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**VILLAGE OF PLAUCHEVILLE,
LOUISIANA**

Financial Report

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 29 1999~~

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INDEPENDENT AUDITORS' REPORT

The Honorable Terry 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, 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 Plaucheville, Louisiana, as of June 30, 1999, 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.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information is 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 Plaucheville is or will become year 2000 compliant, that the Village's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Village does business are or will be year 2000 compliant.

The supplemental information is presented for purposes of additional analysis. Such information, except for that portion 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with Government Auditing Standards, we have also issued a report dated August 30, 1999, on our consideration of the Village of Plaquemine's internal control over financial reporting and our tests of its compliance with laws and regulations.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed a qualified opinion on the general purpose financial statements of the Village of Plaquemine, Louisiana.

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

Marksville, Louisiana
August 30, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Group
 June 30, 1999

	Governmental		Proprietary		Account		Totals (Memorandum Only)
	Fund Types		Fund Type		Group		
	General	Special Revenue	Enterprise	Assets	1999	1998	
ASSETS							
Cash and interest-bearing deposits	\$51,931	\$ 98,527	\$ 257,034	\$ -	\$ 407,492	\$ 402,284	
Receivables:							
Taxes	-	2,320	-	-	2,320	1,730	
Accounts	-	-	16,004	-	16,004	17,815	
Accrued interest	-	1,179	10,962	-	12,141	6,428	
Due from other governmental agencies	8,956	-	-	-	8,956	59,744	
Other	5,996	-	-	-	5,996	2,077	
Restricted assets:							
Cash and interest-bearing deposits	-	-	115,718	-	115,718	125,311	
Land	-	-	-	11,549	11,549	11,549	
Buildings and improvements	-	-	-	106,613	106,613	106,613	
Other improvements	-	-	-	67,380	67,380	67,380	
Equipment	-	-	-	57,918	57,918	52,909	
Utility property, plant and equipment	-	-	2,073,923	-	2,073,923	2,019,596	
Accumulated depreciation	-	-	(593,673)	-	(593,673)	(549,998)	
Total assets	\$66,883	\$102,026	\$1,879,968	\$243,460	\$2,292,337	\$2,323,438	

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Group (Continued)
 June 30, 1999

	Governmental		Proprietary Fund Type Enterprise	Account Group General Fixed Assets	Totals (Memorandum Only)	
	Fund Types				1999	1998
	General	Special Revenue				
LIABILITIES, EQUITY AND OTHER CREDITS						
Liabilities:						
Accounts payable	\$ 2,120	\$ 22	\$ 8,514	\$ -	\$ 10,656	\$ 6,594
Contracts payable	-	-	-	-	-	6,499
Retainage payable	-	-	-	-	-	45,483
Payable from restricted assets -						
Revenue bonds	-	-	10,844	-	10,844	9,969
Accrued interest	-	-	4,923	-	4,923	18,144
Customers' deposits	-	-	29,029	-	29,029	26,386
Revenue bonds payable	-	-	533,627	-	533,627	550,307
Total liabilities	2,120	22	586,937	-	589,079	663,382
Fund equity:						
Contributed capital (net of amortization)	-	-	873,057	-	873,057	899,879
Investment in general fixed assets	-	-	-	243,460	243,460	238,451
Retained earnings -						
Reserved for:						
Revenue bond retirement	-	-	30,156	-	30,156	20,509
Depreciation and contingency	-	-	43,273	-	43,273	38,640
Unreserved	-	-	346,545	-	346,545	327,729
Total retained earnings	-	-	419,974	-	419,974	386,878
Fund balances -						
Unreserved, undesignated	64,763	102,004	-	-	166,767	134,848
Total fund equity	64,763	102,004	1,293,031	243,460	1,703,258	1,660,056
Total liabilities and fund equity	\$66,883	\$102,026	\$1,879,968	\$243,460	\$2,292,337	\$2,323,438

