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VILLAGE OF ESTHERWOOD, LOUISIANA
FINANCIAL REPORT
JUNE 30, 1999

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Release Date MAR 15 2000

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

We have audited the accompanying general-purpose financial statements of the Village of Estherwood, Louisiana, as of and for the years ended June 30, 1999 and 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of the Village of Estherwood, Louisiana'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 the standards applicable to financial audits contained in *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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall 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 Estherwood, Louisiana, as of June 30, 1999 and 1998, and the results of its operations and cash flows of its proprietary fund types for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 23, 2000, on our consideration of the Village of Estherwood, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

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To the Honorable Stephen Broussard, Mayor
and the Board of Aldermen
Village of Estherwood, Louisiana

Our audit was performed for the purpose of forming an opinion on the general-purpose financial statements of the Village of Estherwood, Louisiana, taken as a whole. The combining and individual fund financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of the Village of Estherwood, 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 stated, in all material respects, in relation to the general-purpose financial statements taken as a whole.

BROUSSARD, ROCHE, LEWIS & BREAUX, L.L.P.

Crowley, Louisiana
February 23, 2000

GENERAL-PURPOSE FINANCIAL STATEMENTS
(Combined Statements - Overview)

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED BALANCE SHEETS -
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999 and 1998

ASSETS	1999		
	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash and cash equivalents	\$ 1,129	\$ 940	\$ 25
Investments	-	-	-
Receivables (net of allowances for uncollectibles):			
Accounts	-	4,267	-
Other	69	-	-
Due from other funds	117,572	25,231	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Total assets	<u>\$118,770</u>	<u>\$ 30,438</u>	<u>\$ 25</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 4,620	\$ 1,125	\$ -
Due to other funds	37,893	-	25
Accrued liabilities	1,613	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Meter deposits	-	-	-
Revenue bonds payable - current portion	-	-	-
Accrued interest	-	-	-
Total liabilities	<u>\$ 44,126</u>	<u>\$ 1,125</u>	<u>\$ 25</u>
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved - undesignated	74,644	29,313	-
Total fund equity	<u>\$ 74,644</u>	<u>\$ 29,313</u>	<u>\$ -</u>
Total liabilities and fund equity	<u>\$118,770</u>	<u>\$ 30,438</u>	<u>\$ 25</u>

See Notes to Financial Statements.

1999		
Proprietary Fund Types	Account Group General Fixed Assets	Total (Memorandum Only)
Enterprise		
\$ 4,907	\$ -	\$ 7,001
5,074	-	5,074
9,380	-	13,647
-	-	69
34,060	-	176,863
35,370	-	35,370
12,875	-	12,875
<u>1,091,857</u>	<u>430,803</u>	<u>1,522,660</u>
<u>\$1,193,523</u>	<u>\$ 430,803</u>	<u>\$1,773,559</u>
\$ 12,505	\$ -	\$ 18,250
138,945	-	176,863
753	-	2,366
151,798	-	151,798
13,711	-	13,711
15,232	-	15,232
8,124	-	8,124
<u>\$ 341,068</u>	<u>\$ -</u>	<u>\$ 386,344</u>
\$1,268,965	\$ -	\$1,268,965
-	430,803	430,803
29,464	-	29,464
(445,974)	-	(445,974)
-	-	103,957
<u>\$ 852,455</u>	<u>\$ 430,803</u>	<u>\$1,387,215</u>
<u>\$1,193,523</u>	<u>\$ 430,803</u>	<u>\$1,773,559</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED BALANCE SHEETS -
ALL FUND TYPES AND ACCOUNT GROUPS
June 30, 1999 and 1998

ASSETS	1998		
	Governmental Fund Types		
	General	Special Revenue	Capital Projects
Cash and cash equivalents	\$ 1,241	\$ 1,776	\$ -
Investments	-	-	-
Receivables (net of allowances for uncollectibles):			
Accounts	-	4,130	-
Other	212	-	-
Due from other funds	100,959	24,658	-
Restricted assets:			
Cash and cash equivalents	-	-	-
Investments	-	-	-
Fixed assets (net of accumulated depreciation)	-	-	-
Total assets	<u>\$102,412</u>	<u>\$ 30,564</u>	<u>\$ -</u>
LIABILITIES AND FUND EQUITY			
LIABILITIES			
Accounts payable	\$ 6,004	\$ 2,117	\$ -
Due to other funds	34,432	-	-
Accrued liabilities	1,339	-	-
Revenue bonds payable	-	-	-
Payable from restricted assets:			
Meter deposits	-	-	-
Revenue bonds payable - current portion	-	-	-
Accrued interest	-	-	-
Total liabilities	<u>\$ 41,775</u>	<u>\$ 2,117</u>	<u>\$ -</u>
FUND EQUITY			
Contributed capital	\$ -	\$ -	\$ -
Investment in general fixed assets	-	-	-
Retained earnings (deficit):			
Reserved for revenue bond retirement	-	-	-
Unreserved	-	-	-
Fund balances:			
Unreserved - undesignated	<u>60,637</u>	<u>28,447</u>	<u>-</u>
Total fund equity	<u>\$ 60,637</u>	<u>\$ 28,447</u>	<u>\$ -</u>
Total liabilities and fund equity	<u>\$102,412</u>	<u>\$ 30,564</u>	<u>\$ -</u>

See Notes to Financial Statements.

Exhibit A
(Continued)

1998		
Proprietary Fund Types	Account Group General Fixed Assets	Total (Memorandum Only)
<u>Enterprise</u>		
\$ 4,391	\$ -	\$ 7,408
5,000	-	5,000
10,073	-	14,203
-	-	212
19,096	-	144,713
40,389	-	40,389
18,875	-	18,875
<u>938,682</u>	<u>435,783</u>	<u>1,374,465</u>
<u>\$1,036,506</u>	<u>\$ 435,783</u>	<u>\$1,605,265</u>
\$ 5,918	\$ -	\$ 14,039
110,281	-	144,713
594	-	1,933
167,030	-	167,030
13,254	-	13,254
19,532	-	19,532
<u>8,783</u>	<u>-</u>	<u>8,783</u>
<u>\$ 325,392</u>	<u>\$ -</u>	<u>\$ 369,284</u>
\$1,100,322	\$ -	\$1,100,322
-	435,783	435,783
40,839	-	40,839
(430,047)	-	(430,047)
<u>-</u>	<u>-</u>	<u>89,084</u>
<u>\$ 711,114</u>	<u>\$ 435,783</u>	<u>\$1,235,981</u>
<u>\$1,036,506</u>	<u>\$ 435,783</u>	<u>\$1,605,265</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES -
ALL GOVERNMENTAL FUND TYPES
Years Ended June 30, 1999 and 1998

	1999			
	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
Revenues:				
Taxes	\$ 33,177	\$ 26,986	\$ -	\$ 60,163
Licenses and permits	11,697	-	-	11,697
Intergovernmental	9,936	-	168,643	178,579
Fines	6,977	-	-	6,977
Miscellaneous	<u>961</u>	<u>26</u>	<u>-</u>	<u>987</u>
Total revenues	<u>\$ 62,748</u>	<u>\$ 27,012</u>	<u>\$168,643</u>	<u>\$258,403</u>
Expenditures:				
Current:				
General government	\$ 25,174	\$ 17,896	\$ -	\$ 43,070
Public safety	4,503	-	-	4,503
Public works	19,064	-	-	19,064
Capital outlay	<u>-</u>	<u>-</u>	<u>168,643</u>	<u>168,643</u>
Total expenditures	<u>\$ 48,741</u>	<u>\$ 17,896</u>	<u>\$168,643</u>	<u>\$235,280</u>
Excess of revenues over expenditures	\$ 14,007	\$ 9,116	\$ -	\$ 23,123
Other financing uses:				
Operating transfers out	<u>-</u>	<u>(8,250)</u>	<u>-</u>	<u>(8,250)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 14,007	\$ 866	\$ -	\$ 14,873
Fund balances, beginning	<u>60,637</u>	<u>28,447</u>	<u>-</u>	<u>89,084</u>
Fund balances, ending	<u>\$ 74,644</u>	<u>\$ 29,313</u>	<u>\$ -</u>	<u>\$103,957</u>

See Notes to Financial Statements.

<u>1998</u>			
<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total (Memorandum Only)</u>
\$ 28,850	\$ 25,743	\$ -	\$ 54,593
13,120	-	-	13,120
9,954	-	-	9,954
3,433	-	-	3,433
<u>442</u>	<u>-</u>	<u>-</u>	<u>442</u>
<u>\$ 55,799</u>	<u>\$ 25,743</u>	<u>\$ -</u>	<u>\$ 81,542</u>
\$ 26,202	\$ 18,062	\$ -	\$ 44,264
3,793	-	-	3,793
17,288	-	-	17,288
<u>987</u>	<u>2,043</u>	<u>-</u>	<u>3,030</u>
<u>\$ 48,270</u>	<u>\$ 20,105</u>	<u>\$ -</u>	<u>\$ 68,375</u>
\$ 7,529	\$ 5,638	\$ -	\$ 13,167
<u>-</u>	<u>(6,000)</u>	<u>-</u>	<u>(6,000)</u>
\$ 7,529	\$ (362)	\$ -	\$ 7,167
<u>53,108</u>	<u>28,809</u>	<u>-</u>	<u>81,917</u>
<u>\$ 60,637</u>	<u>\$ 28,447</u>	<u>\$ -</u>	<u>\$ 89,084</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
Years Ended June 30, 1999 and 1998

	1999		
	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 29,580	\$ 33,177	\$ 3,597
Licenses and permits	12,750	11,697	(1,053)
Intergovernmental	9,675	9,936	261
Fines	4,000	6,977	2,977
Miscellaneous	<u>550</u>	<u>961</u>	<u>411</u>
Total revenues	<u>\$ 56,555</u>	<u>\$ 62,748</u>	<u>\$ 6,193</u>
Expenditures:			
Current:			
General government	\$ 21,398	\$ 25,174	\$ (3,776)
Public safety	6,450	4,503	1,947
Public works	21,697	19,064	2,633
Capital outlay	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total expenditures	<u>\$ 52,845</u>	<u>\$ 48,741</u>	<u>\$ 4,104</u>
Excess of revenues over expenditures	\$ 3,710	\$ 14,007	\$ 10,297
Other financing uses:			
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 3,710	\$ 14,007	\$ 10,297
Fund balances, beginning	<u>60,637</u>	<u>60,637</u>	<u>-</u>
Fund balances, ending	<u>\$ 64,347</u>	<u>\$ 74,644</u>	<u>\$ 10,297</u>

See Notes to Financial Statements.

