

VILLAGE OF GRAND CANE, LOUISIANA
General Purpose Financial Statements
June 30, 2000

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Under provisions of state law, this report is a public document. A copy of the report has been submitted to the 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 01-10-01 ✓

INDEPENDENT AUDITOR'S REPORT

Honorable E. E. Crocker, Mayor, and
The Board of Aldermen
Grand Cane, Louisiana

I have audited the accompanying general purpose financial statements of the Village of Grand Cane as of June 30, 2000, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Village of Grand Cane's management. My responsibility is to express an opinion on these general purpose financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I 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 amount and disclosures in the general purpose financial statements. An audit also includes examining, on a test basis, evidence supporting the amount 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Village of Grand Cane as of June 30, 2000, and the results of its operations and the cash flows of its sewer fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued a report dated November 9, 2000, on my consideration of the Village of Grand Cane's internal control and compliance with laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

Deborah D. Dees, CPA

Mansfield, Louisiana
November 9, 2000

VILLAGE OF GRAND CANE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet

June 30, 2000

With Comparative Totals for 1999

	GOVERNMENTAL FUNDS		PROPRIETARY FUND		ACCOUNT GROUP GENERAL FIXED ASSETS	TOTALS (MEMORANDUM ONLY)	
	GENERAL FUND	SPECIAL REVENUE FUND	SEWER FUND			2000	1999
ASSETS AND OTHER DEBITS							
Cash & cash equivalents	\$ 192,710	\$ 18,875	\$ 3,341	\$		\$ 214,926	\$ 172,964
Accounts receivable	2,343	405	3,043			5,791	4,291
Due from other funds		270	57			327	59
Restricted cash	329		9,651			9,980	
Fixed assets			254,791	105,813		360,604	86,037
Bond issuance costs			4,258			4,258	
Accumulated depreciation/amortization			(12,838)			(12,838)	(6,902)
Construction in progress			192,938			192,938	45,868
TOTAL ASSETS	\$ 195,382	\$ 19,550	\$ 455,241	\$ 105,813		\$ 775,986	\$ 302,317

LIABILITIES & FUND EQUITY AND OTHER CREDITS

Liabilities:							
Accounts payable	\$ 579	\$	\$ 688	\$		\$ 1,267	\$ 2,802
Due to other funds	327					327	59
Current portion of revenue bonds payable			5,688			5,688	
Payable from restricted assets:							
Deposits	329		3,280			3,609	4,129
Accrued interest			5,688			5,688	
Revenue bonds payable-long term			170,912			170,912	
TOTAL LIABILITIES	1,235	0	186,256			187,491	6,990

(Continued)

VILLAGE OF GRAND CANE, LOUISIANA
ALL FUND TYPES AND ACCOUNT GROUPS

Combined Balance Sheet
 June 30, 2000
 With Comparative Totals for 1999

	GOVERNMENTAL FUNDS		PROPRIETARY FUND	ACCOUNT GROUP	TOTALS (MEMORANDUM ONLY)	
	GENERAL FUND	SPECIAL REVENUE FUND	SEWER FUND	GENERAL FIXED ASSETS	2000	1999
Fund equity and other credits:						
Contributed capital			239,260		239,260	45,868
Investment in general fixed assets				105,813	105,813	71,358
Retained earnings reserved for construction			92		92	
Retained earnings unreserved			29,633		29,633	21,256
Fund balance reserved for streets	25,925				25,925	
Fund balance -unreserved, undesignated	168,222	19,550			187,772	156,845
TOTAL FUND EQUITY AND OTHER CREDITS	194,147	19,550	268,985	105,813	588,495	295,327
TOTAL LIABILITIES, EQUITY, AND OTHER CREDITS	\$ 195,382	\$ 19,550	\$ 455,241	\$ 105,813	\$ 775,986	\$ 302,317

The notes to the financial statements are an integral part of this statement.