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, 1999

	General	Special Revenue	Totals (Memorandum Only)	
			1999	1998
Revenues:				
Taxes	\$ 3,911	\$ 19,634	\$ 23,545	\$ 22,526
Franchise fees	10,104	-	10,104	9,458
Licenses and permits	14,726	-	14,726	13,362
Intergovernmental	49,105	-	49,105	40,162
Fines and forfeits	1,869	-	1,869	1,309
Miscellaneous	10,580	266	10,846	10,515
Total revenues	<u>90,295</u>	<u>19,900</u>	<u>110,195</u>	<u>97,332</u>
Expenditures:				
Current -				
General government	46,607	244	46,851	48,058
Public safety:				
Police	17,980	-	17,980	11,928
Fire	2,926	-	2,926	4,451
Streets and drainage	176	-	176	208
Recreation	2,855	-	2,855	4,295
Capital outlay	5,009	-	5,009	16,976
Total expenditures	<u>75,553</u>	<u>244</u>	<u>75,797</u>	<u>85,916</u>
Excess of revenues over expenditures	<u>14,742</u>	<u>19,656</u>	<u>34,398</u>	<u>11,416</u>
Other financing sources (uses):				
Operating transfers in	-	-	-	26,824
Operating transfers out	(616)	(1,863)	(2,479)	(11,990)
Total other financing sources (uses)	<u>(616)</u>	<u>(1,863)</u>	<u>(2,479)</u>	<u>14,834</u>
Excess of revenues and other sources over expenditures and other uses	14,126	17,793	31,919	26,250
Fund balances, beginning	<u>50,637</u>	<u>84,211</u>	<u>134,848</u>	<u>108,598</u>
Fund balances, ending	<u>\$64,763</u>	<u>\$102,004</u>	<u>\$166,767</u>	<u>\$134,848</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 -
Budget (GAAP Basis) and Actual -
All Governmental Fund Types
Year Ended June 30, 1999

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 3,911	\$ 3,911	\$ -	\$ 19,000	\$ 19,634	\$ 634
Franchise fees	10,131	10,104	(27)	-	-	-
Licenses and permits	13,500	14,726	1,226	-	-	-
Intergovernmental	44,111	49,105	4,994	-	-	-
Fines and forfeits	1,750	1,869	119	-	-	-
Miscellaneous	7,700	10,580	2,880	2,500	266	(2,234)
Total revenues	<u>81,103</u>	<u>90,295</u>	<u>9,192</u>	<u>21,500</u>	<u>19,900</u>	<u>(1,600)</u>
Expenditures:						
Current -						
General government	56,382	46,607	9,775	400	244	156
Public safety:						
Police	18,350	17,980	370	-	-	-
Fire	4,500	2,926	1,574	-	-	-
Streets and drainage	250	176	(74)	-	-	-
Recreation	4,750	2,855	1,895	-	-	-
Capital outlay	6,625	5,009	1,616	-	-	-
Total expenditures	<u>90,857</u>	<u>75,553</u>	<u>15,156</u>	<u>400</u>	<u>244</u>	<u>156</u>
Excess (deficiency) of revenues over expenditures	<u>(9,754)</u>	<u>14,742</u>	<u>24,348</u>	<u>21,100</u>	<u>19,656</u>	<u>(1,444)</u>
Other financing sources (uses):						
Operating transfers in	45,500	-	(45,500)	-	-	-
Operating transfers out	-	(616)	(616)	-	(1,863)	(1,863)
Total other financing sources (uses)	<u>45,500</u>	<u>(616)</u>	<u>(46,116)</u>	<u>-</u>	<u>(1,863)</u>	<u>(1,863)</u>
Excess of revenues and other sources over expenditures and other uses	35,746	14,126	(21,768)	21,100	17,793	(3,307)
Fund balances, beginning	<u>50,637</u>	<u>50,637</u>	<u>-</u>	<u>84,211</u>	<u>84,211</u>	<u>-</u>
Fund balances, ending	<u>\$86,383</u>	<u>\$64,763</u>	<u>\$(21,768)</u>	<u>\$105,311</u>	<u>\$102,004</u>	<u>\$(3,307)</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -
 Proprietary Fund Type
 Years Ended June 30, 1999 and 1998