<u>1999</u>		
<u>Special Revenue Fund</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 23,000	\$ 26,986	\$ 3,986
-	-	-
-	-	-
-	-	-
-	26	26
<u>\$ 23,000</u>	<u>\$ 27,012</u>	<u>\$ 4,012</u>
\$ 10,180	\$ 17,896	\$ (7,716)
-	-	-
-	-	-
<u>5,000</u>	-	<u>5,000</u>
<u>\$ 15,180</u>	<u>\$ 17,896</u>	<u>\$ (2,716)</u>
\$ 7,820	\$ 9,116	\$ 1,296
<u>(7,820)</u>	<u>(8,250)</u>	<u>(430)</u>
\$ -	\$ 866	\$ 866
<u>28,809</u>	<u>28,447</u>	<u>(362)</u>
<u>\$ 28,809</u>	<u>\$ 29,313</u>	<u>\$ 504</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND SPECIAL REVENUE FUNDS
Years Ended June 30, 1999 and 1998

	1998		
	General Fund		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$ 29,280	\$ 28,850	\$ (430)
Licenses and permits	13,350	13,120	(230)
Intergovernmental	11,992	9,954	(2,038)
Fines	4,000	3,433	(567)
Miscellaneous	<u>550</u>	<u>442</u>	<u>(108)</u>
Total revenues	<u>\$ 59,172</u>	<u>\$ 55,799</u>	<u>\$ (3,373)</u>
Expenditures:			
Current:			
General government	\$ 27,994	\$ 26,202	\$ 1,792
Public safety	6,950	3,793	3,157
Public works	15,600	17,288	(1,688)
Capital outlay	<u>5,000</u>	<u>987</u>	<u>4,013</u>
Total expenditures	<u>\$ 55,544</u>	<u>\$ 48,270</u>	<u>\$ 7,274</u>
Excess of revenues over expenditures	\$ 3,628	\$ 7,529	\$ 3,901
Other financing uses:			
Operating transfers out	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 3,628	\$ 7,529	\$ 3,901
Fund balances, beginning	<u>53,108</u>	<u>53,108</u>	<u>-</u>
Fund balances, ending	<u>\$ 56,736</u>	<u>\$ 60,637</u>	<u>\$ 3,901</u>

See Notes to Financial Statements.

1998		
Special Revenue Fund		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 21,700	\$ 25,743	\$ 4,043
-	-	-
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 21,700</u>	<u>\$ 25,743</u>	<u>\$ 4,043</u>
\$ 9,817	\$ 18,062	\$ (8,245)
-	-	-
-	-	-
<u>5,883</u>	<u>2,043</u>	<u>3,840</u>
<u>\$ 15,700</u>	<u>\$ 20,105</u>	<u>\$ (4,405)</u>
\$ 6,000	\$ 5,638	\$ (362)
<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
\$ -	\$ (362)	\$ (362)
<u>28,809</u>	<u>28,809</u>	<u>-</u>
<u>\$ 28,809</u>	<u>\$ 28,447</u>	<u>\$ (362)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENTS OF REVENUES, EXPENSES, AND
 CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services	\$ 144,767	\$ 148,728
Miscellaneous	<u>4,474</u>	<u>3,298</u>
Total operating revenues	<u>\$ 149,241</u>	<u>\$ 152,026</u>
Operating expenses:		
Salaries and wages	\$ 63,932	\$ 61,206
Payroll taxes	4,938	4,795
Group insurance	-	812
Plant supplies	16,177	9,899
Office supplies	2,044	1,801
Depreciation	31,774	28,109
Utilities	11,221	16,957
Fuel purchased	21,044	31,644
Equipment lease	1,953	-
Professional fees	11,617	4,753
Repairs and maintenance	12,450	8,271
Insurance	2,813	6,427
Miscellaneous	<u>10,491</u>	<u>9,580</u>
Total operating expenses	<u>\$ 190,454</u>	<u>\$ 184,254</u>
Operating loss	<u>\$ (41,213)</u>	<u>\$ (32,228)</u>
Non-operating revenues (expenses):		
Interest income	\$ 1,551	\$ 1,998
Interest expense	(8,645)	(9,627)
Reimbursement of capital costs	<u>12,755</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$ 5,661</u>	<u>\$ (7,629)</u>
Loss before operating transfers	\$ (35,552)	\$ (39,857)
Operating transfers in	<u>8,250</u>	<u>6,000</u>
Net loss	\$ (27,302)	\$ (33,857)
Retained earnings (deficit), beginning	<u>(389,208)</u>	<u>(355,351)</u>
Retained earnings (deficit), ending	<u>\$ (416,510)</u>	<u>\$ (389,208)</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

COMBINED STATEMENTS OF CASH FLOWS - ALL PROPRIETARY FUND TYPES
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating loss	\$ (41,213)	\$ (32,228)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	31,774	28,109
(Increase) decrease in assets:		
Account receivable	693	(629)
Due from other funds	(14,964)	(6,137)
Other receivables	-	4,246
Increase (decrease) in liabilities:		
Accounts payable	6,587	5,731
Due to other funds	28,664	17,342
Meter deposits	457	769
Other liabilities	<u>(500)</u>	<u>(530)</u>
Net cash provided by operating activities	<u>\$ 11,498</u>	<u>\$ 16,673</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers in	<u>\$ 8,250</u>	<u>\$ 6,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Proceeds from sale and maturities of investment securities	\$ 6,000	\$ -
Purchases of investment securities	(74)	-
Interest on investments	<u>1,551</u>	<u>1,998</u>
Net cash provided by investing activities	<u>\$ 7,477</u>	<u>\$ 1,998</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	\$ (184,949)	\$ -
Principal payment on revenue bonds	(19,532)	(18,614)
Proceeds from Rural Development Grant	12,755	-
Proceeds from L.C.D.B.G.	168,643	-
Interest paid on revenue bonds	<u>(8,645)</u>	<u>(9,627)</u>
Net cash used by capital and related financing activities	<u>\$ (31,728)</u>	<u>\$ (28,241)</u>
Net decrease in cash and cash equivalents	\$ (4,503)	\$ (3,570)
Cash and cash equivalents, beginning	<u>44,780</u>	<u>48,350</u>
Cash and cash equivalents, ending	<u>\$ 40,277</u>	<u>\$ 44,780</u>

See Notes to Financial Statements.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

The Village of Estherwood, Louisiana, (the Village) was incorporated March 12, 1901, under the provisions of Section 11 of Louisiana Act No. 136. The Village operates under a Mayor - Board of Aldermen form of government and provides the following services to its residents as authorized by its charter: public safety (police), highways and streets, sanitation, health, recreation, public improvements, planning and zoning, and general administrative services.

The general-purpose financial statements of the Village of Estherwood have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the Village are described below:

Basis of presentation - fund accounting:

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

Governmental Funds

Governmental funds are used to account for the governmental entity's general activities.

General Fund:

The General Fund is the general operating fund of the Village, and accounts for all financial resources except those required to be accounted for in another fund. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and capital improvement costs that are not paid through other funds are paid from the General Fund.

Special Revenue Fund:

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

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Capital Project Fund:

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds.

Proprietary Funds

Proprietary funds are reported in accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989, be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the Village have elected not to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Enterprise Funds:

Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Account Group

The account group is a reporting device to account for certain assets of the governmental funds not recorded directly in those funds. The accounting and reporting treatment applied to the fixed assets associated with a fund are determined by its measurement focus. The account group is not a "fund." It is concerned only with the measurement of financial position. It is not involved with measurement of results of operations.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

General Fixed Assets Account Group:

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in the governmental funds. General fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems, are not capitalized with general fixed assets. In accordance with generally accepted accounting principles, no provision is made for depreciation of such assets in the General Fixed Assets Account Group.

All fixed assets are stated on the basis of historical cost. Assets acquired through gift or donation are recorded at their estimated fair value at time of acquisition.

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the assets' estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Plant facilities	10-50 Years
Lines	50 Years
Equipment	10-12 Years

Basis of accounting - measurement focus:

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

The governmental funds use a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Their reported fund balance (net current assets) is considered a measure of "available spending resources." Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spending resources" during a period. The modified accrual basis of accounting is utilized by the governmental fund types. Their revenues are recognized when susceptible to accrual, i.e., when they become measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditure-driven grant revenues are

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

recorded when the qualifying expenditures have been incurred and all other grant requirements have been met. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, if measurable. Exceptions to this general rule include: (1) accumulated unpaid vacation, sick pay, and other employee amounts which are not accrued because they do not vest or accumulate; and (2) principal and interest on general long-term debt which is recognized when due.

The proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Propriety fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The accrual basis of accounting is utilized by the propriety fund types. Under this basis of accounting revenues are recognized when earned and expenses are recognized when the related liability is incurred.

Budgets and budgetary accounting:

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

1. The Mayor submits to the Board of Aldermen a proposed operating budget for the ensuing fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. The budget is then legally enacted through passage of an ordinance.
3. An amendment involving the transfer of monies from one department to another or from one program or function to another or any other increases in expenditures exceeding amounts estimated must be approved by the Board of Aldermen
4. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The budget is employed as a management control device during the year that assists its users in financial activity analysis.

All budget appropriations lapse at year end.

The budget presented is as amended by the Board of Aldermen. Expenditures may not legally exceed budgeted appropriations by more than five percent at the fund level.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

For the years ended June 30, 1999 and 1998, the Village's actual expenditures exceeded budgeted expenditures in the Special Revenue Fund by 28% and 18%, respectively. Louisiana Revised Statute (LSA-R.S.) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5 percent or more.

Encumbrances:

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized by the Village.

Cash and cash equivalents:

For purposes of reporting cash flows, the Village considers all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Total columns on general-purpose financial statements:

Total columns on the general-purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations 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.

Use of estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures or expenses during the reporting period. Actual results could differ from those estimates.

Interfund receivables and payables:

Short-term amounts owed between funds are classified as "Due to/from other funds."

Transactions between funds:

Legally authorized transfers are treated as operating transfers and are included in the results of operations.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Bad debts:

Uncollectible amounts due from customers' utility receivables are recognized as bad debts by the use of the allowance method of accounting for bad debts.

Note 2. Property Tax

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are payable by December 31. The Village bills and collects its own property taxes. Property tax revenues are recognized when levied to the extent that they result in current receivables. The Village currently levies taxes at 7 mills on the dollar of assessed valuation of property for general corporate purposes.

Note 3. Cash and Cash Equivalents

For reporting purposes, cash and cash equivalents include cash and savings deposits. The Village may invest in United States bonds, treasury notes or certificates, or time certificates of deposit of state banks having their principal office in the State of Louisiana, or any other federally insured investment. The Village may also invest in shares of any homestead and building and loan association in any amount not exceeding the federally insured amount. At year-end, the carrying amount of the Village's deposits was \$60,320 and the respective bank balances totaled \$62,673. Bank deposits at June 30, 1999, were fully secured by Federal Depository Insurance Corporation (FDIC) coverage.

Note 4. Interfund Receivables and Payables

Interfund balances at June 30, 1999 and 1998, consisted of the following individual fund receivables and payables.

<u>Fund</u>	<u>1999</u>		<u>1998</u>	
	<u>Interfund Receivables</u>	<u>Interfund Payables</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$117,572	\$ 37,893	\$100,959	\$ 34,432
Special Revenue Fund:				
Sales Tax Fund	25,231	-	24,658	-
Capital Projects Fund:				
L.C.D.B.G. Fund	-	25	-	-
Enterprise Funds:				
Water Utility Fund	6,738	63,357	2,984	52,510
Gas Utility Fund	9,238	61,184	4,115	50,621
Sewer Utility Fund	<u>18,084</u>	<u>14,404</u>	<u>11,997</u>	<u>7,150</u>
Totals	<u>\$176,863</u>	<u>\$176,863</u>	<u>\$144,713</u>	<u>\$144,713</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 5. Allowance for Uncollectibles

The receivable balance recorded in the Enterprise Funds at June 30, 1999 and 1998, is net of an allowance for uncollectibles of \$816, \$3,176, and \$540 for the Water, Gas, and Sewer Utility Funds, respectively.

Note 6. Proprietary Fund Type Property

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

	Water Utility <u>Fund</u>	Gas Utility <u>Fund</u>	Sewer Utility <u>Fund</u>	<u>Total</u>
Water wells	\$ 17,789	\$ -	\$ -	\$ 17,789
Water tank	114,447	-	-	114,447
Water treatment plant	41,629	-	-	41,629
Distribution system	247,695	43,572	1,213,434	1,504,701
Building	-	1,387	-	1,387
Meters	1,541	11,003	-	12,544
Other equipment	<u>23,899</u>	<u>12,321</u>	<u>6,550</u>	<u>42,770</u>
Total fixed assets	\$ 447,000	\$ 68,283	\$1,219,984	\$1,735,267
Less accumulated depreciation	<u>(210,957)</u>	<u>(67,056)</u>	<u>(365,397)</u>	<u>(643,410)</u>
Net fixed assets	<u>\$ 236,043</u>	<u>\$ 1,227</u>	<u>\$ 854,587</u>	<u>\$1,091,857</u>

Note 7. Deficit Fund Equity

The Water, Gas, and Sewer Utility Funds have deficit unreserved retained earnings balances at June 30, 1999, of \$184,754, \$50,405, and \$210,815, respectively. The Water, Gas, and Sewer Utility Funds have deficit unreserved retained earnings balances at June 30, 1998, of \$185,058, \$44,460, and \$200,529, respectively. The Village plans to eliminate these deficits through excess water, gas, and sewer usage fees.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 8. Dedication of Sales Tax Proceeds

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

1. Constructing and purchasing a fire department station, fire fighting and fire protection equipment, and other works of public improvement related thereto.
2. Constructing, acquiring, extending, or improving a sewerage plant and sewer system and operating the same.
3. For any other lawful corporate purpose, title to which shall be in the public.

Note 9. Changes in General Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Land and Land Improvements</u>	<u>Buildings</u>	<u>Equipment</u>	<u>Total</u>
Balance, June 30, 1997	\$ 243,627	\$ 70,762	\$ 121,394	\$ 435,783
Additions	-	-	-	-
Deletions	-	-	-	-
Balance, June 30, 1998	\$ 243,627	\$ 70,762	\$ 121,394	\$ 435,783
Additions	2,729	-	-	2,729
Deletions	-	-	(7,709)	(7,709)
Balance, June 30, 1999	<u>\$ 246,356</u>	<u>\$ 70,762</u>	<u>\$ 113,685</u>	<u>\$ 430,803</u>

Note 10. Changes in Long-Term Obligations

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

	<u>Gas Revenue Bonds</u>	<u>Sewer Revenue Bonds</u>	<u>Total</u>
Balance, June 30, 1997	\$ 10,000	\$ 195,176	\$ 205,176
Retirements	(5,000)	(13,614)	(18,614)
Balance, June 30, 1998	\$ 5,000	\$ 181,562	\$ 186,562
Retirements	(5,000)	(14,532)	(19,532)
Balance, June 30, 1999	<u>\$ -</u>	<u>\$ 167,030</u>	<u>\$ 167,030</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Long-term obligations at June 30, 1999, consist of the following:

Revenue Bonds Payable:

\$75,000 Gas Revenue Bonds issued June 1, 1969, due in annual installments of \$2,000 to \$5,000 through June 1, 1999; interest at 5.50%	\$ -
\$317,800 Sewer Revenue Bonds issued July 7, 1982, due in annual installments of \$23,561 through July 7, 2007; interest at 5.00%	<u>167,030</u>
Total long-term obligations	<u>\$ 167,030</u>

As of June 30, 1999, annual requirements to maturity for principal and interest for all long-term debt outstanding are as follows:

Year Ending <u>June 30,</u>	<u>Sewer Revenue Bonds</u>
2000	\$ 23,561
2001	23,561
2002	23,561
2003	23,561
2004	23,561
2005 and thereafter	<u>70,682</u>
Totals	\$188,487
Less: Interest	<u>21,457</u>
Present Value	<u>\$167,030</u>

Under the terms of various bond indentures on outstanding Gas Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the gas utility system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as indicated below:

All revenue must be deposited into a Revenue Account. The Revenue Account must transfer from time to time amounts into the Maintenance and Operation Account that are sufficient to pay the cost of maintaining and operating the gas utility system.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

After transferring the required amounts into the Maintenance and Operation Account, the Revenue Account must transfer monthly to the Bond and Interest Sinking Account an amount equal to one-sixth of the interest and one-twelfth of the principal falling due on their next respective payment date. Money so accumulated is to pay for currently maturing principal and interest.

After transferring the required amounts into to the Bond and Interest Sinking Account, 25% of the balance remaining in the Revenue Account must be transferred monthly to the Bond Reserve Account until a balance of \$7,000 is accumulated. Money in the Bond Reserve Account is solely dedicated to paying current principal and interest to the extent necessary to prevent a default and if so used, must be replaced in full as soon as feasible with funds not required for maintenance and operation of the gas utility system or payment of current principal and interest.

The Revenue Account must transfer monthly to the Depreciation and Contingencies Account a sum equal to 25% of the balance remaining in the Revenue Account after the payment to the Bond and Interest Sinking Account until a balance of \$4,000 is accumulated. Money so accumulated shall be used for making extensions, additions, improvements, and replacements to the gas utility system provided the balance will not be reduced below \$2,000, or for payment of principal and interest. Any such use of funds must be replaced as soon as feasible with funds not required for maintenance and operation of the gas utility system or payment of current principal and interest.

Money remaining in the Revenue Account after all of the above payments have been made shall be used to make extensions, additions, improvements, or replacements to the gas utility system or for retiring bonds not currently due.

