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VILLAGE OF PLAUCHEVILLE

Financial Report

Year Ended June 30, 1998

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

Release Date JAN 27 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Terryl St. Romain, Mayor,
and Members of the Board of Alderman
Plaucheville, Louisiana

We have audited the accompanying general purpose financial statements of the Village of Plaucheville, Louisiana, as of and for the year ended June 30, 1998, 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.

Except as discussed in the following paragraph, 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.

Governmental Accounting Standards Board Technical Bulletin 98-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Village of Plaucheville has included such disclosures in Note 17. Because of the unprecedented nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Village of Plaucheville's disclosures with respect to the year 2000 issue made in Note 17. Further, we do not provide assurance that the Village of Plaucheville is or will be year 2000 ready, that the Village of Plaucheville's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village of Plaucheville does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Plaucheville, Louisiana, as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

MEMBER OF
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA
CERTIFIED PUBLIC ACCOUNTANTS

In accordance with Government Auditing Standards, we have also issued a report dated December 4, 1998, on our consideration of the Village of Plaquemine's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The financial information listed as "supplemental information" in the table of contents which includes the schedule of expenditures of federal awards is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Village of Plaquemine, Louisiana. Such information, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Marksville, Louisiana
December 4, 1998

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Group
June 30, 1998

	<u>Governmental</u>	<u>Fund Types</u>	<u>Proprietary</u>	<u>Account Group</u>	
	<u>General</u>	<u>Special</u>	<u>Fund Type</u>	<u>General</u>	<u>Totals</u>
		<u>Revenue</u>	<u>Enterprise</u>	<u>Fixed Assets</u>	<u>(Memorandum Only)</u>
ASSETS AND OTHER DEBITS					
Cash and interest-bearing deposits	\$43,515	\$81,318	\$ 277,451	\$ -	\$ 402,284
Receivables:					
Taxes	-	1,730	-	-	1,730
Accounts	-	-	17,815	-	17,815
Accrued interest	-	1,179	5,249	-	6,428
Due from other governmental agencies	7,763	-	51,981	-	59,744
Other	2,077	-	-	-	2,077
Restricted assets:					
Cash and interest-bearing deposits	-	-	125,311	-	125,311
Land	-	-	-	11,549	11,549
Buildings and improvements	-	-	-	106,613	106,613
Other improvements	-	-	-	67,380	67,380
Equipment	-	-	-	52,909	52,909
Utility property, plant and equipment	-	-	2,019,596	-	2,019,596
Accumulated depreciation	-	-	(549,998)	-	(549,998)
Total assets and other debits	<u>\$53,355</u>	<u>\$84,227</u>	<u>\$1,947,405</u>	<u>\$238,451</u>	<u>\$2,323,438</u>
LIABILITIES, EQUITY AND OTHER CREDITS					
Liabilities:					
Accounts payable	\$ 2,718	\$ 16	\$ 3,860	\$ -	\$ 6,594
Contracts payable	-	-	6,499	-	6,499
Retainage payable	-	-	45,483	-	45,483
Payable from restricted assets -					
Revenue bonds	-	-	9,969	-	9,969
Accrued interest	-	-	18,144	-	18,144
Customers' deposits	-	-	26,386	-	26,386
Revenue bonds	-	-	550,307	-	550,307
Total liabilities	<u>2,718</u>	<u>16</u>	<u>660,648</u>	<u>-</u>	<u>663,382</u>
Equity and other credits:					
Contributed capital	-	-	899,879	-	899,879
Investment in general fixed assets	-	-	-	238,451	238,451
Retained earnings -					
Reserved for:					
Revenue bond retirement	-	-	20,509	-	20,509
Depreciation and contingency	-	-	38,640	-	38,640
Unreserved	-	-	327,729	-	327,729
Total retained earnings	-	-	386,878	-	386,878
Fund balances -					
Unreserved, undesignated	50,637	84,211	-	-	134,848
Total equity and other credits	<u>50,637</u>	<u>84,211</u>	<u>1,286,757</u>	<u>238,451</u>	<u>1,660,056</u>
Total liabilities, equity and other credits	<u>\$53,355</u>	<u>\$84,227</u>	<u>\$1,947,405</u>	<u>\$238,451</u>	<u>\$2,323,438</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1998