	Enterprise	
	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water services	\$187,828	\$186,008
Connection fees	6,177	3,203
Miscellaneous	<u>4,318</u>	<u>4,216</u>
Total operating revenues	<u>198,323</u>	<u>193,427</u>
Operating expenses:		
Salaries	55,399	52,309
Payroll taxes	3,370	3,924
Maintenance and supplies	42,972	41,441
Utilities	17,030	19,180
Office supplies	2,647	3,874
Insurance	7,079	5,200
Professional fees	2,792	2,885
Miscellaneous	2,473	1,556
Depreciation	<u>58,129</u>	<u>49,252</u>
Total operating expenses	<u>191,891</u>	<u>179,621</u>
Operating income	<u>6,432</u>	<u>13,806</u>
Nonoperating revenues (expenses):		
Interest income	25,411	16,114
Sale of equipment	4,150	-
Interest expense	<u>(32,198)</u>	<u>(34,683)</u>
Net operating expenses	<u>(2,637)</u>	<u>(18,569)</u>
Income (loss) before operating transfers	3,795	(4,763)
Operating transfers in (out)	<u>2,479</u>	<u>(14,834)</u>
Net income (loss)	6,274	(19,597)
Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>26,822</u>	<u>21,032</u>
Net increase in retained earnings	33,096	1,435
Retained earnings, beginning	<u>386,878</u>	<u>385,443</u>
Retained earnings, ending	<u>\$419,974</u>	<u>\$386,878</u>

The accompanying notes are an integral part of this statement.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Comparative Statement of Cash Flows -
Proprietary Fund Type
Years Ended June 30, 1999 and 1998

	Enterprise	
	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating income	<u>\$ 6,432</u>	<u>\$ 13,806</u>
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	58,129	49,252
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,810	(1,780)
Increase in interest receivable	(5,713)	(5,249)
Decrease in due from other funds	-	2,116
Increase in accounts payable	<u>4,654</u>	<u>606</u>
Total adjustments	<u>58,880</u>	<u>44,945</u>
Net cash provided by operating activities	<u>65,312</u>	<u>58,751</u>
Cash flows from noncapital financing activities:		
Operating transfers in (out) to other funds	<u>2,479</u>	<u>(14,834)</u>
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(68,781)	(12,796)
Proceeds from sale of equipment	4,150	-
Net increase in meter deposits	2,643	1,546
Principal payments on bonds payable	(15,805)	(8,088)
Interest paid on bonds payable	<u>(45,419)</u>	<u>(35,130)</u>
Net cash used by capital and related financing activities	<u>(123,212)</u>	<u>(54,468)</u>
Cash flows from investing activities:		
Interest received on interest-bearing deposits	25,411	16,114
Net increase in interest-bearing deposits	<u>(13,285)</u>	<u>(1,638)</u>
Net cash provided by investing activities	<u>12,126</u>	<u>14,476</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Comparative Statement of Cash Flows -
Proprietary Fund Type (Continued)
Years Ended June 30, 1999 and 1998

	Enterprise	
	1999	1998
Net increase (decrease) in cash and cash equivalents	(43,295)	3,925
Cash and cash equivalents, beginning of period	238,362	234,437
Cash and cash equivalents, end of period	\$ 195,067	\$ 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	\$ 277,451	\$ 113,390
Cash and interest-bearing deposits - restricted	125,311	283,808
Less: Interest-bearing deposits with a maturity over three months	(164,400)	(162,761)
Total cash and cash equivalents	238,362	234,437
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	257,034	277,451
Cash and interest-bearing deposits - restricted	115,718	125,311
Less: Interest-bearing deposits with a maturity over three months	(177,685)	(164,400)
Total cash and cash equivalents	195,067	238,362
Net increase (decrease)	\$ (43,295)	\$ 3,925

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.

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

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 does not 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, enterprise, and special revenue funds 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.

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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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

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, 1999.

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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

K. 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 (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

L. 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, 1999, the Village has cash and interest-bearing deposits (book balances) totaling \$523,210 as follows:

Cash on hand	\$ 10
Demand deposits	53,420
Time deposits	222,792
Money markets	<u>246,988</u>
	<u>\$523,210</u>

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, 1999, are secured as follows:

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Bank balances	<u>\$518,926</u>
Federal deposit insurance	\$219,129
Pledged securities (Category 3)	<u>273,213</u>
Total federal deposit insurance and pledged securities	<u>\$492,342</u>
Bank balances unsecured	<u>\$ 26,584</u>

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 \$16,004 consisted of the following at June 30, 1999:

Current billings	\$14,484
Over 30 days	1,172
over 60 days	<u>348</u>
	<u>\$16,004</u>

Unbilled utility receivables are not recorded in these financial statements due to immateriality at June 30, 1999.