VILLAGE OF GRAND CANE, LOUISIANA
GOVERNMENTAL FUNDS
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
For the Year Ended June 30, 2000
With Comparative Totals for 1999

	GENERAL FUND	SPECIAL REVENUE FUND	TOTALS (MEMORANDUM ONLY)	
			2000	1999
REVENUES:				
Taxes:				
Ad valorem	\$ 5,251	\$ 9,297	\$ 14,548	\$ 10,962
Sales	27,456		27,456	33,528
Franchise	8,353		8,353	8,651
Occupational licenses	14,757		14,757	14,922
Intergovernmental:				
Grants	30,000		30,000	5,395
Tobacco tax	1,260		1,260	1,260
Other:				
Rent	3,948		3,948	3,948
Interest	6,187	343	6,530	885
Miscellaneous	14,688		14,688	30
TOTAL REVENUES	111,900	9,640	121,540	79,581
EXPENDITURES				
Current:				
General government:				
Personal services	5,242		5,242	5,180
Operating	5,245		5,245	8,693
Public works-streets	13,850		13,850	15,466
Historical development	1,720		1,720	2,256
Capital outlays	34,455		34,455	5,395
TOTAL EXPENDITURES	60,512		60,512	36,990
Excess of Revenues over Expenditures	51,388	9,640	61,028	42,591
Other financing uses:				
Operating transfers out		(4,176)	(4,176)	
Excess of Revenues over Expenditures and Other Uses	51,388	5,464	56,852	42,591
FUND BALANCE, BEGINNING OF YEAR	142,759	14,086	156,845	114,254
FUND BALANCE, END OF YEAR	\$ 194,147	\$ 19,550	\$ 213,697	\$ 156,845

The notes to the financial statements are an integral part of this statement.

VILLAGE OF GRAND CANE, LOUISIANA
 Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
 Budget (GAAP Basis) and Actual - General and Special Revenue Funds
 For the Year Ended June 30, 2000

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
REVENUES:						
Taxes:						
Ad valorem	\$ 5,400	\$ 5,251	\$ (149)	\$ 8,500	\$ 9,297	\$ 797
Sales	24,700	27,456	2,756			
Franchise	8,600	8,353	(247)			
Occupational licenses	11,000	14,757	3,757			
Intergovernmental:						
Grants		30,000	30,000			
Tobacco tax	945	1,260	315			
Other:						
Rent	3,948	3,948	0			
Interest	5,000	6,187	1,187	280	343	63
Miscellaneous		14,688	14,688			
TOTAL REVENUES	59,593	111,900	52,307	8,780	9,640	860
EXPENDITURES						
Current:						
General government:						
Personal services	5,119	5,242	(123)			
Operating	8,990	5,245	3,745			
Public works-streets	13,847	13,850	(3)			
Historical development	2,220	1,720	500			
Capital outlays		34,455	(34,455)			
TOTAL EXPENDITURES	30,176	60,512	(30,336)	0	0	0
Excess of Revenues over Expenditures	29,417	51,388	21,971	8,780	9,640	860

(Continued)

VILLAGE OF GRAND CANE, LOUISIANA
Combined Statement of Revenues, Expenditures, and Changes in Fund Balances
Budget (GAAP Basis) and Actual - General and Special Revenue Funds
 For the Year Ended June 30, 2000

	GENERAL FUND			SPECIAL REVENUE FUND		
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
OTHER FINANCING SOURCES (USES)						
Operating transfers out	0	0	0	6,000	4,176	1,824
TOTAL OTHER FINANCING SOURCES	<u>0</u>	<u>0</u>	<u>0</u>	<u>6,000</u>	<u>4,176</u>	<u>1,824</u>
Excess of Revenues Over Expenditures and Other Uses	29,417	51,388	21,971	2,780	5,464	2,684
FUND BALANCE BEGINNING OF YEAR	142,759	142,759		14,086	14,086	0
FUND BALANCE END OF YEAR	<u>\$ 172,176</u>	<u>\$ 194,147</u>	<u>\$ 21,971</u>	<u>\$ 16,866</u>	<u>\$ 19,550</u>	<u>\$ 2,684</u>

The notes to the financial statements are an integral part of this statement.

VILLAGE OF GRAND CANE, LOUISIANA
PROPRIETARY FUND - Sewer Fund
Statement of Revenues, Expenditures, and Changes in Retained Earnings
For the Year Ended June 30, 2000
With Comparative Totals for 1999

		1999
OPERATING REVENUES:		
Sewer fees	\$ 23,615	\$ 23,786
Ad valorem taxes	4,571	3,266
Interest income	16	
TOTAL OPERATING REVENUES	28,202	27,052
OPERATING EXPENSES:		
Personal and contract	10,369	10,378
General & administrative	919	1,698
Materials & supplies	7,756	8,285
Depreciation	5,936	2,490
TOTAL OPERATING EXPENSES	24,980	22,851
OPERATING INCOME BEFORE OPERATING TRANSFERS	3,222	4,201
Operating transfers in	4,176	
NET INCOME	7,398	4,201
Retained Earnings, Beginning of Year	21,256	17,055
Prior period adjustment	1,071	
Retained Earnings, End of Year	29,725	21,256
Contributed Capital, Beginning of Year	45,868	
Correction of an error	352	
Capital grant	193,040	45,868
Contributed Capital, End on Year	239,260	45,868
FUND EQUITY AT END ON YEAR	\$ 268,985	\$ 67,124

The accompanying notes are an integral part of this statement.