	<u>General</u>	<u>Special Revenue</u>	<u>Total (Memorandum Only)</u>
Revenues:			
Taxes	\$ 3,578	\$ 18,948	\$ 22,526
Franchise fees	9,458	-	9,458
Licenses and permits	13,362	-	13,362
Intergovernmental	40,162	-	40,162
Fines and forfeits	1,309	-	1,309
Miscellaneous	<u>7,853</u>	<u>2,662</u>	<u>10,515</u>
Total revenues	<u>75,722</u>	<u>21,610</u>	<u>97,332</u>
Expenditures:			
Current -			
General government	47,858	200	48,058
Public safety:			
Police	11,928	-	11,928
Fire	4,451	-	4,451
Streets and drainage	208	-	208
Recreation	4,295	-	4,295
Capital outlay	<u>16,976</u>	<u>-</u>	<u>16,976</u>
Total expenditures	<u>85,716</u>	<u>200</u>	<u>85,916</u>
Excess (deficiency) of revenues over expenditures	<u>(9,994)</u>	<u>21,410</u>	<u>11,416</u>
Other financing sources (uses):			
Operating transfers in	26,824	-	26,824
Operating transfers out	<u>-</u>	<u>(11,990)</u>	<u>(11,990)</u>
Total other financing sources (uses)	<u>26,824</u>	<u>(11,990)</u>	<u>14,834</u>
Excess of revenues and other sources over expenditures and other uses	16,830	9,420	26,250
Fund balances, beginning	<u>33,807</u>	<u>74,791</u>	<u>108,598</u>
Fund balances, ending	\$50,637 =====	\$ 84,211 =====	\$134,848 =====

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
General Fund and Special Revenue Fund
Year Ended June 30, 1998

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 3,550	\$ 3,578	\$ 28	\$ 17,500	\$ 18,948	\$ 1,448
Franchise fees	9,600	9,458	(142)	-	-	-
Licenses and permits	8,900	13,362	4,462	-	-	-
Intergovernmental	28,824	40,162	11,338	-	-	-
Fines and forfeits	1,350	1,309	(41)	-	-	-
Miscellaneous	8,700	7,853	(847)	3,000	2,662	(338)
Total revenues	<u>60,924</u>	<u>75,722</u>	<u>14,798</u>	<u>20,500</u>	<u>21,610</u>	<u>1,110</u>
Expenditures:						
Current -						
General government	40,546	47,858	(7,312)	225	200	25
Public safety:						
Police	17,050	11,928	5,122	-	-	-
Fire	4,000	4,451	(451)	-	-	-
Streets and drainage	1,700	208	1,492	-	-	-
Recreation	3,100	4,295	(1,195)	-	-	-
Capital outlay	17,200	16,976	224	-	-	-
Total expenditures	<u>83,596</u>	<u>85,716</u>	<u>(2,120)</u>	<u>225</u>	<u>200</u>	<u>25</u>
Excess (deficiency) of revenues over expenditures	<u>(22,672)</u>	<u>(9,994)</u>	<u>12,678</u>	<u>20,275</u>	<u>21,410</u>	<u>1,135</u>
Other financing sources (uses):						
Operating transfers in	12,000	26,824	14,824	-	-	-
Operating transfers out	-	-	-	(12,000)	(11,990)	10
Total other financing sources (uses)	<u>12,000</u>	<u>26,824</u>	<u>14,824</u>	<u>(12,000)</u>	<u>(11,990)</u>	<u>10</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(10,672)</u>	<u>16,830</u>	<u>27,502</u>	<u>8,275</u>	<u>9,420</u>	<u>1,145</u>
Fund balances, beginning	<u>33,807</u>	<u>33,807</u>	<u>-</u>	<u>74,791</u>	<u>74,791</u>	<u>-</u>
Fund balances, ending	<u>\$ 23,135</u> =====	<u>\$ 50,637</u> =====	<u>\$ 27,502</u> =====	<u>\$ 83,066</u> =====	<u>\$ 84,211</u> =====	<u>\$ 1,145</u> =====

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Revenues, Expenses, and Changes in Retained Earnings
 Proprietary Fund Type
 Year Ended June 30, 1998

	<u>Enterprise</u>
Operating revenues:	
Charges for services -	
Water services	\$186,008
Connection fees	3,203
Miscellaneous	<u>4,216</u>
Total operating revenues	<u>193,427</u>
Operating expenses:	
Salaries	52,309
Payroll taxes	3,924
Maintenance and supplies	41,441
Utilities	19,180
Office supplies	3,874
Insurance	5,200
Professional fees	2,885
Miscellaneous	1,556
Depreciation	<u>49,252</u>
Total operating expenses	<u>179,621</u>
Operating income	<u>13,806</u>
Nonoperating revenues (expenses)	
Interest income	16,114
Interest expense	<u>(34,683)</u>
Net nonoperating expenses	<u>(18,569)</u>
Loss before operating transfers	(4,763)
Operating transfers out	<u>(14,834)</u>
Net loss	(19,597)
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>21,032</u>
Net increase in retained earnings	1,435
Retained earnings, beginning	<u>385,443</u>
Retained earnings, ending	\$386,878 =====