(4) Due from Other Governmental Agencies

Due from other Governmental Agencies of \$8,956 consisted of the following at June 30, 1999:

Avoyelles Parish Police Jury - gaming	<u>\$8,956</u>
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VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(5) Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at June 30, 1999:

Bond and interest fund	\$ 8,902
Waterworks reserve	20,405
Waterworks depreciation and contingency	44,366
Customer meter deposits	<u>42,045</u>
	<u>\$115,718</u>

(6) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance 7/1/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land and Improvements	\$ 11,549	\$ -	\$ -	\$ 11,549
Buildings and improvements	106,613	-	-	106,613
Other Improvements	67,380	-	-	67,380
Equipment	<u>52,909</u>	<u>5,009</u>	<u>-</u>	<u>57,918</u>
Totals	<u>\$238,451</u>	<u>\$ 5,009</u>	<u>\$ -</u>	<u>\$243,460</u>

A summary of proprietary fund type property, plant and equipment at June 30, 1999, follows:

Water department:

Water lines, well and extensions	\$1,982,079
Meters and pumps	14,305
Service vehicles	42,959
Office equipment	17,018
Building	12,562
Land	<u>5,000</u>
	2,073,923

Less: Accumulated depreciation (593,673)

Net Utility Fund property, plant and equipment \$1,480,250

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Revenue Bonds Payable

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

Bonds payable at June 30, 1998	\$560,276
Bonds issued	-
Bonds retired	<u>15,805</u>
Bonds payable at June 30, 1999	<u>\$544,471</u>

Revenue bonds payable at June 30, 1999, 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	<u>\$544,471</u>
--	------------------

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$526,700 are as follows:

<u>Year Ending June 30, 1999</u>	<u>Revenue</u>
2000	\$ 43,217
2001	43,217
2002	43,217
2003	43,217
2004	43,217
2005-2009	216,085
2010-2014	216,085
2015-2019	216,085
2020-2024	<u>206,831</u>
	<u>\$1,071,171</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(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, 1999, taxes of 5.59 mills were levied on property with assessed valuations totaling \$702,130 and were dedicated as follows:

General corporate purposes	5.59 mills
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Total taxes levied were \$3,911. All taxes were collected at June 30, 1999.

(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 September 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 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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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, 1999, there was \$20,405 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 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, 1999, 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, 1999, 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.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Notes to Financial Statements (Continued)

- 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.

(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 are 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 April 4, 1994, 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 June 1992, 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, 1999, follows:

Terryl St. Romain, Mayor	\$2,080
Alderman:	
Gerard Saucier	1,300
Marie Ducote	1,300
Jay Lemoine	<u>1,300</u>
 Total	 <u>\$5,980</u>

(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 (3) 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 conditions 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 one-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 \$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.