The required and current balances of the above accounts at June 30, 1999, are as follows:

<u>Account</u>	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and Interest Sinking	\$ -	\$ 152	\$ 152
Bond Reserve	-	7,498	7,498
Depreciation and Contingencies	-	2,800	2,800
Totals	<u>\$ -</u>	<u>\$ 10,450</u>	<u>\$ 10,450</u>

The Gas Revenue Bonds were fully retired at June 30, 1999, and therefore the Village is no longer required to maintain the above accounts.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Under the terms of various bond indentures on outstanding Sewer Revenue Bonds, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the sewer utility system are pledged and dedicated to the retirement of said bonds and are to be deposited in funds as indicated below:

All revenue must be deposited into a Revenue Account. The Revenue Account must transfer from time to time amounts into the Maintenance and Operation Account that are sufficient to pay the cost of maintaining and operating the sewer utility system.

After transferring the required amounts into the Maintenance and Operation Account, the Revenue Account must transfer monthly to the Bond and Interest Sinking Account an amount equal to one-twelfth of the interest and one-twelfth of the principal falling due on their next respective payment date. Money so accumulated is to pay for currently maturing principal and interest.

After the above requirements are met, the Revenue Account must transfer monthly in advance on or before the 20th day of each month of each year beginning no later than after the sewer utility system becomes revenue producing, a sum equal to 5% of the sum to be required to be transferred in each month in the Bond Reserve Account. The payments are to continue until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirement in any succeeding fiscal year on the outstanding principal of the bond.

After all required payments above have been met, the Revenue Account must transfer \$99 into the Depreciation and Contingencies Account. The first monthly payment is to be made by the 20th day of the first full month following completion of the sewer utility system and by the 20th day of each month thereafter until \$23,600 is accumulated. The money in the Depreciation and Contingencies Account shall be used first to pay currently maturing principal and interest for which there is insufficient money in the Bond and Interest Sinking or Bond Reserve Accounts and secondly for making extensions, additions, improvements, or replacements to the sewer utility system. Any deficiencies in the Depreciation and Contingencies Account shall be made up from money in the Revenue Account whenever such money is not needed for maintenance and operation or payment of current principal, interest, and reserve account requirements.

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The required and current balances of the above accounts at June 30, 1999, are as follows:

<u>Account</u>	<u>Required</u>	<u>Actual</u>	<u>Excess (Deficiency)</u>
Bond and Interest Sinking	\$ 23,561	\$ 4,208	\$ (19,353)
Bond Reserve	18,063	19,193	1,130
Depreciation and Contingencies	<u>18,216</u>	<u>6,062</u>	<u>(12,154)</u>
Totals	<u>\$ 59,840</u>	<u>\$ 29,463</u>	<u>\$ (30,377)</u>

Note 11. Enterprise Fund Operations

The operations of the individual enterprise funds for the year ended June 30, 1999, which comprise the total combined enterprise fund operations are summarized as follows:

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Operating revenues	\$ 49,014	\$ 60,520	\$ 39,707	\$ 149,241
Operating expenses	<u>61,853</u>	<u>71,966</u>	<u>56,635</u>	<u>190,454</u>
Operating loss	<u>\$ (12,839)</u>	<u>\$ (11,446)</u>	<u>\$ (16,928)</u>	<u>\$ (41,213)</u>
Depreciation expense	<u>\$ 7,312</u>	<u>\$ 403</u>	<u>\$ 24,059</u>	<u>\$ 31,774</u>
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,250</u>	<u>\$ 8,250</u>
Net income (loss)	<u>\$ 304</u>	<u>\$ (11,220)</u>	<u>\$ (16,386)</u>	<u>\$ (27,302)</u>
Property, plant, and equipment additions	<u>\$ 188,334</u>	<u>\$ (50,405)</u>	<u>\$ 714,526</u>	<u>\$ 852,455</u>
Net working capital (current assets less current liabilities)	<u>\$ (47,484)</u>	<u>\$ (57,157)</u>	<u>\$ 5,859</u>	<u>\$ (98,782)</u>
Total assets	<u>\$ 259,179</u>	<u>\$ 23,491</u>	<u>\$ 910,853</u>	<u>\$1,193,523</u>
Total equity	<u>\$ 188,334</u>	<u>\$ (50,405)</u>	<u>\$ 714,526</u>	<u>\$ 852,455</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

The operations of the individual enterprise funds for the year ended June 30, 1998, which comprise the total combined enterprise fund operations are summarized as follows:

	Water Utility Fund	Gas Utility Fund	Sewer Utility Fund	Total
Operating revenues	\$ 48,214	\$ 63,855	\$ 39,957	\$ 152,026
Operating expenses	<u>58,698</u>	<u>77,561</u>	<u>47,995</u>	<u>184,254</u>
Operating loss	<u>\$ (10,484)</u>	<u>\$ (13,706)</u>	<u>\$ (8,038)</u>	<u>\$ (32,228)</u>
Depreciation expense	<u>\$ 3,907</u>	<u>\$ 329</u>	<u>\$ 23,873</u>	<u>\$ 28,109</u>
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
Net income (loss)	<u>\$ (10,062)</u>	<u>\$ (13,647)</u>	<u>\$ (10,148)</u>	<u>\$ (33,857)</u>
Property, plant, and equipment additions	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net working capital (current assets less current liabilities)	<u>\$ (41,694)</u>	<u>\$ (44,924)</u>	<u>\$ 8,385</u>	<u>\$ (78,233)</u>
Total assets	<u>\$ 79,412</u>	<u>\$ 24,418</u>	<u>\$ 932,676</u>	<u>\$1,036,506</u>
Total equity	<u>\$ 19,387</u>	<u>\$ (39,185)</u>	<u>\$ 730,912</u>	<u>\$ 711,114</u>

Note 12. Interfund Transfers

Interfund transfers during the years ended June 30, 1999 and 1998, were as follows:

Fund	1999		1998	
	Operating Transfers In	Operating Transfers Out	Operating Transfers In	Operating Transfers Out
Special Revenue Fund:				
Sales Tax Fund	\$ -	\$ (8,250)	\$ -	\$ (6,000)
Enterprise Fund:				
Sewer Utility Fund	<u>8,250</u>	<u>-</u>	<u>6,000</u>	<u>-</u>
Totals	<u>\$ 8,250</u>	<u>\$ (8,250)</u>	<u>\$ 6,000</u>	<u>\$ (6,000)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

Note 13. Year 2000 Issue

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999-2000.

The Village does not rely heavily on such electronic equipment and therefore feels that the effect on the Year 2000 Issue on its operations and financial reporting will be minimal.

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, or that parties with whom the Village does business will be year 2000 ready.

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FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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GENERAL FUND

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

VILLAGE OF ESTHERWOOD, LOUISIANA
GENERAL FUND

BALANCE SHEETS
June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 1,129	\$ 1,241
Other receivables	69	212
Due from other funds	<u>117,572</u>	<u>100,959</u>
Total assets	<u>\$ 118,770</u>	<u>\$ 102,412</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 4,620	\$ 6,004
Due to other funds	37,893	34,432
Accrued liabilities	<u>1,613</u>	<u>1,339</u>
Total liabilities	\$ 44,126	\$ 41,775
FUND BALANCES		
Unreserved - undesignated	<u>74,644</u>	<u>60,637</u>
Total liabilities and fund balances	<u>\$ 118,770</u>	<u>\$ 102,412</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 33,177	\$ 28,850
Licenses and permits	11,697	13,120
Intergovernmental	9,936	9,954
Fines	6,977	3,433
Miscellaneous	<u>961</u>	<u>442</u>
Total revenues	<u>\$ 62,748</u>	<u>\$ 55,799</u>
Expenditures:		
Current:		
General government	\$ 25,174	\$ 26,202
Public safety	4,503	3,793
Public works	19,064	17,288
Capital outlay	<u>-</u>	<u>987</u>
Total expenditures	<u>\$ 48,741</u>	<u>\$ 48,270</u>
Excess of revenues over expenditures	\$ 14,007	\$ 7,529
Fund balances, beginning	<u>60,637</u>	<u>53,108</u>
Fund balances, ending	<u>\$ 74,644</u>	<u>\$ 60,637</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
GENERAL FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
Years Ended June 30, 1999 and 1998

	<u>1999</u>		
	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
Revenues:			
Taxes	\$ 29,580	\$ 33,177	\$ 3,597
Licenses and permits	12,750	11,697	(1,053)
Intergovernmental	9,675	9,936	261
Fines	4,000	6,977	2,977
Miscellaneous	<u>550</u>	<u>961</u>	<u>411</u>
Total revenues	<u>\$ 56,555</u>	<u>\$ 62,748</u>	<u>\$ 6,193</u>
Expenditures:			
Current:			
General government	\$ 21,398	\$ 25,174	\$ (3,776)
Public safety	6,450	4,503	1,947
Public works	21,697	19,064	2,633
Capital outlay	<u>3,300</u>	<u>-</u>	<u>3,300</u>
Total expenditures	<u>\$ 52,845</u>	<u>\$ 48,741</u>	<u>\$ 4,104</u>
Excess of revenues over expenditures	\$ 3,710	\$ 14,007	\$ 10,297
Fund balances, beginning	<u>60,637</u>	<u>60,637</u>	<u>-</u>
Fund balances, ending	<u>\$ 64,347</u>	<u>\$ 74,644</u>	<u>\$ 10,297</u>

<u>1998</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 29,280	\$ 28,850	\$ (430)
13,350	13,120	(230)
11,992	9,954	(2,038)
4,000	3,433	(567)
<u>550</u>	<u>442</u>	<u>(108)</u>
<u>\$ 59,172</u>	<u>\$ 55,799</u>	<u>\$ (3,373)</u>
\$ 27,994	\$ 26,202	\$ 1,792
6,950	3,793	3,157
15,600	17,288	(1,688)
<u>5,000</u>	<u>987</u>	<u>4,013</u>
<u>\$ 55,544</u>	<u>\$ 48,270</u>	<u>\$ 7,274</u>
\$ 3,628	\$ 7,529	\$ 3,901
<u>53,108</u>	<u>53,108</u>	<u>-</u>
<u>\$ 56,736</u>	<u>\$ 60,637</u>	<u>\$ 3,901</u>

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SPECIAL REVENUE FUND

To account for specific revenues that are legally restricted to expenditure for specified purposes.