VILLAGE OF GRAND CANE, LOUISIANA
PROPRIETARY FUND - Sewer Fund
Statement of Cash Flows
For the Year Ended June 30, 2000
With Comparative Totals for 1999

		1999
Cash flows from operating activities		
Cash received from customers	\$ 23,515	\$ 24,511
Ad valorem taxes collected	4,571	3,266
Interest received	16	
Cash payments to supplies for goods and services	(10,945)	(10,238)
Cash payments to employees for services	(9,239)	(9,372)
Net cash provided by operating activities	7,918	8,167
Cash flows from noncapital financing activities		
Operating transfers from other funds	4,176	10,244
Net cash provided by noncapital financing activities	4,176	10,244
Cash flows from capital and related financing activities		
Construction of capital assets	(381,142)	(45,868)
Purchase of fixed assets		(3,258)
Proceeds from issuance of revenue bonds	176,600	
Contributed capital -LCDBG grant	193,040	45,868
Cost to issue revenue bonds	(4,258)	
Net cash used by capital and related financing activities	(15,760)	(3,258)
NET INCREASE (DECREASE) IN CASH	(3,666)	15,153
CASH, BEGINNING OF YEAR	16,658	1,505
CASH and RESTRICTED CASH, END OF YEAR	\$ 12,992	\$ 16,658
Reconciliation of operating income to net cash provided by operating activities		
Operating income before operating transfers	\$ 3,222	\$ 4,201
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation	5,936	2,489
(Increase) decrease in accounts receivable	(651)	51
(Increase) decrease in due from other funds	(57)	
Increase (decrease) in accounts payable	(898)	742
Increase (decrease) in due to other accounts	(59)	
Increase (decrease) in accrued liabilities	(126)	9
Increase (decrease) in customer deposits	551	675
Total adjustments	4,696	3,966
Net cash provided by operating activities	\$ 7,918	\$ 8,167

The notes to the financial statements are an integral part of this statement.

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

INTRODUCTION

The Village of Grand Cane, Louisiana was incorporated under the provisions of the Lawrason Act in 1939. The Village is governed by the mayor-board of aldermen form of government. The mayor and three aldermen are elected and serve four-year terms that expire on December 31, 2002. There is also an elected village marshal. The Village has one sewer/street employee and a part time clerk. The Village has a population of 231 and is located in northwest Louisiana in DeSoto Parish.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Village of Grand Cane is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

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

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

As required by generally accepted accounting principles, these financial statements present the Village of Grand Cane (the primary government) and its component units. In prior years the Grand Cane Preservation District was considered a component unit of the Village. During this fiscal year the district was reorganized as an advisory board and the remaining monies transferred to the Village accounts. The expenses incurred for historical development are now part of the general fund.

B. FUND ACCOUNTING

The Village uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

B. FUND ACCOUNTING (continued)

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of a municipality are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type used by the village at this time are described as follows:

Governmental Funds are used to account for all or most of the village's general activities, including the collection and disbursement of specific or legally restricted monies and the acquisition or construction of general fixed assets.

1. The General Fund is the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.
2. Special Revenue Funds account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Proprietary Funds are used to account for activities similar to those found in the private sector, where the accounting objectives are a determination of net income, financial position and changes in cash flow. All assets and liabilities associated with Proprietary Fund's activities are included on its balance sheet. Proprietary Fund equity is segregated into contributed capital and retained earnings. Proprietary funds include:

1. Enterprise Funds account for operations (a) 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 Groups are used to establish accounting control and accountability for the general fixed assets. The account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with the measurement of results of operations.