SUPPLEMENTARY 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

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and interest bearing deposits	\$51,931	\$43,515
Receivables:		
Due from other governmental agencies	8,956	7,763
Other	<u>5,996</u>	<u>2,077</u>
Total assets	<u>\$66,883</u>	<u>\$53,355</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 2,120	\$ 2,718
Fund balance:		
Unreserved, undesignated	<u>64,763</u>	<u>50,637</u>
Total liabilities and fund balance	<u>\$66,883</u>	<u>\$53,355</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 3,911	\$ 3,911	\$ -	\$ 3,578
Franchise fees	10,131	10,104	(27)	9,458
Licenses and permits	13,500	14,726	1,226	13,362
Intergovernmental	44,111	49,105	4,994	40,162
Fines and forfeits	1,750	1,869	119	1,309
Miscellaneous	7,700	10,580	2,880	7,853
Total revenues	<u>81,103</u>	<u>90,295</u>	<u>9,192</u>	<u>75,722</u>
Expenditures:				
Current -				
General government	56,382	46,607	9,775	47,858
Public safety:				
Police	18,350	17,980	370	11,928
Fire	4,500	2,926	1,574	4,451
Streets and drainage	250	176	(74)	208
Recreation	4,750	2,855	1,895	4,295
Capital outlay	6,625	5,009	1,616	16,976
Total expenditures	<u>90,857</u>	<u>75,553</u>	<u>15,156</u>	<u>85,716</u>
Excess (deficiency) of revenues over expenditures	<u>(9,754)</u>	<u>14,742</u>	<u>24,348</u>	<u>(9,994)</u>
Other financing sources (uses):				
Operating transfers in	45,500	-	(45,500)	26,824
Operating transfers out	-	(616)	(616)	-
Total other financing sources (uses)	<u>45,500</u>	<u>(616)</u>	<u>(46,116)</u>	<u>26,824</u>
Excess of revenues and other sources over expenditures and other uses	35,746	14,126	(21,768)	16,830
Fund balance, beginning	<u>50,637</u>	<u>50,637</u>	<u>-</u>	<u>33,807</u>
Fund balance, ending	<u>\$86,383</u>	<u>\$ 64,763</u>	<u>\$(21,768)</u>	<u>\$50,637</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Taxes:				
Ad valorem	<u>\$ 3,911</u>	<u>\$ 3,911</u>	<u>\$ -</u>	<u>\$ 3,578</u>
Franchise fees:				
Electric	5,400	5,340	(60)	5,206
Gas	1,321	1,321	-	1,642
Cable TV	<u>3,410</u>	<u>3,443</u>	<u>33</u>	<u>2,610</u>
Total franchise fees	<u>10,131</u>	<u>10,104</u>	<u>(27)</u>	<u>9,458</u>
Licenses and permits:				
Occupational licenses/permits	<u>13,500</u>	<u>14,726</u>	<u>1,226</u>	<u>13,362</u>
Intergovernmental:				
U.S. Department of Justice -				
Cops grant	-	2,475	2,475	3,170
State of Louisiana -				
Tobacco tax	1,100	1,011	(89)	1,011
Beer tax	1,011	1,211	200	819
Red River Delta grant	6,000	7,389	1,389	2,049
Casino revenue	<u>36,000</u>	<u>37,019</u>	<u>1,019</u>	<u>33,113</u>
	<u>44,111</u>	<u>49,105</u>	<u>4,994</u>	<u>40,162</u>
Fines and forfeits	<u>1,750</u>	<u>1,869</u>	<u>119</u>	<u>1,309</u>
Miscellaneous:				
Interest	1,200	3,920	2,720	931
Charges for services	4,000	4,530	530	4,010
Sale of equipment	-	-	-	600
Miscellaneous	<u>2,500</u>	<u>2,130</u>	<u>(370)</u>	<u>2,312</u>
Total miscellaneous	<u>7,700</u>	<u>10,580</u>	<u>2,880</u>	<u>7,853</u>
Total revenues	<u><u>\$81,103</u></u>	<u><u>\$90,295</u></u>	<u><u>\$9,192</u></u>	<u><u>\$75,722</u></u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Current -				
General government -				
Salaries	\$17,520	\$14,756	\$ 2,764	\$ 12,250
Payroll taxes	1,200	2,221	(1,021)	1,143
Utilities and telephone	9,000	8,271	729	8,877
Advertising and publications	2,000	1,828	172	2,109
Dues and subscriptions	350	261	89	172
Professional fees	2,700	2,030	670	2,623
Insurance	8,000	4,944	3,056	6,661
Office supplies and postage	4,012	723	3,289	3,570
Maintenance and supplies	7,000	3,668	3,332	5,436
Trash pickup	850	828	22	828
Christmas decorations	1,250	1,028	222	1,521
Miscellaneous	2,500	6,049	(3,549)	2,668
Total general government	<u>56,382</u>	<u>46,607</u>	<u>9,775</u>	<u>47,858</u>
Public safety:				
Police -				
Salaries	10,500	13,692	(3,192)	5,774
Supplies	1,500	410	1,090	917
Gas, oil and repairs	2,000	47	1,953	1,878
Payroll taxes	850	973	(123)	453
Insurance	3,000	1,990	1,010	2,382
Miscellaneous	500	868	(368)	524
Total police	<u>18,350</u>	<u>17,980</u>	<u>370</u>	<u>11,928</u>
Fire -				
Insurance	<u>4,500</u>	<u>2,926</u>	<u>1,574</u>	<u>4,451</u>
Streets and drainage -				
Insurance	<u>250</u>	<u>176</u>	<u>(74)</u>	<u>208</u>
Recreation -				
Cleaning and janitorial	3,000	1,745	1,255	2,757
Insurance	1,750	1,054	696	1,257
Miscellaneous expenditures	-	56	(56)	281
Total recreation	<u>4,750</u>	<u>2,855</u>	<u>1,895</u>	<u>4,295</u>