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Statement of Cash Flows
 Proprietary Fund Type
 Year Ended June 30, 1998

	<u>Enterprise</u>
Cash flows from operating activities:	
Operating income	\$ <u>13,806</u>
Adjustments to reconcile operating income to net cash provided by operating activities -	
Depreciation	49,252
Changes in assets and liabilities:	
Increase in accounts receivable	(1,780)
Increase in interest receivable	(5,249)
Decrease in due from other funds	2,116
Decrease in accounts payable	606
Total adjustments	<u>44,945</u>
Net cash provided by operating activities	<u>58,751</u>
Cash flows from noncapital financing activities:	
Operating transfers out to other funds	<u>(14,834)</u>
Cash flows from capital and related financing activities:	
Acquisition of property, plant and equipment	(12,796)
Net increase in meter deposits	1,546
Principal payments on bonds payable	(8,088)
Interest paid on bonds payable	<u>(35,130)</u>
Net cash used by capital and related financing activities	<u>(54,468)</u>
Cash flows from investing activities:	
Interest received on interest-bearing deposits	16,114
Net increase in interest-bearing deposits	<u>(1,638)</u>
Net cash provided by investing activities	<u>14,476</u>
Net decrease in cash and cash equivalents	3,925
Cash and cash equivalents, beginning of period	<u>234,437</u>
Cash and cash equivalents, end of period	\$ 238,362 =====
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:	
Cash and cash equivalents, beginning of period -	
Cash and interest-bearing deposits - unrestricted	\$ 113,390
Cash and interest-bearing deposits - restricted	283,808
Less: Interest-bearing deposits with a maturity over three months	<u>(162,761)</u>
Total cash and cash equivalents	<u>234,437</u>
Cash and cash equivalents, end of period -	
Cash and interest-bearing deposits - unrestricted	277,451
Cash and interest-bearing deposits - restricted	125,311
Less: Interest-bearing deposits with a maturity over three months	<u>(164,400)</u>
Total cash and cash equivalents	<u>238,362</u>
Net increase	\$ 3,925 =====

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Village of Plaquemine (Village) was incorporated in 1903 under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

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

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Village's combined financial statements include the accounts of all Village operations. The criteria for including organizations as component units within the Village's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- * the organization is legally separate (can sue and be sued in their own name)
- * the Village holds the corporate powers of the organization
- * the Village appoints a voting majority of the organization's board
- * the Village is able to impose will on the organization
- * the organization has the potential to impose a financial benefit/burden on the Village
- * there is fiscal dependency by the organization on the Village

Based on the aforementioned criteria, the Village of Plaquemine has no component units.

B. Basis of Presentation - Fund Accounting

The accounts of the Village of Plaquemine 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 an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are reporting devices used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The Village has the following fund types and account groups:

Governmental Fund Types -

General Fund

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

Special revenue fund

The special revenue fund is used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Proprietary Fund Type -

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 or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Village of Plaquemine's enterprise fund is the Water Fund.

Account Group -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

C. Basis of Accounting

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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. Sales taxes are considered "measurable" when in the hands of 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. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, interest on interest-bearing deposits and franchise fees. Licenses, permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

D. Budgets and Budgetary Accounting

The Village follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Mayor meets with the Board of Aldermen to review the prior year revenue and expenditures as a basis for projecting the current fiscal year budget.
2. The Village doesn't formally integrate its budget as a management tool.
3. All budgetary appropriations lapse at the end of the fiscal year.
4. Budgets are prepared for the general fund, enterprise, and special revenue fund on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations. Budgetary control is exercised at the fund level.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include cash on hand, demand deposits, and time deposits which are stated at cost, which approximates market.

F. Statement of Cash Flows

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

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Village has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not included in the general fixed assets account group or capitalized in the proprietary fund.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Water Utility:

Water lines and expansions	50 years
Wells, plant and storage tanks	20-40 years
Repairs and improvements to storage tanks	10 years
Equipment	5-8 years
Vehicles	3 years

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

I. Bad Debts

Uncollectible amounts due for ad valorem taxes and utility accounts receivable are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the receivable. No allowance for uncollectible amounts was made due to immateriality at June 30, 1998.

J. Compensated Absences

Employees of the Village are not covered under any specific vacation or sick-leave policy. It is the village's policy that unused compensated absences lapse at the end of each year. Therefore, no accruals for accumulated unused compensated absences have been made in these general purpose financial statements.

