes	860	537	323	637
Repairs and maintenance	2,500	2,655	(155)	312
Miscellaneous	2,335	1,893	442	1,509
Postage		144	(144)	
Salaries	5,500	5,120	380	3,841
Hall supplies	200	606	(406)	130
Telephone	650	732	(82)	1,020
Utilities	7,420	7,940	(520)	7,056
Election expense		30	(30)	
Software support	300		300	285
Park expense	300	224	76	337
<u>Total executive and administrative</u>	<u>27,265</u>	<u>26,517</u>	<u>748</u>	<u>23,926</u>
<u>POLICE DEPARTMENT</u>				
Gas and oil	2,000	2,294	(294)	2,167
Repairs	1,200	1,872	(672)	1,388
Salaries	4,500	4,992	(492)	5,035
Insurance	3,300	3,552	(252)	3,152
Payroll taxes	350	384	(34)	387
Uniforms	300	417	(117)	381
Miscellaneous		560	(560)	77
Supplies	2,100	1,309	791	1,214
Court costs		599	(599)	515
Telephone	2,570	2,650	(80)	1,907
<u>Total police department</u>	<u>16,320</u>	<u>18,629</u>	<u>(2,309)</u>	<u>16,223</u>
<u>FIRE DEPARTMENT</u>				
Supplies				943
<u>Total fire department</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>943</u>
<u>CAPITAL OUTLAY</u>				
	<u>2,725</u>	<u>5,097</u>	<u>(2,372)</u>	<u>14,542</u>
<u>Total expenditures</u>	<u>46,310</u>	<u>50,243</u>	<u>(3,933)</u>	<u>55,634</u>

SPECIAL REVENUE FUND

Special Revenue Funds are used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets.

The Sales Tax Fund is used to account for collection and expenditures of the Village's one percent (1%) sales tax.

VILLAGE OF CANKTON, LOUISIANA
SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$10,844	\$22,978
Investments	70,000	70,000
Due from other funds	<u>1,051</u>	<u>1,051</u>
<u>Total assets</u>	<u>81,895</u>	<u>94,029</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
Accounts payable	<u>\$578</u>	<u>\$823</u>
<u>Total liabilities</u>	<u>578</u>	<u>823</u>
 <u>FUND BALANCE</u>		
Unreserved	<u>81,317</u>	<u>93,206</u>
<u>Total liabilities and fund balance</u>	<u>81,895</u>	<u>94,029</u>

VILLAGE OF CANKTON, LOUISIANA
SPECIAL REVENUE FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	SALES TAX FUND			
	1999			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$9,900	\$9,915	\$15	\$8,441
Miscellaneous				
Interest income	<u>3,000</u>	<u>3,428</u>	<u>428</u>	<u>3,640</u>
<u>Total revenues</u>	<u>12,900</u>	<u>13,343</u>	<u>443</u>	<u>12,081</u>
<u>EXPENDITURES</u>				
Executive and administrative				
Hall supplies				138
Collection fee	90	99	(9)	81
Legal and accounting	1,400	1,750	(350)	1,167
Security lighting	1,400	1,559	(159)	2,390
Miscellaneous	2,800	1,824	976	291
Capital outlay	<u>20,000</u>	<u>20,000</u>	<u>—</u>	<u>5,415</u>
<u>Total expenditures</u>	<u>25,690</u>	<u>25,232</u>	<u>458</u>	<u>9,482</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	<u>(12,790)</u>	(11,889)	<u>901</u>	2,599
<u>FUND BALANCE</u> , beginning of year		<u>93,206</u>		<u>90,607</u>
<u>FUND BALANCE</u> , end of year		<u>81,317</u>		<u>93,206</u>

ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner 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.

A Water Utility Fund is the only Enterprise Fund owned and operated by the Village of Cankton.