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Capital outlay -				
General government -				
Furniture	-	-	-	1,093
Equipment	-	-	-	1,828
Public Safety:				
Police -				
Equipment	5,000	4,741	259	-
Vehicle	-	-	-	7,990
Garage	-	-	-	504
Fire -				
Storage Building	-	-	-	4,000
Highways & streets -				
Equipment	1,625	268	1,357	-
Recreation -				
Stove	-	-	-	1,561
Total capital outlay	<u>6,625</u>	<u>5,009</u>	<u>1,616</u>	<u>16,976</u>
Total expenditures	<u>\$90,857</u>	<u>\$75,553</u>	<u>\$15,156</u>	<u>\$85,716</u>

SPECIAL REVENUE FUND

Sales Tax Fund -

To account for the receipt and use of proceeds of the Village's 1975 1% sales and use tax. The taxes are dedicated to constructing, acquiring, improving and/or maintaining a new municipal building; the purchasing and acquiring the necessary land, equipment, and furnishings for the said building; and for any lawful corporate purpose of the Village of Plaquemine.

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Special Revenue Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and interest bearing deposits	\$ 98,527	\$81,318
Receivables:		
Taxes	2,320	1,730
Accrued interest	<u>1,179</u>	<u>1,179</u>
Total assets	<u>\$102,026</u>	<u>\$84,227</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	\$ 22	\$ 16
Fund balance:		
Unreserved, undesignated	<u>102,004</u>	<u>84,211</u>
Total liabilities and fund balance	<u>\$102,026</u>	<u>\$84,227</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		
Revenues:				
Sales taxes	\$ 19,000	\$ 19,634	\$ 634	\$ 18,948
Miscellaneous	2,500	266	(2,234)	2,662
Total revenues	<u>21,500</u>	<u>19,900</u>	<u>(1,600)</u>	<u>21,610</u>
Expenditures:				
General government - Sales tax collection fee	<u>400</u>	<u>244</u>	<u>156</u>	<u>200</u>
Excess of revenues over expenditures	21,100	19,656	(1,444)	21,410
Other financing uses:				
Operating transfers out	<u>-</u>	<u>(1,863)</u>	<u>(1,863)</u>	<u>(11,990)</u>
Excess of revenues over expenditures and other uses	21,100	17,793	(3,307)	9,420
Fund balance, beginning	<u>84,211</u>	<u>84,211</u>	<u>-</u>	<u>74,791</u>
Fund balance, ending	<u>\$105,311</u>	<u>\$102,004</u>	<u>\$(3,307)</u>	<u>\$ 84,211</u>

ENTERPRISE FUND

Water Fund -

To account for the provision of water services to residents of the Village. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Utility Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
ASSETS		
Current assets:		
Cash and interest-bearing deposits	\$ 257,034	\$ 277,451
Receivables -		
Accounts	16,004	17,815
Accrued interest	10,962	5,249
Due from other governmental agencies	-	51,981
Total current assets	<u>284,000</u>	<u>352,496</u>
Restricted assets:		
Cash and interest-bearing deposits	<u>115,718</u>	<u>125,311</u>
Property, plant and equipment, at cost, net of accumulated depreciation (1999 \$593,673; 1998 \$549,998)	<u>1,480,250</u>	<u>1,469,598</u>
Total assets	<u><u>\$1,879,968</u></u>	<u><u>\$1,947,405</u></u>