SALES TAX FUND - to account for the collection and disbursement of the Village's one percent sales and use tax.

VILLAGE OF ESTHERWOOD, LOUISIANA
 SPECIAL REVENUE FUND
 SALES TAX FUND

BALANCE SHEETS
 June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 940	\$ 1,776
Other receivables	4,267	4,130
Due from other funds	<u>25,231</u>	<u>24,658</u>
Total assets	<u>\$ 30,438</u>	<u>\$ 30,564</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Accounts payable	\$ 1,125	\$ 2,117
FUND BALANCES		
Unreserved - undesigned	<u>29,313</u>	<u>28,447</u>
Total liabilities and fund balances	<u>\$ 30,438</u>	<u>\$ 30,564</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 26,986	\$ 25,743
Miscellaneous	<u>26</u>	<u>-</u>
Total revenues	<u>\$ 27,012</u>	<u>\$ 25,743</u>
Expenditures:		
Current:		
General government	\$ 17,896	\$ 18,062
Capital outlay	<u>-</u>	<u>2,043</u>
Total expenditures	<u>\$ 17,896</u>	<u>\$ 20,105</u>
Excess of revenues over expenditures	\$ 9,116	\$ 5,638
Other financing uses:		
Operating transfers out	<u>(8,250)</u>	<u>(6,000)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ 866	\$ (362)
Fund balances, beginning	<u>28,447</u>	<u>28,809</u>
Fund balances, ending	<u>\$ 29,313</u>	<u>\$ 28,447</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
Years Ended June 30, 1999 and 1998

	1999		
	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
Revenues:			
Taxes:			
Sales tax	\$ 23,000	\$ 26,986	\$ 3,986
Miscellaneous:			
Interest on investments	<u> -</u>	<u> 26</u>	<u> 26</u>
Total revenues	<u>\$ 23,000</u>	<u>\$ 27,012</u>	<u>\$ 4,012</u>
Expenditures:			
Current:			
General government	\$ 10,180	\$ 17,896	\$ (7,716)
Capital outlay	<u> 5,000</u>	<u> -</u>	<u> 5,000</u>
Total expenditures	<u>\$ 15,180</u>	<u>\$ 17,896</u>	<u>\$ (2,716)</u>
Excess of revenues over expenditures	\$ 7,820	\$ 9,116	\$ 1,296
Other financing uses:			
Operating transfers out	<u>(7,820)</u>	<u>(8,250)</u>	<u>(430)</u>
Excess (deficiency) of revenues over expenditures and other financing uses	\$ -	\$ 866	\$ 866
Fund balances, beginning	<u>28,809</u>	<u>28,447</u>	<u>(362)</u>
Fund balances, ending	<u>\$ 28,809</u>	<u>\$ 29,313</u>	<u>\$ 504</u>

<u>1998</u>		
<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
\$ 21,700	\$ 25,743	\$ 4,043
-----	-----	-----
<u>\$ 21,700</u>	<u>\$ 25,743</u>	<u>\$ 4,043</u>
\$ 9,817	\$ 18,062	\$ (8,245)
<u>5,883</u>	<u>2,043</u>	<u>3,840</u>
<u>\$ 15,700</u>	<u>\$ 20,105</u>	<u>\$ (4,405)</u>
\$ 6,000	\$ 5,638	\$ (362)
<u>(6,000)</u>	<u>(6,000)</u>	<u>-</u>
\$ -	\$ (362)	\$ (362)
<u>28,809</u>	<u>28,809</u>	<u>-</u>
<u>\$ 28,809</u>	<u>\$ 28,447</u>	<u>\$ (362)</u>

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CAPITAL PROJECTS FUND

To account for the financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary funds and trust funds.

1997 LOUISIANA COMMUNITY DEVELOPMENT BLOCK GRANT (L.C.D.B.G.) FUND - to account for the collection and disbursement of grant funds for the construction and improvement of the Village's water system.

VILLAGE OF ESTHERWOOD, LOUISIANA
 CAPITAL PROJECTS FUND
 1997 L.C.D.B.G. FUND

BALANCE SHEETS
 June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and cash equivalents	\$ 25	\$ -
Total assets	<u>\$ 25</u>	<u>\$ -</u>
LIABILITIES AND FUND BALANCES		
LIABILITIES		
Due to other funds	\$ 25	\$ -
FUND BALANCES		
Unreserved - undesignated	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 25</u>	<u>\$ -</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
 CAPITAL PROJECTS FUND
 1997 L.C.D.B.G. FUND

STATEMENTS OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES
 Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Intergovernmental	\$168,643	\$ -
Expenditures:		
Capital outlay	<u>168,643</u>	<u>-</u>
Excess of revenues over expenditures	\$ -	\$ -
Fund balances, beginning	<u>-</u>	<u>-</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>

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ENTERPRISE FUNDS

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.

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

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

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

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1999

ASSETS	Water Utility Fund	Gas Utility Fund	Sewer Utility Fund	Total
CURRENT ASSETS				
Cash and cash equivalents	\$ 2,075	\$ 1,412	\$ 1,420	\$ 4,907
Investments	5,074	-	-	5,074
Accounts receivable, net of allowance for uncollectible accounts of \$4,532	3,654	2,792	2,934	9,380
Due from other funds	<u>6,738</u>	<u>9,238</u>	<u>18,084</u>	<u>34,060</u>
Total current assets	<u>\$ 17,541</u>	<u>\$ 13,442</u>	<u>\$ 22,438</u>	<u>\$ 53,421</u>
RESTRICTED ASSETS				
Cash and cash equivalents	\$ 1,328	\$ 3,237	\$ 30,805	\$ 35,370
Investments	<u>4,267</u>	<u>5,585</u>	<u>3,023</u>	<u>12,875</u>
Total restricted assets	<u>\$ 5,595</u>	<u>\$ 8,822</u>	<u>\$ 33,828</u>	<u>\$ 48,245</u>
PLANT AND EQUIPMENT				
Plant and equipment, at cost	\$ 447,000	\$ 68,283	\$1,219,984	\$1,735,267
Accumulated depreciation	<u>(210,957)</u>	<u>(67,056)</u>	<u>(365,397)</u>	<u>(643,410)</u>
Total plant and equipment	<u>\$ 236,043</u>	<u>\$ 1,227</u>	<u>\$ 854,587</u>	<u>\$1,091,857</u>
 Total assets	 <u>\$ 259,179</u>	 <u>\$ 23,491</u>	 <u>\$ 910,853</u>	 <u>\$1,193,523</u>

LIABILITIES AND FUND EQUITY	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
CURRENT LIABILITIES (payable from current assets)				
Accounts payable	\$ 1,346	\$ 8,984	\$ 2,175	\$ 12,505
Due to other funds	63,357	61,184	14,404	138,945
Sales tax payable	<u>322</u>	<u>431</u>	<u>-</u>	<u>753</u>
Total current liabilities (payable from current assets)	<u>\$ 65,025</u>	<u>\$ 70,599</u>	<u>\$ 16,579</u>	<u>\$ 152,203</u>
CURRENT LIABILITIES (payable from restricted assets)				
Meter deposits	\$ 5,820	\$ 3,297	\$ 4,594	\$ 13,711
Revenue bonds payable	-	-	15,232	15,232
Accrued interest	<u>-</u>	<u>-</u>	<u>8,124</u>	<u>8,124</u>
Total current liabilities (payable from restricted assets)	<u>\$ 5,820</u>	<u>\$ 3,297</u>	<u>\$ 27,950</u>	<u>\$ 37,067</u>
Total current liabilities	\$ 70,845	\$ 73,896	\$ 44,529	\$ 189,270
OTHER LIABILITIES				
Revenue bonds payable	<u>-</u>	<u>-</u>	<u>151,798</u>	<u>151,798</u>
Total liabilities	<u>\$ 70,845</u>	<u>\$ 73,896</u>	<u>\$ 196,327</u>	<u>\$ 341,068</u>
FUND EQUITY				
Contributed capital	\$ 373,088	\$ -	\$ 895,877	\$1,268,965
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	-	29,464	29,464
Unreserved	<u>(184,754)</u>	<u>(50,405)</u>	<u>(210,815)</u>	<u>(445,974)</u>
Total fund equity	<u>\$ 188,334</u>	<u>\$ (50,405)</u>	<u>\$ 714,526</u>	<u>\$ 852,455</u>
Total liabilities and fund equity	<u>\$ 259,179</u>	<u>\$ 23,491</u>	<u>\$ 910,853</u>	<u>\$1,193,523</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1999

