

JAMES M. COLLINGSWORTH, JR.
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December 27, 1994

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LEGISLATIVE AUDITOR

11-23-94 2-10-95
LEGISLATIVE AUDITOR

Mayor and Board of Aldermen
Village of South Mansfield
P. O. Box 993
Mansfield, LA

Dear Sirs:

I have recently completed a compilation of the general purpose financial statements of the Village of South Mansfield for the year ended June 30, 1994. While compiling data, I noted certain problem areas which I have highlighted in the remainder of this letter along with recommendations for their improvement.

Revenue Bonds - The Village is currently liable for revenue bond issues pertaining to the Water and Sewer Utility Systems. These bond issues require the maintenance and funding of three restricted bond accounts in each utility fund to insure timely payment of the current liability and to help insure payment of future liabilities. The Village has failed to meet the funding requirements of both the Water and Sewer Bond issues. I believe that this failure to meet the funding requirements is a result of the large amount of repairs to plant and equipment you have experienced over the last several years. Monthly funding of these restricted accounts is much improved compared to the prior year.

Customer Deposits - Problems noted in the prior year management letter appear to have been resolved.

Bookkeeping - Current bookkeeping practices are inadequate in the areas of reconciling receipts and disbursements journals and posting amounts to the general ledger. These problems have remained unchanged from the prior year. I suggest that a new bookkeeping software package be purchased which would better suit the village's needs.

General Fixed Assets - Problems noted in the prior year management letter appear to have been resolved.

Debt - The Village entered into a lease-purchase agreement with Ford Motor Credit in order to buy a tractor during the current year. State law requires approval from the State Bond Commission in order to incur such an agreement. The Mayor and Board of Aldermen should be made aware that Commission approval is required for all debts exceeding 60 days.

Mayor and Board of Aldermen
December 27, 1998
Page 2

Payroll Reports - Various quarterly payroll reports, earnings records, and expense accounts do not reconcile to each other. I recommend a payroll software package be purchased and used to insure that earnings records, payroll reports, and expense amounts are kept in agreement.

Management of the Village of South Essexfield should examine and discuss the problem areas noted in this letter and implement corrective action as soon as practicable. If additional explanation is required, please advise.


James N. Collinsworth, Jr., CPA

VILLAGE OF SOUTH HANSFIELD

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December 27, 1986

Mayor and Members of the Board
of Aldermen
South Mansfield, Louisiana

I have compiled the accompanying general purpose financial statements of the Village of South Mansfield, Louisiana, as of June 30, 1986, together with supplementary information for the year then ended, as listed in the table of contents, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. I have not audited or reviewed the accompanying financial statements and supplementary information and, accordingly, do not express an opinion or any other form of assurance on them.


James M. Collingsworth, Jr., CPA

QUESTIONS, PURPOSE, FINANCIAL STATEMENTS

COMBINED STATEMENTS - PROVISIONS

VILLAGE OF SOUTH BRANFELD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP

JUNE 30, 1986

	Governmental <u>Fund Type</u> <u>General</u>	Proprietary <u>Fund Types</u> <u>Enterprise</u>
ASSETS		
Cash	5,021	20,468
Receivables (Net of Allowances for Uncollectibles, Where Applicable):		
Taxes	8,738	
Accounts		38,213
Due From Other Governmental Units - Note 3	6,728	
Restricted Assets - Note 4:		
Cash		9,160
Certificate of Deposit		4,000
Real Property - Note 5		41,000
Plant and Equipment - Note 5		3,113,280
Accumulated Depreciation		<u>(188,180)</u>
Total Assets	<u>21,286</u>	<u>1,724,118</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Accounts Payable	842	10,428
Accrued Liabilities	107	1,823
Payable From Restricted Assets:		
Reverse Bonds - Note 4		10,480
Borrow Deposits		7,991
Obligation under Capital Lease - Note 12		22,180
Reverse Bonds - Payable - Note 4		<u>288,820</u>
Total Liabilities	<u>1,948</u>	<u>327,122</u>

(continued)

Account — General Fixed Assets	Total (Memorandum —Only)
	14,490
	8,730
	35,313
	4,720
	9,144
	4,000
28,815	60,815
32,283	2,343,451
<u>61,098</u>	<u>(2,404,267)</u>
	1,000,434
	11,276
	1,100
	10,000
	7,987
	32,280
	<u>200,300</u>
	<u>300,300</u>