	<u>1999</u>	<u>1998</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 8,514	\$ 3,860
Contracts payable	-	6,499
Retainage payable	-	45,483
Total current liabilities (payable from current assets)	<u>8,514</u>	<u>55,842</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds	10,844	9,969
Accrued interest	4,923	18,144
Customers' deposits	29,029	26,386
Total current liabilities (payable from restricted assets)	<u>44,796</u>	<u>54,499</u>
Long-term liabilities -		
Revenue bonds	<u>533,627</u>	<u>550,307</u>
Total liabilities	<u>586,937</u>	<u>660,648</u>
Fund equity:		
Contributed capital	<u>873,057</u>	<u>899,879</u>
Retained earnings -		
Reserved for bond retirement	30,156	20,509
Reserved for depreciation and contingency	43,273	38,640
Unreserved	346,545	327,729
Total retained earnings	<u>419,974</u>	<u>386,878</u>
Total fund equity	<u>1,293,031</u>	<u>1,286,757</u>
Total liabilities and fund equity	<u>\$1,879,968</u>	<u>\$1,947,405</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water services	\$187,828	\$186,008
Connection fees	6,177	3,203
Miscellaneous	<u>4,318</u>	<u>4,216</u>
Total operating revenues	<u>198,323</u>	<u>193,427</u>
 Operating expenses:		
Salaries	55,399	52,309
Payroll taxes	3,370	3,924
Maintenance and supplies	42,972	41,441
Utilities	17,030	19,180
Office supplies	2,647	3,874
Insurance	7,079	5,200
Professional fees	2,792	2,885
Miscellaneous	2,473	1,556
Depreciation	<u>58,129</u>	<u>49,252</u>
Total operating expenses	<u>191,891</u>	<u>179,621</u>
 Operating income	<u>6,432</u>	<u>13,806</u>
 Nonoperating revenues (expenses):		
Interest income	25,411	16,114
Sale of equipment	4,150	-
Interest expense	<u>(32,198)</u>	<u>(34,683)</u>
 Net operating expenses	<u>(2,637)</u>	<u>(18,569)</u>
 Income (loss) before operating transfers	3,795	(4,763)
 Operating transfers in (out)	<u>2,479</u>	<u>(14,834)</u>
 Net income (loss)	6,274	(19,597)
 Add: Depreciation on fixed assets acquired with capital grants that reduces contributed capital from capital grants	<u>26,822</u>	<u>21,032</u>
 Net increase in retained earnings	33,096	1,435
 Retained earnings, beginning	<u>386,878</u>	<u>385,443</u>
 Retained earnings, ending	<u>\$419,974</u>	<u>\$386,878</u>

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1999 and 1998

	Enterprise	
	1999	1998
Cash flows from operating activities:		
Operating income	\$ 6,432	\$ 13,806
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	58,129	49,252
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,810	(1,780)
Increase in interest receivable	(5,713)	(5,249)
Decrease in due from other funds	-	2,116
Increase in accounts payable	4,654	606
Total adjustments	58,880	44,945
Net cash provided by operating activities	65,312	58,751
Cash flows from noncapital financing activities:		
Operating transfers in (out) to other funds	2,479	(14,834)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(68,781)	(12,796)
Proceeds from sale of equipment	4,150	-
Net increase in meter deposits	2,643	1,546
Principal payments on bonds payable	(15,805)	(8,088)
Interest paid on bonds payable	(45,419)	(35,130)
Net cash used by capital and related financing activities	(123,212)	(54,468)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	25,411	16,114
Net increase in interest-bearing deposits	(13,285)	(1,638)
Net cash provided by investing activities	12,126	14,476

(continued)