K. Total Columns on Combined Statements - Overview

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

(2) Cash and Interest-Bearing Deposits

Under state law, the Village may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Village may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the Village has cash and interest-bearing deposits (book balances) totaling \$527,595 as follows:

Cash on hand	\$ 10
Demand deposits	36,232
Time deposits	211,892
Money markets	<u>279,461</u>
 Total	 \$527,595 =====

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at June 30, 1998 are secured as follows:

Bank balances	\$536,486
	=====
Federal deposit insurance	\$229,612
Pledged securities (Category 3)	<u>300,787</u>
Total	\$530,399
	=====
Bank balances unsecured	\$ 6,087
	=====

Pledged securities in Category 3 include uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the Village's name. Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Village that the fiscal agent has failed to pay deposited funds upon demand.

(3) Utility Receivables

Aged billed utility receivables of \$17,815 consisted of the following at June 30, 1998:

Current billings	\$14,146
Over 30 days	1,695
over 60 days	<u>1,974</u>
	\$17,815
	=====

Unbilled utility receivables are not recorded in these financial statements due to immateriality at June 30, 1998.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(4) Due from Other Governmental Agencies

Due from other Governmental Agencies of \$59,744 consisted of the following at June 30, 1998:

Avoyelles Parish Police Jury - gaming	\$ 7,763
State of Louisiana - LCDBG Grant	<u>51,981</u>
	\$59,744
	=====

(5) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 1998:

Bond and interest fund	\$ 30,369
Waterworks reserve	17,946
Waterworks depreciation and contingency	38,641
Customer meter deposits	<u>38,355</u>
	\$125,311
	=====

(6) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>7/01/97</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/98</u>
Land and Improvements	\$ 11,549	\$ -	\$ -	\$ 11,549
Buildings and improvements	102,613	4,000	-	106,613
Other Improvements	67,380	-	-	67,380
Equipment	<u>44,737</u>	<u>12,472</u>	<u>4,300</u>	<u>52,909</u>
Totals	\$226,279	\$16,472	\$4,300	\$ 238,451
	=====	=====	=====	=====

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

Water department:

Water lines, well and extensions	\$1,940,192
Meters and pumps	14,305
Service vehicles	41,208
Office equipment	9,329
Building	12,562
Land	<u>2,000</u>
	2,019,596
Less: Accumulated depreciation	<u>(549,998)</u>
Net Utility Fund property, plant and equipment	\$1,469,598 =====

(7) Changes in Revenue Bonds Payable

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

Bonds payable at June 30, 1997	\$568,364
Bonds issued	-
Bonds retired	<u>8,088</u>
Bonds payable at June 30, 1998	\$560,276 =====

Revenue bonds payable at June 30, 1998 is comprised of the following individual issue:

Revenue bonds:

\$646,000 bonds dated 12/13/90 due in annual installments of \$43,217 through December 13, 2023 interest at 6.0 percent	\$560,276 =====
--	--------------------

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$554,112 are as follows:

<u>Year Ending</u> <u>June 30</u>	<u>Revenue</u>
1999	\$ 43,217
2000	43,217
2001	43,217
2002	43,217
2003	43,217
2004-2008	216,085
2009-2013	216,085
2014-2018	216,085
2019-2023	216,085
2024	<u>33,963</u>
	\$1,114,388
	=====

(8) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Village in September or October and are actually billed to taxpayers in November. Billed taxes become delinquent on January 1 of the following year. The Village bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Ad valorem tax revenues are budgeted in the year billed.

For the year ended June 30, 1998 taxes of 5.59 mills were levied on property with assessed valuations totaling \$666,980 and were dedicated as follows:

General corporate purposes	5.59 mills
----------------------------	------------

Total taxes levied were \$3,728. All taxes were collected at June 30, 1998.

(9) Dedication of Proceeds and Flow of Funds - Sales and Use Tax Levy

On May 24, 1975, the voters of the Village of Plaquemine approved a one percent (1%) sales and use tax for a period beginning 1, 1975. The revenues derived from said sales and use tax are to be used for the purpose of constructing, acquiring, improving and/or maintaining a new municipal

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

building for the Village of Plaquemine, including the purchasing and acquiring the necessary land, equipment, and furnishings for the building to be utilized as a public meeting hall and for recreational purposes; and for any lawful corporate purpose of the Village of Plaquemine. The tax is subject to funding into bonds by the Village of Plaquemine for any one or more of the foregoing purposes.