1. The General Fixed Assets Account Group is established to account for fixed assets of the Village, other than those assets accounted for in the Proprietary Funds. Capital outlays in funds other than Proprietary Funds are recorded as expenditures of those funds at the time of purchase and subsequently recorded for control purposes in the General Fixed Assets Account Group.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

C. BASIS OF ACCOUNTING (continued)

accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues. Franchise taxes and intergovernmental revenues are recorded when the village is entitled to the funds. The state tobacco tax is received quarterly. Interest income on demand and time deposits is recorded when the interest has been earned and the amount is determinable. Substantially all other revenues are recorded when they become available to the Village.

Expenditures. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses). Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses). These transactions are recorded at the time of receipt or payment.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

D. BUDGETS

The primary government municipality uses the following budget practices:

A preliminary budget for the ensuing year is prepared by the clerk and the mayor in May. The proposed budget is reviewed by the mayor and the board of aldermen and made available to the public. The budget is then adopted during the regular June meeting. The proposed budget for the General Fund is prepared on the cash basis of accounting. The budget is established and controlled by the mayor and the board of aldermen at the object level of expenditure. Appropriations lapse at year-end and must be reappropriated for the following year to be expended. All changes or amendments in the budget must be approved by the mayor and the board of aldermen. The budget was amended during the year. The village does not use encumbrance accounting in its accounting system.

E. CASH AND CASH EQUIVALENTS

Cash, including restricted cash, includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and other investments with original maturities of 90 days or less. Under state law, the village may deposit funds in demand deposits, interest bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

F. FIXED ASSETS, DEPRECIATION, AND AMORTIZATION

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All purchased fixed assets are valued at cost where historical costs are available and estimated cost where no historical records are available. Less than 1/2 percent of fixed assets are valued at estimated historical costs based on the actual costs of like items, while the remaining 99 1/2 percent are based on actual historical costs. Interest has also not been capitalized on fixed assets in the Governmental Fund Type operations.

Fixed assets owned by the Sewer Fund are recorded at cost. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. Depreciation is computed on the equipment using the straight-line method over five years. The sewer system is depreciated using the straight-line method over 20 years. Bond issuance costs are recorded as a deferred charge and amortized over the life of the bonds.

Interest costs are capitalized when incurred by proprietary funds on debt where proceeds were used to finance the construction costs of assets. The sewer fund had capitalized interest of \$5,688 for the year ending June 30, 2000.

G. SALES TAX

A one percent sales and use tax was levied in the Village beginning January, 1997. The tax is to be used for constructing, improving and maintaining public roads, streets and bridges in the Village.

H. FUND EQUITY AND OTHER CREDITS

Components of fund equity include the following:

- A. Reserves--amounts not appropriable, legally segregated for specific usage or commitments to outside third parties.
- B. Contributed capital--represents amounts acquired by proprietary funds through contributions from other funds or grants.

I. INTERFUND TRANSACTIONS

Short-term amounts owed between funds are classified as "Due to/from other funds." Legally authorized transfers are treated as operating transfers and are included in the results of operations of both Governmental and Proprietary Funds.

J. TOTAL COLUMN ON THE BALANCE SHEET

Total columns on the combined statements are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operation, 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. Comparative totals for the prior year have been presented in the accompanying

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

J. TOTAL COLUMN ON THE BALANCE SHEET (continued)

combined financial statements in order to provide an understanding of changes in the Village's financial position and operations. Certain comparative data have been reclassified to present such amounts in a manner consistent with the current year's presentation.

2. CASH AND CASH EQUIVALENTS

Under state law, the village may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 2000, the village has cash (book balances) totaling \$214,926, with \$120,047 in demand deposits, \$104,831 in time deposits, and \$25 in cash.

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. 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.

At June 30, 2000, the primary government has \$234,939 in deposits (bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance. The remaining balance is secured by pledged securities held by the custodial bank in the name of the Village (GASB Category 2) with a market value of \$259,483.

Below is a reconciliation of restricted cash:

	General Fund	Sewer Fund
Revenue bond accrued interest payable	\$	\$ 5,688
Reserve for revenue bond retirement		591
Cash in Construction Fund		92
Deposits	329	3,280
Total restricted cash	\$ 329	\$ 9,651

3. LEVIED TAXES

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

The Village is permitted to levy taxes up to 10% of the assessed property valuation for each specified purpose, or, in the aggregate for all purposes 25% of the assessed valuation for the payment of principal and interest on long-term debt after the approval by the voters of the Village. Property taxes are recorded as revenues in the year assessed.