VILLAGE OF SOUTH HANFIELD

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

JUNE 30, 1956

	<u>Governmental</u> <u>Fund Type</u> <u>General</u>	<u>Proprietary</u> <u>Fund Types</u> <u>Enterprise</u>
<u>LIABILITIES AND FUND EQUITY (cont)</u>		
<u>Fund Equity</u>		
Investment in General Fixed Assets contributed capital		1,400,367
Retained Earnings:		
Reserved - Reserve Bonds		(4,820)
Unreserved		(82,150)
Total Retained Earnings		(86,970)
Fund Balance - Unrestricted	15,915	
Fund Balance - Restricted	4,312	
Total Fund Equity	20,227	1,436,328
Total Liabilities and Fund Equity	21,266	1,774,513

(continued)

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certified Public Accountant

Account Group General Fixed Assets	Total (Memorandum Only)
81,018	81,018
	1,483,387
	(4,828)
	(42,288)
	(46,888)
	15,815
-----	-----
81,018	1,827,882
81,018	1,850,414
-----	-----

(See Accountant's Compilation Report)

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VILLAGE OF SOUTH HANSFIELD

Exhibit B

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -

BUDGET (GAAP) BASIS AND ACTUAL - GENERAL FUND

FOR THE YEAR ENDING JUNE 30, 1998

	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Franchise Taxes	17,830	17,733	(97)
Licenses and Permits	3,810	4,599	2,389
Intergovernmental	20,340	20,182	(158)
Sales Taxes	37,504	22,651	(14,853)
Ad Valorem Taxes	2,540	3,828	1,288
Total Revenues	70,224	72,193	1,969
Expenditures:			
General Government	30,933	48,582	(17,649)
Public Safety	11,260	12,209	(949)
Highways and Streets	31,250	13,221	18,029
Total Expenditures	61,860	72,792	(10,932)
Excess of Revenues Over (Under) Expenditures	8,748	4,442	(4,306)
Fund Balance - July 1		18,798	
Fund Balance - June 30		20,237	

(See Accountant's compilation Report)

JAMES H. COLLEMAN, JR.
Certified Public Accountant

VILLAGE OF SOUTH HANFIELD

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE

GENERAL FUND

FOR THE YEAR ENDED JUNE 30, 1996

REVENUES:	
Franchise Taxes	17,733
Licenses and Permits	4,800
Intergovernmental	28,182
Sales Taxes	22,601
Ad Valorem Taxes	1,629
Total Revenues	75,185
Expenditures:	
Current -	
General Government	48,842
Public Safety	13,930
Highways and Streets	12,351
Total Expenditures	75,123
Excess of Revenues over (under) Expenditures	6,442
Fund Balance - July 1	18,788
Fund Balance - June 30	20,237

(See Accountant's Compilation Report)

JAMES W. COLLINGSWORTH, JR.
 Certified Public Accountant

VILLAGE OF SOUTH MANSFIELD
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES
 IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
 FOR THE YEAR ENDED JUNE 30, 1995

Operating Revenues:	
charges for services -	
Sales	\$178,880
Operating Expenses:	
Wages	48,150
Professional Fees	4,810
Administrator Fee	10,070
Taxes	3,630
Water Leases	3,730
Automobiles	8,500
Supplies	10,601
Utilities	11,749
Insurance	4,428
Maintenance and repair	12,481
Office	9,374
Depreciation	10,883
Total Operating Expenses	155,124
Operating Income (Loss)	23,756
Nonoperating Revenues (Expenses):	
grants	15,000
interest Expense	(34,300)
Net Income	23,456
Retained Earnings (Deficit) - July 1	(60,314)
Retained Earnings (Deficit) - June 30	(36,858)

(See Accountant's Compilation Report)

JAMES B. COLLINGSWORTH, JR.
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VILLAGE OF SOUTH WAMFIELD

Exhibit E

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPES

FOR THE YEAR ENDED JUNE 30, 1998

Cash flows from operating activities:

Net Income (loss)	22,328
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation	18,443
Increase in fixed assets	(32,800)
Increase in receivables	(8,842)
Increase in accounts payable and accrued liabilities	2,183
Net cash provided (used) by operating activities	(18,188)

Cash flows from financing activities:

Proceeds from customer deposits	(168)
Proceeds from notes payable	22,384
Repayment of revenue bonds	(110,888)
Net cash provided (used) in financing activities	(12,182)

Increase in cash and cash equivalents

6,952

Cash and cash equivalents, June 30, 1997

24,884

Cash and cash equivalents, June 30, 1998

31,836

(See Accountant's Compilation Report)

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 Certified Public Accountant

VILLAGE OF SOUTH HANSFIELD

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1986

(ii) Summary of Significant Accounting Policies -

The Village of South Hansefield was incorporated under the provisions of the Louisiana Act. The Village operates under a Mayor-Board of Aldermen form of government and provides the following services as authorized by its charter: public safety, streets, improvements, planning, and general administrative services.