(10) Dedication of Water Revenues and Sinking Fund Requirements

The revenues of the water system are partially pledged to retire the \$646,000 water revenue bonds dated December 13, 1990. Under terms of the bond indenture 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:

1. Out of the revenues there shall be established a "Revenue Fund" for the payment of the reasonable and necessary expenses of operating and maintaining the system.
2. Each month, there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and 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 for such payments.
3. There shall also be set aside into a "Revenue Bond Reserve Fund" an amount equal to 5% of the monthly "Sinking Fund" payment required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to \$43,217. 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 Sinking Fund as to which there would otherwise be default. At June 30, 1997 there was \$17,946 in this fund.
4. Funds will also be set aside into a "Depreciation and Contingencies Fund" an amount equal to \$386 per month. Money in this fund may be used to care for depreciation, extensions, additions, improvements and replacements to the system which are necessary to keep the system in operating condition. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

not sufficient money for payment in the other bond funds, but if so used, such money must be replaced as soon as possible thereafter out of the earnings derived from the operation of the system after making the required payments into respective funds and accounts required above.

5. The excess revenues not required to bring the Reserve Fund or Depreciation and Contingencies Fund up to their maximum requirements, shall be transferred to a "Surplus Fund" which shall be used for the purpose of calling and/or paying bonds payable from the income and revenues of the operation of the system or for such other lawful corporate purposes as the Village of Plaquemine may determine, whether or not such purposes are or are not related to the system.

For the fiscal year ended June 30, 1998 the Village complied with all the above bond indenture requirements.

(11) Retirement Commitments

All employees of the Village participate in the social security retirement system. The Village has no further liability for retirement commitments.

(12) Contract Agreements

In December 1984, the Village placed into service a new water treatment facility making it possible to produce its own water in a supply sufficient to service all of its customers. Prior to the operation of this new plant, the Village was purchasing its water from the Town of Cottonport, Louisiana. The Village elected to maintain its contract with the Town of Cottonport in order to meet emergency supply needs or cope with unforeseen circumstances. The contract agreement was renewed on February 1, 1998 for a term of one year. A summary of the major contract provisions are as follows:

A. Seller (Town of Cottonport) agrees:

1. To furnish at the point of delivery, potable water in such quantity as may be required by the purchaser not to exceed 75,000 gallons per day.

B. Purchaser (Village of Plaquemine) agrees;

1. To pay to seller, no later than the 15th day of each month, for water delivered in accordance with the contract agreement the sum of \$1.12 per one thousand gallons for all water delivered to the purchaser per month.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(13) Franchise Agreements

The Village of Plaquemine has entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Village. A summary of each such agreement is as follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective May 4, 1987 for a period of fifteen (15) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the Village. Fees payable quarterly within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:
 - A. Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).
2. Friendship Cable - effective August 4, 1981 for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less sales taxes, federal excise tax and copyright fees, received by the company within the Village. Fees are payable to the Village quarterly, by the 10th of the following month.
3. Entex - effective December 7, 1970 for a period of twenty-five (25) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Village. Fees are payable on or before the 10th of each February.
4. Central Louisiana Telephone Company - effective June 3, 1974 for a period of twenty-five (25) years granting the company the right, privilege and franchise to operate within the limits of the Village. Consideration is given in exchange for said rights.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Compensation of Village Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended June 30, 1998 follows:

Terryl St. Romain, Mayor	\$1,560
Alderman:	
Gerald Saucier	840
Marie Ducote	840
Jay Lemoine	<u>840</u>
Total	\$4,080 =====

(15) Sales Tax Collection Agreement

On June 15, 1994, the Village of Plaquemine entered into an intergovernmental agreement with the Avoyelles Parish School Board whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Village of Plaquemine under the Village's ordinances for a monthly fee of 1.5 percent of the gross tax revenues collected by the School Board. The School Board will remit collections to the Village on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee.

(16) Other agreements

On November 10, 1992 the Village of Plaquemine entered into 2 separate leases for oil, gas and other liquid or gaseous minerals as lessor with McGinty-Durham, Inc., for the purpose of exploring by any method, prospecting and drilling for and producing oil, gas or other liquid or gaseous minerals on property located at the Village's Ward Eight Pumping Station site and Goudeau Well site. Each lease is for a three (93) year period and as long thereafter as oil, gas or other liquid or gaseous mineral is produced in paying quantities or any operation is conducted, payment is made, or condition exist, which continues the lease in force. On the date the lease was entered into, the Village received a \$9 payment for the lease at the Ward Eight pumping station site and a \$70 payment for the lease at the Goudeau Well site. Each payment consisted of one-half rental for the first year of the lease and on-half bonus for the lease rights. If drilling operations are not commenced on the leased properties on or before one year from the dates of the leases, each lease will terminate unless McGinty-Durham, Inc. pays the

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Village \$5 rental payment on the Ward Eight pumping station site lease and \$35 rental payment on the Goudeau Well site lease, which will extend for 12 months the time within which drilling may be commenced. Thereafter, annually, in like manner and upon like payments, McGinty-Durham, Inc. may maintain all lease rights without actual drilling operations for successive periods of twelve months each. If on any rental paying date actual drilling operations are being conducted on or production in paying quantities is being obtained from the leased properties, no rental payments are due and the Village will be paid royalties as specifically calculated in each lease.