VILLAGE OF CANKTON, LOUISIANA
ENTERPRISE FUND
BALANCE SHEET
JUNE 30, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
<u>CURRENT ASSETS</u>		
Cash	\$18,715	\$17,142
Investments - Certificate of deposit	78,235	60,000
Accounts receivable	12,775	12,343
Prepaid expenses	3,195	2,386
Due from other fund	<u>4,275</u>	<u>4,275</u>
<u>Total current assets</u>	<u>117,195</u>	<u>96,146</u>
<u>RESTRICTED ASSETS</u>		
Cash		
Waterworks system sinking fund	17,511	17,173
Depreciation and contingency fund	10,880	13,830
Revenue bond fund	12,205	11,493
Customers' deposits	10,585	9,274
Due from operating account	<u>153</u>	<u> </u>
<u>Total restricted assets</u>	<u>51,334</u>	<u>51,770</u>
<u>PROPERTY, PLANT, AND EQUIPMENT</u>		
Utility plant and depreciable assets (net of accumulated depreciation)	<u>280,157</u>	<u>267,312</u>
<u>Total assets</u>	<u>448,686</u>	<u>415,228</u>

Continued on next page.

VILLAGE OF CANKTON, LOUISIANA
ENTERPRISE FUND
BALANCE SHEET - (CONTINUED)
JUNE 30, 1999 AND 1998

<u>LIABILITIES AND FUND EQUITY</u>	<u>1999</u>	<u>1998</u>
<u>CURRENT LIABILITIES</u> (from current assets)		
Accounts payable	\$2,877	\$6,517
Payroll taxes payable	969	963
Sales taxes payable	222	237
Note payable - Farmers State Bank		3,063
Due to restricted assets	<u>153</u>	
<u>Total</u>	<u>4,221</u>	<u>10,780</u>
<u>CURRENT LIABILITIES</u> (from restricted assets)		
Customers' deposits	10,738	9,215
Revenue bonds payable	3,000	3,000
Accrued interest	<u>575</u>	<u>596</u>
<u>Total</u>	<u>14,313</u>	<u>12,811</u>
<u>Total current liabilities</u>	<u>18,534</u>	<u>23,591</u>
<u>OTHER LIABILITIES</u>		
Revenue bonds payable	<u>81,000</u>	<u>84,000</u>
<u>Total other liabilities</u>	<u>81,000</u>	<u>84,000</u>
<u>Total liabilities</u>	<u>99,534</u>	<u>107,591</u>
<u>FUND EQUITY</u>		
Contributed capital		
Contribution from federal grants	186,274	186,274
Contribution from municipality	41,164	41,164
Contribution from state grants	<u>60,000</u>	<u>60,000</u>
<u>Total contributed capital</u>	<u>287,438</u>	<u>287,438</u>
Retained earnings		
Reserved for customers' deposits		59
Reserved for bond retirement	26,141	25,070
Reserved for bond contingency	10,880	13,831
Unreserved retained earnings	<u>24,693</u>	<u>(18,761)</u>
<u>Total retained earnings</u>	<u>61,714</u>	<u>20,199</u>
<u>Total fund equity</u>	<u>349,152</u>	<u>307,637</u>
<u>Total liabilities and fund equity</u>	<u>448,686</u>	<u>415,228</u>

VILLAGE OF CANKTON, LOUISIANA
ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>OPERATING REVENUES</u>		
Charges for services	\$ <u>159,334</u>	\$ <u>136,938</u>
<u>Total operating revenues</u>	<u>159,334</u>	<u>136,938</u>
<u>OPERATING EXPENSES</u>		
Personal services	46,652	43,736
Contractual services	12,675	6,600
Supplies	5,135	7,969
Other expenses	25,883	24,357
Depreciation	<u>13,966</u>	<u>13,241</u>
<u>Total operating expenses</u>	<u>104,311</u>	<u>95,903</u>
<u>OPERATING INCOME</u>	<u>55,023</u>	<u>41,035</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	5,075	1,807
Interest expense	<u>(4,394)</u>	<u>(4,813)</u>
<u>Total nonoperating revenues</u> <u>(expenses)</u>	<u>681</u>	<u>(3,006)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	<u>55,704</u>	<u>38,029</u>
<u>OPERATING TRANSFERS (OUT)</u>		
Operating transfers out	<u>(14,189)</u>	<u>(14,500)</u>
<u>Total operating transfers (out)</u>	<u>(14,189)</u>	<u>(14,500)</u>
<u>NET INCOME</u>	41,515	23,529
<u>RETAINED EARNINGS, beginning of year</u>	<u>20,199</u>	<u>(3,330)</u>
<u>RETAINED EARNINGS, end of year</u>	<u>61,714</u>	<u>20,199</u>