The Village's comprehensive annual financial report includes the accounts of all Village operations.

The accounting policies of the Village of South Hansefield, Louisiana, conform to generally accepted accounting principles. The following is a summary of such significant policies:

Principles Pertaining Scope of Reporting Entity - The financial statements of the Village consist only of the funds and account group of the Village. The Village has no oversight responsibility for any other governmental entity.

Fund Accounting - The accounts of the Village of South Hansefield are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report into three generic fund types and two broad fund categories as follows:

Governmental Funds:

General Fund

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

Proprietary Funds:

Enterprise Fund

Enterprise funds are used to account for operations (s) that are financed and operated in a manner similar to private business enterprises when the intent to the governing body is that the

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VILLAGE OF SOUTH DUNSFIELD

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1996

costs of providing goods or services to the general public on a continuing basis to be financed or recovered primarily through user charges; or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fixed Assets and Long-Term Liabilities - The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance is considered a measure of "available spendable resources." Governmental fund operating statements present increases and decreases in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations are accounted for in the general Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Village has elected to expense public domain fixed assets consisting of certain improvements other than buildings including roads, bridges, and other such improvements. Such assets are normally immovable and of value only to the Village, therefore, stewardship for these items is satisfied without recording or depreciating these assets.

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.

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and liabilities associated with their activity are included on their balance sheets. Their reported fund equity is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

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VILLAGE OF SOUTH HANFIELD
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1994

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

Water Plant and Equipment	40 years
Well Pump	10 years
Maintenance Equipment	5 years
Office Equipment	5 years
Beverage Plant and Equipment	30 years

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Property taxes are recorded as revenue when levied. Licenses, permits, and fines are recorded when received in cash because they are generally not measurable until actually received. Franchise taxes and intergovernmental revenue are accrued when their receipt occurs soon enough after the end of the accounting period so as to be both measurable and available.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

Proprietary funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Cash - Deposits are stated at cost.

Deposits - At year end, the carrying amount of the Village's cash accounts was \$34,479 in unrestricted funds and \$13,168 in restricted funds. These accounts are covered by the FDIC.

JAMES W. COLLESMOUTH, JR.
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VILLAGE OF SOUTH BRANFELD
NOTICE TO THE FINANCIAL STATEMENTS

JUNE 30, 1988

Budgets and Budgetary Accounting - The Village follows these procedures in establishing budgets in these financial statements:

1. The City Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection.
3. A public hearing is held on the proposed budget at the regular monthly meeting in the final month of the fiscal year preceding the budgeted year.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year.
5. Budgetary amendments involving the transfer of funds or involving increases in expenditures require the approval of the Board of Aldermen.
6. Budgetary appropriations lapse at the end of each fiscal year.
7. The general fund budget was adopted on a basis consistent with generally accepted accounting principles. Budgeted amounts are as originally adopted.

JAMES H. COCHRAN, JR.,
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VILLAGE OF SOUTH MANFIELD
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 1996

Total Columns on Combined Statements-Overview - Total columns on combined statements-overview are captioned Memorandum Only to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

Bad Debts - Uncollectible amounts due for ad valorem taxes and customer utility receivables are recognized as bad debts after all legal collection methods have been exhausted. The Village has determined that all receivables are collectible and has not recognized any bad debts for the current year.

(2) Ad Valorem Taxes - Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied in October and billed in November. Taxes become delinquent on January 1 of the following year. Revenues are budgeted in the year billed.

The Village bills and collects its own property taxes using the assessed values from the tax assessor of Beato Parish.

For the year ended June 30, 1996, taxes of 5.31 mills were levied on property with assessed values of \$681,697 and were dedicated for general corporate purposes.