(17) Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Village's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

At this time, the Village is in the process of converting its software programs which will comply with the year 2000 issue. The Village is also utilizing an external computer consultant to identify and test the systems for Year 2000 compliance. To date, a preliminary assessment of the impact of this issue has not been completed. Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter.

SUPPLEMENTAL INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Revenues:			
Taxes	\$ 3,550	\$ 3,578	\$ 28
Franchise fees	9,600	9,458	(142)
Licenses and permits	8,900	13,362	4,462
Intergovernmental	28,824	40,162	11,338
Fines and forfeits	1,350	1,309	(41)
Miscellaneous	<u>8,700</u>	<u>7,853</u>	<u>(847)</u>
Total revenues	<u>60,924</u>	<u>75,722</u>	<u>14,798</u>
Expenditures:			
Current -			
General government	40,546	47,858	(7,312)
Public safety:			
Police	17,050	11,928	5,122
Fire	4,000	4,451	(451)
Streets and drainage	1,700	208	1,492
Recreation	3,100	4,295	(1,195)
Capital outlay	<u>17,200</u>	<u>16,976</u>	<u>224</u>
Total expenditures	<u>83,596</u>	<u>85,716</u>	<u>(2,120)</u>
Deficiency of revenues over expenditures	(22,672)	(9,994)	12,678
Other financing sources:			
Operating transfers in	<u>12,000</u>	<u>26,824</u>	<u>14,824</u>
Excess (deficiency) of revenues and other sources over expenditures and uses	(10,672)	16,830	27,502
Fund balance, beginning	<u>33,807</u>	<u>33,807</u>	<u>-</u>
Fund balance, ending	\$ 23,135 =====	\$50,637 =====	\$27,502 =====

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Taxes:			
Ad valorem	\$ 3,550	\$ 3,578	\$ 28
Franchise fees:			
Electric	4,800	5,206	406
Gas	1,600	1,642	42
Cable TV	<u>3,200</u>	<u>2,610</u>	<u>(590)</u>
Total franchise fees	<u>9,600</u>	<u>9,458</u>	<u>(142)</u>
Licenses and permits:			
Occupational licenses/ permits	<u>8,900</u>	<u>13,362</u>	<u>4,462</u>
Intergovernmental:			
U.S. Department of Justice - Cops grant	-	3,170	3,170
State of Louisiana - Tobacco tax	1,000	1,011	11
Beer tax	850	819	(31)
Red River Delta grant	2,049	2,049	
Casino revenue	<u>26,974</u>	<u>33,113</u>	<u>6,139</u>
Total intergovernmental	<u>28,824</u>	<u>40,162</u>	<u>11,338</u>
Fines and forfeits	<u>1,350</u>	<u>1,309</u>	<u>(41)</u>
Miscellaneous:			
Interest	900	931	31
Charges for services	3,600	4,010	410
Sale of equipment	-	600	600
Miscellaneous	<u>4,200</u>	<u>2,312</u>	<u>(1,888)</u>
Total miscellaneous	<u>8,700</u>	<u>7,853</u>	<u>(847)</u>
Total revenues	<u>\$60,924</u>	<u>\$75,722</u>	<u>\$14,798</u>
	=====	=====	=====