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 46,394	\$ 59,435	\$ 38,938	\$144,767
Miscellaneous	<u>2,620</u>	<u>1,085</u>	<u>769</u>	<u>4,474</u>
Total operating revenues	<u>\$ 49,014</u>	<u>\$ 60,520</u>	<u>\$ 39,707</u>	<u>\$149,241</u>
Operating expenses:				
Salaries and wages	\$ 29,830	\$ 29,536	\$ 4,566	\$ 63,932
Payroll taxes	2,295	2,268	375	4,938
Group insurance	-	-	-	-
Plant supplies	7,409	3,291	5,477	16,177
Office supplies	1,072	366	606	2,044
Depreciation	7,312	403	24,059	31,774
Utilities	4,495	1,186	5,540	11,221
Fuel purchased	-	21,044	-	21,044
Equipment lease	598	1,355	-	1,953
Professional fees	3,271	3,271	5,075	11,617
Repairs and maintenance	3,183	2,301	6,966	12,450
Insurance	1,092	1,594	127	2,813
Miscellaneous	<u>1,296</u>	<u>5,351</u>	<u>3,844</u>	<u>10,491</u>
Total operating expenses	<u>\$ 61,853</u>	<u>\$ 71,966</u>	<u>\$ 56,635</u>	<u>\$190,454</u>
Operating loss	<u>\$ (12,839)</u>	<u>\$ (11,446)</u>	<u>\$ (16,928)</u>	<u>\$ (41,213)</u>
Non-operating revenues (expenses):				
Interest income	\$ 388	\$ 501	\$ 662	\$ 1,551
Interest expense	-	(275)	(8,370)	(8,645)
Reimbursement of capital costs	<u>12,755</u>	<u>-</u>	<u>-</u>	<u>12,755</u>
Total non-operating revenues (expenses)	<u>\$ 13,143</u>	<u>\$ 226</u>	<u>\$ (7,708)</u>	<u>\$ 5,661</u>
Income (loss) before operating transfers (totals forward)	<u>\$ 304</u>	<u>\$ (11,220)</u>	<u>\$ (24,636)</u>	<u>\$ (35,552)</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1999

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Income (loss) before operating transfers (totals forwarded)	\$ 304	\$ (11,220)	\$ (24,636)	\$ (35,552)
Operating transfers in	<u>-</u>	<u>-</u>	<u>8,250</u>	<u>8,250</u>
Net income (loss)	\$ 304	\$ (11,220)	\$ (16,386)	\$ (27,302)
Retained earnings (deficit), beginning	<u>(185,058)</u>	<u>(39,185)</u>	<u>(164,965)</u>	<u>(389,208)</u>
Retained earnings (deficit), ending	<u>\$ (184,754)</u>	<u>\$ (50,405)</u>	<u>\$ (181,351)</u>	<u>\$ (416,510)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss	\$(12,839)	\$(11,446)	\$(16,928)	\$(41,213)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	7,312	403	24,059	31,774
(Increase) decrease in assets:				
Accounts receivable	550	(53)	196	693
Due from other funds	(3,754)	(5,123)	(6,087)	(14,964)
Other receivables	-	-	-	-
Increase (decrease) in liabilities:				
Accounts payable	(373)	4,785	2,175	6,587
Due to other funds	10,847	10,563	7,254	28,664
Meter deposits	280	(148)	325	457
Other liabilities	<u>66</u>	<u>93</u>	<u>(659)</u>	<u>(500)</u>
Net cash provided (used) by operating activities	<u>\$ 2,089</u>	<u>\$ (926)</u>	<u>\$ 10,335</u>	<u>\$ 11,498</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,250</u>	<u>\$ 8,250</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale and maturities of investment securities	\$ -	\$ 6,000	\$ -	\$ 6,000
Purchase of investment securities	(74)	-	-	(74)
Interest on investments	<u>388</u>	<u>501</u>	<u>662</u>	<u>1,551</u>
Net cash provided by investing activities	<u>\$ 314</u>	<u>\$ 6,501</u>	<u>\$ 662</u>	<u>\$ 7,477</u>
Subtotals forward	<u>\$ 2,403</u>	<u>\$ 5,575</u>	<u>\$ 19,247</u>	<u>\$ 27,225</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1999

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Subtotals forwarded	\$ 2,403	\$ 5,575	\$ 19,247	\$ 27,225
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	\$(182,274)	\$ (1,337)	\$ (1,338)	\$(184,949)
Principal payment on revenue bonds	-	(5,000)	(14,532)	(19,532)
Proceeds from Rural Development Grant	12,755	-	-	12,755
Proceeds from L.C.D.B.G.	168,643	-	-	168,643
Interest paid on revenue bonds	<u>-</u>	<u>(275)</u>	<u>(8,370)</u>	<u>(8,645)</u>
Net cash used by capital and related financing activities	\$ (876)	\$ (6,612)	\$ (24,240)	\$ (31,728)
Net increase (decrease) in cash and cash equivalents	\$ 1,527	\$ (1,037)	\$ (4,993)	\$ (4,503)
Cash and cash equivalents, beginning	<u>1,876</u>	<u>5,686</u>	<u>37,218</u>	<u>44,780</u>
Cash and cash equivalents, ending	<u>\$ 3,403</u>	<u>\$ 4,649</u>	<u>\$ 32,225</u>	<u>\$ 40,277</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING BALANCE SHEET
June 30, 1998

ASSETS	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
CURRENT ASSETS				
Cash and cash equivalents	\$ 603	\$ 3,380	\$ 408	\$ 4,391
Investments	5,000	-	-	5,000
Accounts receivable, net of allowance for uncollectible accounts of \$4,532	4,204	2,739	3,130	10,073
Due from other funds	<u>2,984</u>	<u>4,115</u>	<u>11,997</u>	<u>19,096</u>
Total current assets	<u>\$ 12,791</u>	<u>\$ 10,234</u>	<u>\$ 15,535</u>	<u>\$ 38,560</u>
RESTRICTED ASSETS				
Cash and cash equivalents	\$ 1,273	\$ 2,306	\$ 36,810	\$ 40,389
Investments	<u>4,267</u>	<u>11,585</u>	<u>3,023</u>	<u>18,875</u>
Total restricted assets	<u>\$ 5,540</u>	<u>\$ 13,891</u>	<u>\$ 39,833</u>	<u>\$ 59,264</u>
PLANT AND EQUIPMENT				
Plant and equipment, at cost	\$ 264,726	\$ 66,946	\$1,218,646	\$1,550,318
Accumulated depreciation	<u>(203,645)</u>	<u>(66,653)</u>	<u>(341,338)</u>	<u>(611,636)</u>
Total plant and equipment	<u>\$ 61,081</u>	<u>\$ 293</u>	<u>\$ 877,308</u>	<u>\$ 938,682</u>
Total assets	<u>\$ 79,412</u>	<u>\$ 24,418</u>	<u>\$ 932,676</u>	<u>\$1,036,506</u>

LIABILITIES AND FUND EQUITY	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
CURRENT LIABILITIES (payable from current assets)				
Accounts payable	\$ 1,719	\$ 4,199	\$ -	\$ 5,918
Due to other funds	52,510	50,621	7,150	110,281
Sales tax payable	<u>256</u>	<u>338</u>	<u>-</u>	<u>594</u>
Total current liabilities (payable from current assets)	<u>\$ 54,485</u>	<u>\$ 55,158</u>	<u>\$ 7,150</u>	<u>\$ 116,793</u>
CURRENT LIABILITIES (payable from restricted assets)				
Meter deposits	\$ 5,540	\$ 3,445	\$ 4,269	\$ 13,254
Revenue bonds payable	-	5,000	14,532	19,532
Accrued interest	<u>-</u>	<u>-</u>	<u>8,783</u>	<u>8,783</u>
Total current liabilities (payable from restricted assets)	<u>\$ 5,540</u>	<u>\$ 8,445</u>	<u>\$ 27,584</u>	<u>\$ 41,569</u>
Total current liabilities	\$ 60,025	\$ 63,603	\$ 34,734	\$ 158,362
OTHER LIABILITIES				
Revenue bonds payable	<u>-</u>	<u>-</u>	<u>167,030</u>	<u>167,030</u>
Total liabilities	<u>\$ 60,025</u>	<u>\$ 63,603</u>	<u>\$ 201,764</u>	<u>\$ 325,392</u>
FUND EQUITY				
Contributed capital	\$ 204,445	\$ -	\$ 895,877	\$1,100,322
Retained earnings (deficit):				
Reserved for revenue bond retirement	-	5,275	35,564	40,839
Unreserved	<u>(185,058)</u>	<u>(44,460)</u>	<u>(200,529)</u>	<u>(430,047)</u>
Total fund equity	<u>\$ 19,387</u>	<u>\$ (39,185)</u>	<u>\$ 730,912</u>	<u>\$ 711,114</u>
Total liabilities and fund equity	<u>\$ 79,412</u>	<u>\$ 24,418</u>	<u>\$ 932,676</u>	<u>\$1,036,506</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 46,939	\$ 62,606	\$ 39,183	\$148,728
Miscellaneous	<u>1,275</u>	<u>1,249</u>	<u>774</u>	<u>3,298</u>
Total operating revenues	<u>\$ 48,214</u>	<u>\$ 63,855</u>	<u>\$ 39,957</u>	<u>\$152,026</u>
Operating expenses:				
Salaries and wages	\$ 28,565	\$ 28,201	\$ 4,440	\$ 61,206
Payroll taxes	2,231	2,204	360	4,795
Group insurance	379	379	54	812
Plant supplies	8,088	1,076	735	9,899
Office supplies	884	381	536	1,801
Depreciation	3,907	329	23,873	28,109
Utilities	7,589	1,078	8,290	16,957
Fuel purchased	-	31,594	-	31,594
Equipment lease	-	-	-	-
Professional fees	1,151	1,651	1,951	4,753
Repairs and maintenance	1,755	3,430	3,086	8,271
Insurance	2,479	3,488	460	6,427
Miscellaneous	<u>1,670</u>	<u>3,750</u>	<u>4,210</u>	<u>9,630</u>
Total operating expenses	<u>\$ 58,698</u>	<u>\$ 77,561</u>	<u>\$ 47,995</u>	<u>\$184,254</u>
Operating loss	<u>\$ (10,484)</u>	<u>\$ (13,706)</u>	<u>\$ (8,038)</u>	<u>\$ (32,228)</u>
Non-operating revenues (expenses):				
Interest income	\$ 422	\$ 609	\$ 967	\$ 1,998
Interest expense	-	(550)	(9,077)	(9,627)
Reimbursement of capital costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total non-operating revenues (expenses)	<u>\$ 422</u>	<u>\$ 59</u>	<u>\$ (8,110)</u>	<u>\$ (7,629)</u>
Income (loss) before operating transfers (totals forward)	<u>\$ (10,062)</u>	<u>\$ (13,647)</u>	<u>\$ (16,148)</u>	<u>\$ (39,857)</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Year Ended June 30, 1998