Total taxes levied were \$1,628. Taxes receivable at June 30, 1996, consisted of the following:

Taxes Receivable Current Roll	883
Taxes Receivable Prior Years	2,811
	2,933

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VILLAGE OF SOUTH WAXFIELD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1995

(3) Due From Other Governmental Units - Amounts due from other governmental units consisted of the following:

Beer and Tobacco Taxes Due From the state of Louisiana	\$ 728

(4) Restricted Assets - Proprietary Fund Type - Restricted assets were applicable to the following:

	Water	Sewer
Customer Deposits - Water Utility	7,987	
Seed Sinking Fund	140	2,400
Seed Reserve Fund	736	624
Replacement and Extension Fund	400	471
	<u>\$ 9,473</u>	<u>3,495</u>
	*****	*****

(5) Changes in Fixed Assets -

	Balance July 01 1995	Additions	Deletions	Balance June 30 1995
Land	19,356	-0-	-0-	19,356
Buildings	9,489	-0-	-0-	9,489
Equipment	<u>32,281</u>	<u>-0-</u>	<u>-0-</u>	<u>32,281</u>
Total	<u>61,126</u>	<u>-0-</u>	<u>-0-</u>	<u>61,126</u>
	*****	*****	*****	*****

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VILLAGE OF SOUTH BRISFIELD
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 1998

A summary of proprietary fund type property, plant and equipment is as follows:

Sewer Plant and Equipment	1,874,156
Water Plant and Equipment	179,496
Maintenance Equipment	53,748
Office Equipment	2,459
	<u>2,112,859</u>
Less Accumulated Depreciation	<u>428,182</u>
Net	<u>1,684,677</u>

161 Changes in Long-Term Debt - The following is a summary of bond transactions:

Bonds Payable July 1, 1998	306,800
Bonds Retired	<u>10,000</u>
Bonds Payable June 30, 1998	<u>296,800</u>

The above bonds are from - (1) \$160,000 Water Utility Revenue Bond issue dated May, 1974; due in annual installments of \$3,000-10,000 through July 1, 2008; interest at 4%. (2) \$207,400 Sewer Utility Revenue Bond issue dated April 1988; due in annual installments of \$4,000-\$13,000 through April 31, 2004; interest at 8%.

The annual requirement to amortize all debt outstanding as of June 30, 1998 including interest payments of \$214,619 are as follows:

Year Ending <u>June 30</u>	Water Revenue Bonds	Sewer Revenue Bonds	Total
1997	8,000	14,300	22,300
1998	10,300	14,300	24,600
1999	10,000	13,800	23,800
2000	9,748	13,800	23,548
2001	10,440	14,200	24,640
2001-2004	<u>24,800</u>	<u>211,350</u>	<u>236,150</u>
	<u>114,788</u>	<u>301,750</u>	<u>416,538</u>

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VILLAGE OF SOUTH BOSTFIELD
NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1988

171 Flow of Funds; Restrictions on Gas-Water Utility Revenues:

Under the terms of the bond indenture on outstanding Water Utility bonds dated May, 1974 all income and revenues of every nature, earned or derived from operation of the Utility system are pledged and dedicated to the retirement of said bonds and are to be set aside as follows:

Each month, an amount equal to 1/12 of the maturing principal and interest is to be set aside in the "Revenue Bond and Interest Sinking Fund". These transfers may only be used to retire maturing bonds and interest.

An amount equal to 20% of current bond and interest maturities will be set aside into the "Revenue Bond Reserve Fund". This transfer is required until a balance of \$11,000 is reached. These funds may be used for payment of maturing bonds and interest when the sinking fund is underfunded.

The Village shall also set aside a "Replacement and Extension Fund" of \$7,500 to cover extraordinary costs. Current maturities may be paid from this fund if the other funds have insufficient monies available.

Revenues not required to be deposited in the above funds shall be regarded as surplus available for any lawful corporate purpose.

Sewer System Revenues: Under the terms of the bond indenture on Sewer Bonds dated April, 1986, funds will be set aside into the following:

Each month, there will be set aside into a fund called the "Revenue Bond and Interest Sinking Fund" 1/12 of the maturing bond and interest amounts. These monies may only be used to pay current maturities.

Commencing the first month in which the system becomes revenue producing, an amount equal to 24 of current maturities will be set aside into a "Revenue Bond Reserve Fund" until the account contains \$15,170. These monies may be used to pay current maturities when the sinking fund has insufficient funding.

The Village shall also set aside a "Replacement and Extension Fund" of \$10 per month to cover unusual costs. Current maturities may be paid from this fund when other bond funds have insufficient balances.

All revenues received which are not required to be paid into any of the above noted funds shall be regarded as surplus and may be used for any lawful corporate purpose.