VILLAGE OF PLAUCHEVILLE, LOUISIANA
 General Fund
 Statement of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
General government:			
Salaries	\$11,175	\$12,250	\$(1,075)
Payroll taxes	850	1,143	(293)
Utilities and telephone	9,600	8,877	723
Advertising and publications	2,150	2,109	41
Dues and subscriptions	400	172	228
Professional fees	1,750	2,623	(873)
Insurance	3,500	6,661	(3,161)
Office supplies	3,212	3,570	(358)
Maintenance and supplies	4,400	5,436	(1,036)
Trash pickup	850	828	22
Christmas decorations	1,550	1,521	29
Miscellaneous	<u>1,109</u>	<u>2,668</u>	<u>(1,559)</u>
Total general government	<u>40,546</u>	<u>47,858</u>	<u>(7,312)</u>
Public safety:			
Police -			
Salaries	9,250	5,774	3,476
Supplies	3,500	917	2,583
Payroll taxes	1,000	453	547
Maintenance	500	1,878	(1,378)
Insurance	2,800	2,382	418
Miscellaneous	<u>-</u>	<u>524</u>	<u>(524)</u>
Total police	<u>17,050</u>	<u>11,928</u>	<u>5,122</u>
Fire-			
Insurance	<u>4,000</u>	<u>4,451</u>	<u>(451)</u>
Streets and drainage:			
Insurance	<u>1,700</u>	<u>208</u>	<u>1,492</u>
Recreation:			
Maintenance and supplies	3,100	2,757	343
Insurance	-	1,257	(1,257)
Miscellaneous	<u>-</u>	<u>281</u>	<u>(281)</u>
Total recreation	<u>3,100</u>	<u>4,295</u>	<u>(1,195)</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1998

	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>
Capital outlay			
General government:			
Furniture	1,100	1,093	7
Equipment	2,000	1,828	172
Public safety-			
Police:			
Vehicle	8,000	7,990	10
Garage	500	504	(4)
Fire:			
Storage building	4,000	4,000	-
Recreation:			
Stove	<u>1,600</u>	<u>1,561</u>	<u>39</u>
Total capital outlay	<u>17,200</u>	<u>16,976</u>	<u>224</u>
 Total expenditures	 \$83,596 =====	 \$85,716 =====	 \$(2,120) =====

INTERNAL CONTROL AND COMPLIANCE

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

The Honorable Terryl St. Romain, Mayor
and Members of the Board of Aldermen
Plaucheville, Louisiana

We have audited the general purpose financial statements of the Village of Plaucheville, Louisiana, as of and for the year ended June 30, 1998 and have issued our report thereon dated December 4, 1998. In our report, our opinion was qualified because insufficient audit evidence exists to support the Village of Plaucheville's disclosures with respect to the year 2000 issue due to the unprecedented nature and its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. 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 Plaucheville's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings and questioned costs in Part II, Section A.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Plaucheville'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.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

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

Marksville, Louisiana
December 4, 1998

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REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO THE MAJOR PROGRAM AND INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

The Honorable Terryl St. Romain, Mayor
and Members of the Board of Aldermen
Village of Plaquemine, Louisiana

Compliance

We have audited the compliance of Village of Plaquemine, Louisiana, with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended June 30, 1998. Village of Plaquemine, Louisiana's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of Village of Plaquemine, Louisiana's management. Our responsibility is to express an opinion on Village of Plaquemine, Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Village of Plaquemine, Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Village of Plaquemine, Louisiana's compliance with those requirements.

In our opinion, Village of Plaquemine, Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1998.

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Internal Control Over Compliance

The management of Village of Plaquemine, Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Village of Plaquemine, Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 non compliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

We have audited the general purpose financial statements of Village of Plaquemine as of and for the year ended June 30, 1998, and have issued our report thereon dated December 4, 1998. Our audit was performed for the purpose of forming an opinion on the general purpose financial statement taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the Village of Plaquemine. Such information 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 whole.

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

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

Marksville, Louisiana
December 4, 1998

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Federal Awards
Year Ended June 30, 1998

<u>Federal Grantor/Pass-Through Grantor/Program Name</u>	<u>CFDA Number</u>	<u>Expenditures</u>
United States Department of Housing and Urban Development: Passed-through Louisiana Division of Administration - Community Development Block Grants/State's Program 1996 LCDBG*	14.228	\$578,979
United States Department of Justice: Bureau of Justice Assistance Direct Program: Local Law Enforcement Block Grant	16.592	<u>3,170</u>
		\$582,149 =====

*Indicates major federal financial assistance program.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Schedule of Federal Awards
Year Ended June 30, 1998

(1) General

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal financial assistance programs of the Village of Plaquemine (the Village). The Village's reporting entity is defined in Note 1 to the general-purpose financial statements for the year ended June 30, 1998. All federal financial assistance received directly from federal agencies is included on the schedule as well as federal financial assistance passed through other government agencies.

(2) Basis of Accounting

The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the Village's general-purpose financial statements for the year ended June 30, 1998.