VILLAGE OF CANKTON, LOUISIANA
ENTERPRISE FUND
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$160,647	\$137,301
Cash payments to suppliers for goods and services	(48,379)	(34,138)
Cash payments to employees for services	<u>(46,646)</u>	<u>(43,194)</u>
<u>Net cash provided by operating activities</u>	<u>65,622</u>	<u>59,969</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING</u>		
<u>ACTIVITIES</u>		
Acquisition and construction of capital assets	(26,811)	(5,038)
Principal paid on revenue bonds and loan	(6,063)	(6,838)
Interest paid on revenue bonds and loan	<u>(4,415)</u>	<u>(4,833)</u>
<u>Net cash (used) for capital and related</u>		
<u>financing activities</u>	<u>(37,289)</u>	<u>(16,709)</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers out	<u>(14,189)</u>	<u>(14,500)</u>
<u>Net cash (used) for noncapital financing</u>		
<u>activities</u>	<u>(14,189)</u>	<u>(14,500)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Interest earned	5,075	1,807
Investments - Certificate of deposit	<u>(18,235)</u>	<u>(60,000)</u>
<u>Net cash (used) by investing</u>		
<u>activities</u>	<u>(13,160)</u>	<u>(58,193)</u>
<u>NET INCREASE (DECREASE) IN CASH</u>	984	(29,433)
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>68,912</u>	<u>98,345</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>69,896</u>	<u>68,912</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$55,023	\$41,035
Adjustments to reconcile operating income to		
net cash provided by operating activities:		
Depreciation	13,966	13,241
(Increase) decrease in accounts receivable	(432)	(1,660)
(Increase) decrease in prepaid expenses	(809)	(124)
Increase (decrease) in accounts payable	(3,640)	4,912
Increase (decrease) in payroll taxes payable	6	542
Increase (decrease) in sales taxes payable	(15)	(62)
Net increase in customers' deposits	<u>1,523</u>	<u>2,085</u>
<u>Total adjustments</u>	<u>10,599</u>	<u>18,934</u>
<u>Net cash provided by operating activities</u>	<u>65,622</u>	<u>59,969</u>

VILLAGE OF CANKTON, LOUISIANA
ENTERPRISE FUND
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>Personal services</u>		
Salaries and wages	\$42,688	\$40,170
Payroll taxes	<u>3,964</u>	<u>3,566</u>
	<u>46,652</u>	<u>43,736</u>
 <u>Contractual services</u>		
Meter connection fees	<u>12,675</u>	<u>6,600</u>
 <u>Supplies</u>		
Materials and supplies	2,331	3,357
Office supplies and postage	<u>2,804</u>	<u>4,612</u>
	<u>5,135</u>	<u>7,969</u>
 <u>Other</u>		
Insurance	3,645	3,312
Gas and oil	1,345	1,524
Miscellaneous	2,230	655
Truck expense	2,175	1,191
Utilities	4,848	5,424
Legal and professional services	2,536	1,168
Repairs and maintenance	5,258	10,158
Cash short	(237)	260
Software support	1,405	300
Convention and travel	182	365
Waterworks District No. 2 expense	<u>2,496</u>	<u> </u>
	<u>25,883</u>	<u>24,357</u>
 <u>Depreciation</u>	<u>13,966</u>	<u>13,241</u>
 <u> Total operating expenses</u>	<u>104,311</u>	<u>95,903</u>

FINANCIAL STATEMENT OF ACCOUNT GROUP

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations.