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Income (loss) before operating transfers (totals forwarded)	\$ (10,062)	\$ (13,647)	\$ (16,148)	\$ (39,857)
Operating transfers in	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Net (income) loss	\$ (10,062)	\$ (13,647)	\$ (10,148)	\$ (33,857)
Retained earnings (deficit), beginning	<u>(174,996)</u>	<u>(25,538)</u>	<u>(154,817)</u>	<u>(355,351)</u>
Retained earnings (deficit), ending	<u>\$ (185,058)</u>	<u>\$ (39,185)</u>	<u>\$ (164,965)</u>	<u>\$ (389,208)</u>

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES:				
Operating loss	\$(10,484)	\$(13,706)	\$ (8,038)	\$(32,228)
Adjustments to reconcile operating loss to net cash provided (used) by operating activities:				
Depreciation	3,907	329	23,873	28,109
(Increase) decrease in assets:				
Accounts receivable	(550)	194	(273)	(629)
Due from other funds	(759)	566	(5,944)	(6,137)
Other receivables	-	4,246	-	4,246
Increase (decrease) in liabilities:				
Accounts payable	1,532	4,199	-	5,731
Due to other funds	5,069	12,284	(11)	17,342
Meter deposits	285	170	314	769
Other liabilities	<u>256</u>	<u>83</u>	<u>(869)</u>	<u>(530)</u>
Net cash provided (used) by operating activities	<u>\$ (744)</u>	<u>\$ 8,365</u>	<u>\$ 9,052</u>	<u>\$ 16,673</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Operating transfers in	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,000</u>	<u>\$ 6,000</u>
CASH FLOWS FROM INVESTING ACTIVITIES:				
Proceeds from sale and maturities of investment securities	\$ -	\$ -	\$ -	\$ -
Purchase of investment securities	-	-	-	-
Interest on investments	<u>422</u>	<u>609</u>	<u>967</u>	<u>1,998</u>
Net cash provided by investing activities	<u>\$ 422</u>	<u>\$ 609</u>	<u>\$ 967</u>	<u>\$ 1,998</u>
Subtotals forward	<u>\$ (322)</u>	<u>\$ 8,974</u>	<u>\$ 16,019</u>	<u>\$ 24,671</u>

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA
ALL ENTERPRISE FUNDS

COMBINING STATEMENT OF CASH FLOWS
Year Ended June 30, 1998

	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	<u>Total</u>
Subtotals forwarded	\$ (322)	\$ 8,974	\$ 16,019	\$ 24,671
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition and construction of capital assets	\$ -	\$ -	\$ -	\$ -
Principal payment on revenue bonds	-	(5,000)	(13,614)	(18,614)
Proceeds from Rural Development Grant	-	-	-	-
Proceeds from L.C.D.B.G.	-	-	-	-
Interest paid on revenue bonds	-	(550)	(9,077)	(9,627)
Net cash used by capital and related financing activities	\$ -	\$ (5,550)	\$ (22,691)	\$ (28,241)
Net increase (decrease) in cash and cash equivalents	\$ (322)	\$ 3,424	\$ (6,672)	\$ (3,570)
Cash and cash equivalents, beginning	<u>2,198</u>	<u>2,262</u>	<u>43,890</u>	<u>48,350</u>
Cash and cash equivalents, ending	<u>\$ 1,876</u>	<u>\$ 5,686</u>	<u>\$ 37,218</u>	<u>\$ 44,780</u>

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OTHER SUPPLEMENTARY INFORMATION

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULES OF PER DIEM PAID TO MAYOR/BOARD OF ALDERMEN
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Stephen Broussard, Mayor	\$ 300	\$ 300
Herman Hoffpauir	120	120
Winford Guillory	120	120
Emily Roy	<u>120</u>	<u>120</u>
Totals	<u>\$ 660</u>	<u>\$ 660</u>

VILLAGE OF ESTHERWOOD, LOUISIANA

MISCELLANEOUS STATISTICAL DATA
Years Ended June 30, 1999 and 1998

The monthly water rates in effect at June 30, 1999 and 1998, were as follows:

Monthly residential and commercial rates:

	<u>1999</u>	<u>1998</u>
First 2,000 gallons (minimum)	\$ 6.50	\$ 6.00
Over 2,000 gallons (per 1,000 gallons)	\$ 1.90	\$ 1.85

The monthly gas rates in effect at June 30, 1999 and 1998, were as follows:

Monthly residential and commercial rates:

	<u>1999</u>	<u>1998</u>
First 400 cubic feet (minimum)	\$ 6.00	\$ 5.00
Over 400 cubic feet (per 100 cubic feet)	\$.75	\$.67

The monthly sewer rates are based upon water consumption. The monthly sewer rates in effect at June 30, 1999 and 1998, were as follows:

Monthly residential rates:

	<u>1999</u>	<u>1998</u>
First 2,000 gallons of water (minimum)	\$ 6.50	\$ 6.00
Over 2,000 gallons of water (per 1,000 gallons)	\$ 1.50	\$ 1.00

Monthly commercial rates:

	<u>1999</u>	<u>1998</u>
First 2,000 gallons of water (minimum)	\$ 10.50	\$ 10.00
Over 2,000 gallons of water (per 1,000 gallons)	\$ 1.05	\$ 1.00

Average monthly billing per customer - water

	<u>1999</u>	<u>1998</u>
Water sales	\$ 45,749	\$ 46,234
Average sales per month	\$ 3,813	\$ 3,853
Number of customers	275	276
Average monthly bill per customer	\$ 13.87	\$ 13.96

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA

MISCELLANEOUS STATISTICAL DATA
Years Ended June 30, 1999 and 1998

Average monthly billing per customer - gas

	<u>1999</u>	<u>1998</u>
Gas sales	\$ 59,044	\$ 62,256
Average sales per month	\$ 4,921	\$ 5,188
Number of customers	178	184
Average monthly bill per customer	\$ 27.65	\$ 28.20

Average monthly billing per customer - sewer

Sewer sales	\$ 37,068	\$ 37,208
Average sales per month	\$ 3,089	\$ 3,101
Number of customers:		
Residential	247	247
Commercial	<u>44</u>	<u>44</u>
Total	<u><u>271</u></u>	<u><u>271</u></u>
Average monthly bill per customer	\$ 11.40	\$ 11.45

Aged Accounts Receivable

	<u>1999</u>			<u>Total</u>
	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	
0 - 30 days	\$ 4,199	\$ 3,045	\$ 3,286	\$ 10,530
Over 120 days	<u>271</u>	<u>2,923</u>	<u>188</u>	<u>3,382</u>
Total accounts receivable	\$ 4,470	\$ 5,968	\$ 3,474	\$ 13,912
Less: Allowance for uncollectible accounts	<u>(816)</u>	<u>(3,176)</u>	<u>(540)</u>	<u>(4,532)</u>
Net accounts receivable	<u><u>\$ 3,654</u></u>	<u><u>\$ 2,792</u></u>	<u><u>\$ 2,934</u></u>	<u><u>\$ 9,380</u></u>

	<u>1998</u>			<u>Total</u>
	<u>Water Utility Fund</u>	<u>Gas Utility Fund</u>	<u>Sewer Utility Fund</u>	
0 - 30 days	\$ 4,671	\$ 2,809	\$ 3,473	\$ 10,953
Over 120 days	<u>349</u>	<u>3,106</u>	<u>197</u>	<u>3,652</u>
Total accounts receivable	\$ 5,020	\$ 5,915	\$ 3,670	\$ 14,605
Less: Allowance for uncollectible accounts	<u>(816)</u>	<u>(3,176)</u>	<u>(540)</u>	<u>(4,532)</u>
Net accounts receivable	<u><u>\$ 4,204</u></u>	<u><u>\$ 2,739</u></u>	<u><u>\$ 3,130</u></u>	<u><u>\$ 10,073</u></u>



BROUSSARD, POCHE, LEWIS & BREAUX, L.L.P.