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

3. LEVIED TAXES (continued)

Property Tax Calendar:

Assessment date	January 1, 1999
Levy date	June 30, 1999
Tax bills mailed	October 15, 1999
Total taxes are due	December 31, 1999
Penalties & interest added	January 31, 2000
Tax sale	May 15, 2000

The following is a summary of authorized and levied ad valorem taxes (tax rate per \$1,000 assessed value)

Village taxes:	Authorized Millage	Levied Millage	Expiration Date
General	6.00	6.04	Indefinite
Sewer system	5.00	5.01	2007
Sewer/Streets	5.00	5.01	2006
Sewer/Streets	5.40	5.40	2007

The difference between authorized and levied millages is the result of reassessments of taxable property within the parish as required by Louisiana Constitution Article VII, Section 18(F). This revaluation of all property is required to be completed no less than every four years. The last revaluation was completed for the roll of January 1, 1996. Total assessed value was \$896,235 in 1999.

Total ad valorem tax revenues recognized by the Village were \$19,233 for the year ended June 30, 2000. The following are the principal taxpayers for the village and their 1998 assessed valuations:

Taxpayer	Type of Business	1999 Assessed Valuation	% of Total Assessed Valuation
Neosho Construction	Road Construction	\$150,000	16.74%
Central La. Electric Co.	Utility	134,800	15.04%
Hibernia National Bank	Financial institution	100,880	11.26%
South Central Bell	Utility	87,020	9.71%
Louisiana Gas Service	Utility	10,787	1.20%
United Post Office Investment	Real Estate Investment	9,740	1.09%
Calvin T. Jones	Real Estate Investment	9,200	1.03%
Jay & Debbie Kay's, Inc.	Restaurant	8,170	0.91%
Martha J. Rogers	Real Estate Investment	7,350	0.82%
Billy Miller	Manufacturing	6,600	0.74%
		\$526,546	41.79%

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

4. RECEIVABLES

The following is a summary of receivables for June 30, 2000:

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Sewer Fund</u>
Sales and use tax	\$ 2,078	\$	
Ad valorem taxes	265	405	195
Sewer fees			2,848
Total	<u>\$ 2,343</u>	<u>\$ 405</u>	<u>\$ 3,043</u>

Substantially all receivables are considered to be fully collectible, and no allowance for uncollectibles is used.

5. FIXED ASSETS

The changes in general fixed assets follow:

	<u>Balance 7/1/99</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance 6/30/00</u>
Land and Buildings	\$ 59,710	\$ 15,420	\$ -	\$ 75,130
Furniture & equipment	11,648	24,535	5,500	30,683
Total	<u>\$ 71,358</u>	<u>\$ 39,955</u>	<u>\$ 5,500</u>	<u>\$ 105,813</u>

A summary of the Sewer Fund fixed assets at June 30, 2000 follows:

Wastewater Treatment Facility	\$ 240,112
Equipment	14,681
	<u>254,793</u>
Less accumulated depreciation	12,785
	<u>\$ 242,008</u>

6. PENSION PLAN

The employees of the village are members of the Social Security System. In addition to the employee contributions withheld at 7.65% of gross salary, the village contributes an equal amount to the Social Security System. The village does not guarantee the benefits granted by the Social Security System.

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

7. ACCOUNTS PAYABLE

The following is a summary of payables at June 30, 2000:

	General	Sewer
Accounts	\$ 1,023	\$ 1,258
Accrued payroll taxes	67	454
Total	\$ 1,090	\$ 1,712

8. INTERFUND ASSETS/LIABILITIES

Due from/to other funds:

Receivable Fund	Payable Fund	Amount
Special Revenue	General	\$ 270
Sewer	General	\$ 57

9. PRIOR PERIOD ADJUSTMENT

A prior period adjustment was made to the beginning balance of the sewer fund's retained earnings to correct the amount of sewer deposits reimbursed to customers in prior periods.

10. LITIGATION AND CLAIMS

The Village is not involved in any litigation at June 30, 2000, nor is it aware of any unasserted claims.