VILLAGE OF CANKTON, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>GENERAL FIXED ASSETS AT COST</u>		
Land	\$2,500	\$2,500
Building	190,500	188,610
Equipment	62,213	39,259
Other structures and improvements	<u>42,532</u>	<u>42,280</u>
<u>Total general fixed assets</u>	<u>297,745</u>	<u>272,649</u>
<u>INVESTMENTS IN GENERAL FIXED ASSETS FROM</u>		
General Fund	\$73,936	\$68,840
Sales Tax Fund	37,898	17,898
Federal Revenue Sharing Fund	34,412	34,412
Federal grants	<u>151,499</u>	<u>151,499</u>
<u>Total investments in general fixed assets</u>	<u>297,745</u>	<u>272,649</u>

OTHER ADDITIONAL INFORMATION

VILLAGE OF CANKTON, LOUISIANA
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 1999
 (UNAUDITED)

<u>INSURER</u>	<u>COVERAGE</u>	<u>TYPE OF COVERAGE</u>	<u>LIMITS</u>	<u>CO-INSURANCE</u>	<u>EFFECTIVE DATE</u>	
					<u>FROM</u>	<u>TO</u>
Louisiana Municipal Risk Management Agency	Group Self Insurance Fund for Workmen's Compensation and Employer Liability Risk Sharing	Workmen's compensation	Statutory		1/1/99	1/1/00
Titan Insurance Group	1987 Dodge pickup 1993 Ford Crown Victoria	Liability, comprehensive and collision	\$500,000 \$-0- deductible		5/1/99	5/-/00
Commercial Union Ins. Co.	Fire station, city hall and waterworks system	Fire, lightning, extended coverage, contents, and vandalism and malicious mischief	\$288,800 \$500 deductible	90%	12/15/98	12/15/99
Western Surety Company	Town Clerk	Bond	\$60,000		5/1/99	5/1/00
Employer's Mutual Casualty Co.	Chief of Police	Bond	\$5,000		11/8/98	12/31/00
Titan Insurance Group	Commercial general liability	Personal and advertising injury Fire damage	\$500,000 \$500,000		5/1/99	5/1/00
Titan Insurance Group	Law enforcement officers' liability	Bodily injury property damage	\$500,000 \$1,000 deductible		5/1/99	5/1/00
Titan Insurance Group	Public officials liability	Errors and omission	\$500,000 \$2,500 deductible		5/1/99	5/1/00

RELATED REPORT

Joel Lanclos, Jr., CPA
 Russell J. Stelly, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Cart, CPA
 Michael A. Roy, CPA



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 1904-1984

Retired

Harold Dupre, CPA
 1996
 John Newton Stout, CPA
 1998
 Dwight Ledoux, CPA
 1998

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 Donald Menard, Mayor
 and Members of the Board of Aldermen
 Village of Cankton, Louisiana

We have audited the general purpose financial statements of the Village of Cankton, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Village of Cankton, 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 test disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described as follows:

99-1 Budget Amendment

Condition:

General Fund actual expenditures exceeded budgeted expenditures by 8 percent.

Cause:

The allocation of expenditures was not done properly throughout the year to allow the budgeted expenditures to be allocated in the same manner.

Criteria:

LA RS 39:1309 states that a budget be amended when actual expenditures exceed budgeted expenditures by more than 5 percent.

The Honorable Donald Menard, Mayor
and Members of the Board of Aldermen
Page 2

Effect:

The budget should properly be used as a tool to ensure that actual expenditures do not materially differ from budgeted expenditures.

Recommendation:

We recommend that the budget for the General Fund be properly amended according to state law.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Cankton's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

However, we noted other matters involving the internal control over financial reporting that we have reported to management of the Village of Cankton, Louisiana, in a separate letter dated September 24, 1999.

This report is intended for the information of the Village of Cankton, Louisiana, its Mayor, Board of Aldermen, and appropriate regulatory agency. However, this report is a matter of public record and its distribution is not limited.



Opelousas, Louisiana
September 24, 1999

SUPPLEMENTARY INFORMATION

VILLAGE OF CANKTON, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY
FOR THE YEAR ENDED JUNE 30, 1999

GENERAL

COMPENSATION TO BOARD MEMBERS

Neither the Mayor nor the Board Members receive compensation while serving as the Village's governing body.

Joel Lanclos, Jr., CPA
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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

The Honorable Donald Menard, Mayor
 and Members of the Board of Aldermen
 Village of Cankton, Louisiana

We have audited the general purpose financial statements of the Village of Cankton, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999. Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole.