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

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The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

We have audited the financial statements of the Village of Estherwood, Louisiana, as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated February 23, 2000. 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 Estherwood, Louisiana'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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Village of Estherwood, Louisiana'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider

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Donald W. Kelley, CPA*
Herbert Lemome II, CPA*
Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
Kenneth R. Dugas, CPA*
P. John Blanche III, CPA*
Stephen L. Lambousy, CPA*
Craig C. Babineaux, CPA*
Peter C. Borrello, CPA*
George J. Trappey III, CPA*
Gregory B. Milton, CPA*
S. Scott Soileau, CPA*
Patrick D. McCarthy, CPA*
Martha B. Wyatt, CPA*
Troy J. Breaux, CPA*
Fayette T. Dupre, CPA*

Retired:

Sidney L. Broussard, CPA 1980
Leon K. Poché, CPA 1984
James H. Breaux, CPA 1987
Erna R. Walton, CPA 1988
George A. Lewis, CPA* 1992
Geraldine J. Wimberly, CPA* 1995
Rodney L. Savoy, CPA* 1996
Larry G. Broussard, CPA* 1996
Lawrence A. Cramer, CPA* 1999
Michael P. Crochet, CPA* 1999

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Public Accountants

The Honorable Stephen Broussard, Mayor,
and the Board of Aldermen
Village of Estherwood, Louisiana

to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Village of Estherwood's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. These reportable conditions are described in the accompanying schedule of findings and questioned costs as items #1999-1, 1999-2, 1999-3, 1999-4, and 1998-1.

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

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

BROUSSARD, POCHE, LEWIS & BREAU, L.L.P.

Crowley, Louisiana
February 23, 2000

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years Ended June 30, 1999 and 1998

We have audited the financial statements of the Village of Estherwood, Louisiana, as of and for the years ended June 30, 1999 and 1998, and have issued our report thereon dated February 23, 2000. 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. Our audit of the financial statements as of June 30, 1999 and 1998, resulted in an unqualified opinion.

Section I. Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Compliance

Compliance Material to Financial Statements Yes No

b. Federal Awards

Internal Control

Material Weaknesses Yes No Reportable Conditions Yes No

Section II. Financial Statement Findings#1999-1 - Segregation of Duties

Finding: In reviewing the internal control structure we noted inadequate segregation of duties exists in all areas of the financial cycle.

Cause: Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions. Due to a lack of resources, the Village is unable to implement a segregated system of internal control.

Recommendation and response: Management is aware of and has evaluated this inadequacy and concluded that the related costs versus benefits to be achieved do not justify the additional personnel it would require to establish an adequate segregation. We are in agreement with the Village that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment.

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years Ended June 30, 1999 and 1998

Section II. Financial Statement Findings (continued)

#1999-2 - Reserve Requirements

Finding: While testing the reserve requirements we noted that the Sewer Bond and Interest Sinking Account was underfunded by \$19,353 and the Sewer Depreciation and Contingencies Account was underfunded by \$12,154.

Cause: The monthly reserves were not met for the accounts above during the current fiscal year.

Recommendation and response: We recommend, and management agrees, that as funds become available, appropriate transfers should be made to correct the underfunding as well as closer monitoring in the future to avoid any reoccurrence.

#1999-3 - Reporting Requirements

Finding: The Village did not file an annual report within six months of year-end for fiscal year 1999.

Cause: The accounting records were not made available on a timely basis in order to meet the state law deadline for filing annual reports.

Recommendation and response: We recommend and the Village agrees, that accounting records should be made available in a more timely manner to allow the report to be filed within six months of year-end.

#1999-4 - Budget Violation

Finding: For the years ended June 30, 1999 and 1998, the Village's actual expenditures exceeded budgeted expenditures in the Special Revenue Fund by 28% and 18%, respectively. Louisiana Revised Statute (LSA-R.S.) 39:1310 requires that a budget be amended if actual expenditures exceed budgeted expenditures by 5 percent or more.

Cause: The Village did not comply with LSA-R.S. 39:1310, therefore, budgeting control over expenditures was reduced.

Recommendation: We recommend that the Village amend the budget if actual expenditures exceed budgeted expenditures by 5 percent or more.

Response: The Village will obtain better budgeting control over expenditures in the future by amending budgets when actual expenditures exceed budgeted expenditures by 5 percent or more.

(Continued)

VILLAGE OF ESTHERWOOD, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Years Ended June 30, 1999 and 1998

Section II. Financial Statement Findings (continued)

#1998-1 - Employee Advances

Finding: While performing our audit, we discovered that during fiscal year 1998 there were still outstanding amounts which constituted an advance made to the previous Village Clerk without the knowledge or approval of the Board of Aldermen. These advances were made prior to fiscal year 1998. As of June 30, 1998 the advances were fully repaid by the previous Village Clerk.

Cause: The previous Village Clerk was able to borrow money from the Village without the knowledge of the Mayor, Board of Aldermen, or other Village employees due to a lack of segregation of duties and inadequate controls over the cash receipts function.

Recommendation and Response: We recommend and the Village agrees, that the Mayor perform a monthly comparison of the amounts recorded as accounts receivable collected during the month to the bank statements received that month to insure that deposits are made timely and that the amounts deposited agree with what is being recorded as accounts receivable collections.

Section III. Federal Award Findings and Questioned Costs

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, relating to federal awards for the years ended June 30, 1999 and 1998.

VILLAGE OF ESTHERWOOD, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
Years Ended June 30, 1999 and 1998

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

We performed a compilation/attestation on the Village of Estherwood, Louisiana's general-purpose financial statements for the year ended June 30, 1997, and reported on the following deficiencies in our "Independent Accountant's Report on Applying Agreed Upon Procedures," dated January 10, 1998:

#Comp1 - Segregation of Duties

Inadequate segregation of duties exists due to the limited number of personnel performing the administrative functions. Due to a lack of resources, the Village of Estherwood is unable to implement a segregated system of internal control.

#Comp2 - Reserve Requirements

The Village of Estherwood continues to underfund the appropriate reserve accounts as required by the debt covenants. As funds become available, the Village will make appropriate transfers to the applicable accounts as required.

#Comp3 - Advances and Bonuses

An advance was made from the Gas Utility Fund to the Village Clerk in the amount of \$4,246 without the approval of the Board of Aldermen. No such transactions constituting bonuses, advances, or gifts were noted in the audit of the years ended June 30, 1999 and 1998.

Section II. Internal Control and Compliance Material to Federal Awards

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, relating to federal awards for the year ended June 30, 1997.

Section III. Management Letter

There were no matters reported in a separate management letter for the year ended June 30, 1997.

VILLAGE OF ESTHERWOOD, LOUISIANA
MANAGEMENT'S CORRECTIVE ACTION PLAN
Years Ended June 30, 1999 and 1998

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

#1999-1 - Segregation of Duties

Management has evaluated this inadequacy and has determined that the related costs versus benefits to be achieved do not justify the additional personnel it would require to establish an adequate segregation of duties.

#1999-2 - Reserve Requirements

The Village will make the appropriate transfers to fund their reserve accounts as funding becomes available.

#1999-3 - Reporting Requirements

Management is aware of the need to make accounting records available in a more timely manner to allow the report to be filed within six months of year-end and will attempt to do so in the future.

#1999-4 - Budget Violation

The Village will obtain better budgeting control over expenditures in the future by amending budgets when actual expenditures exceed budgeted expenditures by 5 percent of more.

#1998-1 - Employee Advances

The Mayor will perform a monthly comparison of the amounts recorded as account receivable collected during the month to the bank statements received that month to insure that deposits are made timely and that the amounts deposited agree with what is being recorded as accounts receivable collections.

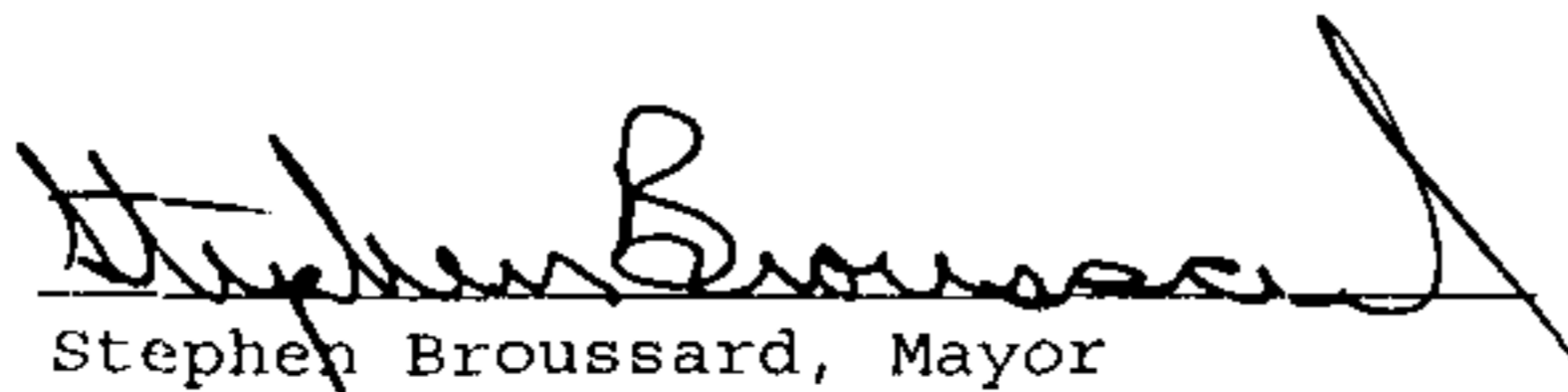
Section II. Internal Control and Compliance Material to Federal Awards

There were no matters reported relating to reportable conditions, material weaknesses, or instances of noncompliance, including questioned costs, relating to federal awards for the years ended June 30, 1999 and 1998.

Section III. Management Letter

There were no matters reported in a separate management letter for the years ended June 30, 1999 and 1998.

Responsible Party:


Stephen Broussard, Mayor