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 1999 and 1998

	Enterprise	
	1999	1998
Net increase (decrease) in cash and cash equivalents	(43,295)	3,925
Cash and cash equivalents, beginning of period	238,362	234,437
Cash and cash equivalents, end of period	\$ 195,067	\$ 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	\$ 277,451	\$ 113,390
Cash and interest-bearing deposits - restricted	125,311	283,808
Less: Interest-bearing deposits with a maturity over three months	(164,400)	(162,761)
Total cash and cash equivalents	238,362	234,437
Cash and cash equivalents, end of period -		
Cash and interest-bearing deposits - unrestricted	257,034	277,451
Cash and interest-bearing deposits - restricted	115,718	125,311
Less: Interest-bearing deposits with a maturity over three months	(177,685)	(164,400)
Total cash and cash equivalents	195,067	238,362
Net increase (decrease)	\$ (43,295)	\$ 3,925

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITORS' 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 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, 1999, and have issued our report thereon dated August 30, 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 Plaucheville, Louisiana's general purpose financial statements are free of material misstatements, 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 instances of noncompliance that are required to be reported under Government Auditing Standards, which are described in the accompanying schedule of prior and current audit findings in Part II.

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
August 30, 1999

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Prior and Current Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 1999

I. Prior Year Findings --

Compliance -

98-1 Deposits Not Adequately Secured

Finding:

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

Status:

Unresolved. See Item 99-1.

Internal Control Over Financial Reporting -

There were no internal control findings at June 30, 1998.

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Prior and Current Audit Findings
and Management's Corrective Action Plan (Continued)
Year Ended June 30, 1999

II. Current Year Findings -

Compliance -

99-1 Deposits Not Adequately Secured

Finding:

Deposits in one financial institution were not adequately secured on June 30, 1999, in the amount of \$26,584.

Recommendation:

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

Management's Corrective Action Plan:

The financial institution has been informed of the inadequate securities pledged. Management intends to implement procedures to ensure that deposits are fully secured at all times.

99-2 Christmas Bonuses Paid

Finding:

Christmas Bonuses were paid to all employees in violation of Article VII, Section 14 of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG Opinion 79-729 totaling \$290. All full time employees received \$50 each and part-time employees received \$30 each.

Management's Corrective Action Plan:

Management does not intend to continue this practice.

Internal Control Over Financial Reporting -

There were no internal control findings at June 30, 1999.

OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Impact of Year 2000 on Computer Programs (Unaudited)

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.

The Village has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Village operations and have identified such systems as being financial reporting and utility billing.

Both the financial reporting and utility billing systems have been assessed. The Village has converted both systems to year 2000 compliant software applications. Testing and validation should not be necessary, as the software vendors have assured that the applications are year 2000 compatible.

There are no remaining contracted amounts committed to this project as of June 30, 1999.

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. Management cannot assure that the Village is or will be year 2000 ready, that the Village's remediation efforts will be successful in whole or in part, or that the parties with whom the Village does business will be year 2000 ready. The Village is utilizing external resources to identify and test the systems for year 2000 compliance.

VILLAGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Fund

Number of Water Customers
(Unaudited)
June 30, 1999

Records maintained by the Village indicated the following number of customers were being served during the month of June 1999:

<u>Type</u>	<u>Number of Customers</u>
Commercial	13
Nursing Home	1
Schools	4
Residential	1,082

VILALGE OF PLAUCHEVILLE, LOUISIANA
Enterprise Fund
Water Fund

Schedule of Water Rates
(Unaudited)
June 30, 1999

Commerical:

Flat rate of \$10 up to 2,000 gallons
Additional .75 cents per 500 gallons up to 4,500 gallons
Additional .50 cents per 500 gallons from 5,000 to 11,000 gallons
Additional .90 cents 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 cents per 100 gallons up to 12,000 gallons
Additional .70 cents per 1,000 gallons over 12,000 gallons

Resential:

Flat rate of \$8.50 up to 2,000 gallons
Additional .15 cents per 100 gallons up to 5,000 gallons
Additional .10 cents per 100 gallons from 5,000 to 10,000 gallons
Additional .09 cents per 100 gallons from 10,000 to 12,000 gallons
Additional .90 cents per 1,000 gallons over 12,000 gallons

VILLAGE OF PLAUCHEVILLE, LOUISIANA

Schedule of Insurance in Force

(Unaudited)

June 30, 1999

Description of Coverage	Coverage Amounts
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	500,000
Police Liability - Personal injury, liability, false arrest, etc.	500,000
Automobile Bodily Injury, Property Damage and Uninsured Motorists	500,000
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