11. PER DIEM/REIMBURSEMENTS TO MAYOR AND BOARD OF ALDERMEN

Per diem or reimbursements paid to the Mayor and Board of Aldermen for the year ended June 30, 2000, is as follows:

Honorable E. E. Crocker, Mayor	\$	556
Tammy Permenter		100
Billy Franklin		125
Shelton Farmer		125
Total	\$	906

VILLAGE OF GRAND CANE, LOUISIANA
Notes to the Financial Statements
As of and for the Year Ended June 30, 2000

12. REVENUE BONDS

On December 28, 1999, the Village authorized \$260,000 of revenue bonds secured by the revenues of the sewer system. At June 30, 2000, the Village had \$83,400 in unissued bonds.

The Sewer Revenue Bonds, Series 1999 are collateralized by the revenue of the sewer system and the various special funds established by the bond ordinance. The ordinance provides that the revenue of the system is to be used first to pay operating and maintenance expenses of the system and second to establish and maintain the bond funds. The Village is in compliance with all significant financial requirements as of June 30, 2000.

The annual aggregate maturities for the years subsequent to June 30, 2000, are as follows:

Year ending June 30,	Principal	Interest	Total
2001	\$ 1,269	\$ 5,688	\$ 6,957
2002	2,624	11,292	13,916
2003	2,742	11,174	13,916
2004	2,864	11,052	13,916
2005	2,992	10,924	13,916
2006-2010	17,090	52,486	69,576
2011-2015	21,270	48,306	69,576
2016-2020	26,473	43,103	69,576
2021-2025	32,948	36,628	69,576
2026-2030	41,008	28,568	69,576
2031-2035	51,039	18,537	69,576
2036-2039	57,681	6,091	63,772
Totals	\$ <u>260,000</u>	\$ <u>283,849</u>	\$ <u>543,849</u>

The Village is also required to deposit \$636 in a Contingency Fund and a Reserve Fund for year end June 30, 2001. Thereafter they are required to deposit \$696 a year in each account until there is \$13,915 in each. At that time a deposit of \$116 will be made monthly in the Contingency Fund until the bonds mature.

13. RISK MANAGEMENT

The village is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and injuries to employees. To handle such risk of loss the village maintains commercial insurance and surety bond coverage. No claims were paid on any of the policies during the past three years.

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

Honorable E. E. Crocker, Mayor and
The Board of Aldermen
Grand Cane, Louisiana

I have audited the general purpose financial statements of the Village of Grand Cane as of and for the year ended June 30, 2000, and have issued my report thereon dated November 9, 2000. I conducted my 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 and the *Louisiana Governmental Audit Guide* issued by the Society of Louisiana Certified Accountants and the Louisiana Legislative Auditor.

Compliance

As part of obtaining reasonable assurance about whether the Village of Grand Cane's general purpose financial statements are free of material misstatement, I 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 my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards and described as follows:

Condition: There is a possible violation of the Louisiana Revised Statute 42:1110-1170 --Code of Government Ethics.

Cause of Condition: Evidence indicates that an elected official, a legal entity in which he has an interest, and/or a member of his immediate family bid on and entered into a contractual relationship with another contractor in connection with the building of the Wastewater Collection System for the Village.

Recommendation: The Board of Aldermen should forward this evidence to the State Board of Ethics requesting a ruling.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the Village of Grand Cane's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 that 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.

I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

Deborah A. Alee, CPA

Mansfield, Louisiana
November 9, 2000

Village of Grand Cane

Mayer
E. E. Tucker
Clark
Lorraine Brummett

P.O. Box 82
Grand Cane La. 71032

Aldermen
Billy Franklin
Shelton Farmer
Rhonda Meek

December 28, 2000

Louisiana Ethics Administration Program
8401 United Plaza Boulevard, Suite 200
Baton Rouge, LA 70809-7017

To Whom It May Concern:

During a recent independent audit by Deborah D. Dees, CPA, dated November 9, 2000, it has come to our attention that there is a possible violation of the Louisiana Revised Statute 42:1110-1170 Code of Government Ethics. She states "evidence indicates that an elected official, a legal entity in which he has an interest, and/or member of his immediate family bid on and entered into a contractual relationship with another contractor in connection with the building of the Wastewater Collection System for the Village".

Ms. Dees recommended we forward the documents indicating the possible violation. Enclosed please find the documents. We are at this time requesting a ruling by the State Board of Ethics. If ruled as being noncompliant, we would like information on how to regain compliance.

We appreciate your time and cooperation on this matter.

Sincerely,


Rhonda H. Meek
Alderwoman, Village of Grand Cane

pc: Legislative Auditor's office
Deborah D. Dees