The year 2000 required supplementary information on page 38 is not a required part of the general purpose financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Village of Cankton is or will become year 2000 compliant, that the Village of Cankton's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village of Cankton does business are or will become year 2000 compliant.

John S. Dowling & Co.

Opelousas, Louisiana
 September 24, 1999

VILLAGE OF CANKTON, LOUISIANA
YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 1999

The Village of Cankton, Louisiana, currently uses two computer software packages in their operations which could be affected by the year 2000 issue. The Village of Cankton has updated the accounting software, which is manufactured by CPASoftware, to be year 2000 compliant. The Village of Cankton also uses Utility Data Software package which is year 2000 compliant. If failure of the software would occur, personnel of the Village of Cankton are familiar with maintaining a manual accounting and data system. The Village has inquired of their financial institutions about their systems also being year 2000 compliant. The financial institutions have communicated to the Village of Cankton that extensive testing under state and federal guidelines is currently being performed.

VILLAGE OF CANKTON, LOUIAIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1999

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

98-1 Proper Budget Amendments - Unresolved

98-2 Timely Deposit of Cash Receipts - Unresolved

Section II - Internal Control and Compliance Material to Federal Awards

N/A

Section III - Management Letter

98-1 Bank Reconciliations - Resolved

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To the Honorable Donald Menard, Mayor
and Members of the Board of Aldermen
Village of Cankton, Louisiana

We have audited the general purpose financial statements of the Village of Cankton, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 24, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the general purpose financial statements, dated September 24, 1999, and our report on internal control and compliance with laws, regulations, contracts, and grants dated September 24, 1999.

During the course of our examination, we became aware of the following matters which represent suggestions for improved internal controls.

Suggestion 99-2 - Employee Receivables

The Village of Cankton should not follow the practice of allowing employees to purchase items on the Village's account that pertain to personal use. The funds of the Village should be used only for the operations of public affairs.


Suggestion 99-3 - Accounts Receivables

The accounts receivable of the Village contained past due accounts. The proper cutoff procedures should be followed for the collection of accounts. The trial balance of aged receivables should be reviewed periodically and letters should be sent to customers with balances over 90 days old.

Suggestion 99-4 - Timely Deposits of Cash on Hand

The Village of Cankton should deposit cash on hand in a timely manner. Cash on hand not timely deposited may result in risk of loss from burglary, misplacement, or misappropriation. The cash is also not available for expenditures or investments. We recommend that all money collected be deposited on a daily basis.

We recommend management address the foregoing issues as an improvement to operations and the administration of public programs. We are available to further explain the suggestions or help implement the recommendations.


Opelousas, Louisiana
September 24, 1999

Village of Cankton

107 Dandurand Street

Cankton, Louisiana 70581

Phone (318) 668-4456

SEP 25 1999

MAYOR
Donald Menard

MAYOR PRO-TEM
Camille Menard

ALDERMEN
Gladys Soileau
James Bart Daigle

CLERK
Cinderella Miller

CHIEF OF POLICE
Ronald Menard



MANAGEMENT CORRECTIVE ACTION PLAN September 24, 1999

Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sirs:

The Village of Cankton respectfully submits the following corective action plan for the fiscal year ended June 30, 1999.

The name and address of the accounting firm is John S Dowling & Co., P. O. Box 433, Opelousas, La. 70571-0433.

The findings from the audit report for the year ending June 30, 1999 are discussed below. They are numbered consistently with the number assigned in the report.

- 1999-1) We plan to ammend all budgets in accordance to state law.
- 1999-2) No employee of the Village of Cankton will be allowed to purchase items using the Village's account for their personal use.
- 1992-3) All past due customer accounts of the Village of Cankton Water System will be dealt with in a timely manner to ensure prompt collection and or cut-off of all past due accounts.
- 1999-4) There were two checks inadvertently filed with the receipts. They have since been deposited. We will see to it that all checks are deposited in a timely manner.

Please contact us if you need additional information.

Sincerely,


Donald Menard, Mayor