(3) Relationship to Federal Financial Reports

Amounts reported in the Schedule of Expenditures of Federal Awards agree with the amounts reported in the related federal financial reports.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

Part I. Summary of Auditor's Results:

1. A qualified opinion was issued on the financial statements.
2. No reportable conditions in internal control was disclosed by the audit of the financial statements.
3. An instance of noncompliance was disclosed by the audit of the financial statements.
4. No reportable conditions in internal control over the major program was disclosed by the audit of the financial statements.
5. An unqualified opinion was issued on compliance for the major program.
6. The audit disclosed no audit findings required to be reported under Section 510(a) of Circular A-133.
7. The major program was:
United States Department of Housing and Urban Development: 1996 LCDBG.
8. The dollar threshold used to distinguish between Type A and Type B programs, as described in Section 520(b) of Circular A-133 was \$300,000.
9. The auditee did not qualify as a low-risk auditee under Section 530 of Circular A-133.

Part II. Findings Which are Required to be Reported in Accordance With Generally Accepted Governmental Auditing Standards:

A. Compliance Finding -

98-1 Deposits Not Adequately Secured

Condition: Reconciliations comparing bank balances to FDIC insurance and securities pledged are not being performed.

Criteria: Internal controls should be in place that provide reasonable assurance that bank balances are adequately secured.

Effect: Deposits in one financial institution was not adequately secured on June 30, 1998 in the amount of \$6,087.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Findings and Questioned Costs (Continued)
Year Ended June 30, 1998

Recommendation: We recommend that controls should be established to monitor that bank balances are properly secured by financial institutions.

Response: We concur with the recommendation. The financial institution has been informed of the inadequate securities pledged and the Village's Clerk is in the process of implementing procedures to ensure that deposits are fully secured at all times.

Part III. Findings and questioned costs for Federal awards which include audit findings as defined in Section 510(a) of Circular A-133:

There were no findings to report under this section.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Corrective Action Plan
Year Ended June 30, 1998

<u>Reference Number</u>	<u>Recommendation</u>	<u>Actions Taken</u>
<u>Deposits not adequately secured</u>		
98-1	We recommend that controls should be established to monitor that the bank balances are properly secured by financial institutions.	The financial institution has been informed of the inadequate securities pledged and the Village's Clerk is in the process of implementing procedures to ensure that deposits are fully secured at all times.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Prior Year Findings
June 30, 1998

There were no findings and/or management comments mentioned in the June 30, 1997 audit that required follow-up procedures.

OTHER INFORMATION

VILLAGE OF PLAUCHEVILLE, LOUISIANA

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

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation - Employer's liability	Statutory \$100,000
Surety Bonds - Position Bond	80,000
Fire, Extended Coverage and Vandalism - Municipal building and contents: Building	100,000
Contents	20,000
Comprehensive General Liability - Bodily injury, property damage and personal injury	50,000
Police Liability - Personal injury, liability, false arrest, etc.	50,000
Automobile Bodily Injury, Property Damage and Uninsured Motorists	50,000
Fire and Extended Coverage - Water department building plant	30,000
Contents	15,000
Water supplier on Lebeau-Dupont Hwy.	2,000
Water/Sewer Lift Tanks - LA Hwy. 361	8,000
Water Control Room - LA Hwy. 361	10,000
Contents	5,000
Fire and Extended Coverage - Community Center	150,000
Contents	20,000
Fire and Extended Coverage - Fire Station	50,000
Contents	20,000
Fire and Extended Coverage - Concession Stand	18,000
Contents	2,000

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Fund

Number of Water Customers
(Unaudited)
June 30, 1998

Records maintained by the Village indicated the following number of customers were being served during the month of June 1998:

<u>Type</u>	<u>Number of Customers</u>
Commercial	13
Nursing Home	1
Schools	4
Residential	1,062

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Fund

Schedule of Water Rates
(Unaudited)
June 30, 1998

Commercial:

Flat rate of \$10 up to 2,000 gallons
Additional 75¢ per 500 gallons up to 4,500 gallons
Additional 50¢ per 500 gallons from 5,000 to 11,000 gallons
Additional 90¢ per 1,000 gallons over 11,000 gallons

Nursing Home:

Flat rate of \$200 up to 100,000 gallons
Additional \$7 per 10,000 gallons over 100,000 gallons

Schools:

Flat rate of \$50 up to 10,000 gallons
Additional 7¢ per 100 gallons up to 12,000 gallons
Additional 70¢ per 1,000 gallons over 12,000 gallons

Residential:

Flat rate of \$8.50 up to 2,000 gallons
Additional 15¢ per 100 gallons up to 5,000 gallons
Additional 10¢ per 100 gallons from 5,000 to 10,000 gallons
Additional 9¢ per 100 gallons from 10,000 to 12,000 gallons
Additional 90¢ per 1,000 gallons over 12,000 gallons