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VILLAGE OF SOUTH HANFIELD

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 1988

(12) Contributed Capital - The Village received grants totaling \$1,770,857 for installation of a sewer system in 1984. Accumulated depreciation of property, plant and equipment acquired with contributed capital is \$287,498.

(13) Proprietary Funds - The Village maintains two proprietary funds, the Water utility fund and the Sewer utility fund. Schedules P-1, P-2, and P-3 contain separate financial statements presentation for each fund.

(14) Contingent Liability - The general revenues of the Village are continuously liable for \$83,800 of Water Revenue Bonds and \$284,000 of Sewer Utility Revenue Bonds outstanding which are currently recorded as obligations of the Water and Sewer Funds. The full faith and credit of the Village is pledged to redeem these bonds if revenues from the proprietary funds are not able to meet the obligations.

(15) Deficit Retained Earnings - The Sewer Enterprise Fund began the year with a retained earnings deficit of \$47,117. This amount was reduced by \$8,380 in the current year. The village anticipates eliminating this deficit with future net income amounts.

The Water System Enterprise Fund began the year with a retained earnings deficit of \$31,983. This deficit was decreased in the current year by \$14,028 and should be fully eliminated in the coming year.

(16) Capital Lease - The Village purchased a tractor under a lease-purchase agreement on 9-28-85 for \$38,800. Three annual installments of \$8,581 are required beginning 9-28-86. The interest portion of these payments is \$1,581. The present value of minimum lease payments less Ford Motor credit is \$28,280.

VILLAGE OF SOUTH MANSFIELD

Exhibit T-1

ENTERPRISE FUNDS

COMBINING BALANCE SHEET

JUNE 30, 1998

ASSETS	Water	sewer	Total
Current Assets:			
Cash	11,108	17,560	28,668
Accounts Receivable	11,094	23,318	34,412
Total Current Assets	22,202	40,878	63,080
Restricted Assets:			
Customer Deposits -			
Cash	3,887		3,887
Certificates of Deposit	4,000		4,000
Bond Sinking Fund	148	2,408	2,556
Bond Reserve Fund	798	634	1,432
Bond Contingency Fund	808	675	1,483
Total Restricted Assets	10,421	3,717	14,138
Plant and Equipment, Cost, Net of Accumulated Depreciation (Water-124,252; Sewer-339,835)	81,007	2,428,026	2,549,033
Total Assets	94,638	1,678,698	1,773,336
LIABILITY AND FUND EQUITY			
Liabilities:			
Current Liabilities (Payable from Current Assets):-			
Accounts Payable	1,881	8,883	10,764
Accrued Taxes	895	417	1,312
Total Current Liabilities (Payable from Current Assets)	2,776	9,300	12,076
Current Liabilities (Payable from Restricted Assets):			
Revenue Bonds	4,000	4,000	10,800
Customer Deposits	2,887		3,887
Total Current Liabilities (Payable from Res. Assets)	13,507	4,000	17,507

(continued)

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VILLAGE OF SOUTH WAREFIELD

Exhibit P-1

ENTERPRISE FUNDS

Page 2

COMBINING BALANCE SHEET

JUNE 30, 1998

	DEBIT	CREDIT	Total
Liabilities (continued):			
Long-Term Liabilities-			
note payable		33,280	33,280
Revenue Bonds Payable	86,000	288,000	280,800
Total Long-Term Liabilities	86,000	321,280	300,280
Fund Equity:			
Contributed Capital		1,483,387	1,483,387
Retained Earnings-			
Reserved-Revenue Bonds	(4,524)	(385)	(4,909)
Unreserved	(2,887)	139,713	(42,159)
Total Retained Earnings	(7,411)	139,328	(46,088)
Total Fund Equity	(7,411)	1,622,715	1,526,307
Total Liabilities and Fund Equity	86,512	1,679,600	1,774,112

(continued)

(See Accountant's Compilation Report)

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 Certified Public Accountant

VILLAGE OF SOUTH MANFIELD
 COMBINED STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN RETAINED EARNINGS - ENTERPRISE FUNDS
 FOR THE YEAR ENDED JUNE 30, 1988

	Water	Sewer	Total
Operating Revenues:			
Sales	\$8,698	181,794	124,698
Operating Expenses:			
Wages	21,988	28,180	48,168
Professional Fees	948	3,484	4,832
Administrative Fees	8,550	11,820	20,870
Taxes	1,414	2,602	3,836
Water Leases	1,852	885	2,738
Automobile	3,918	4,495	8,393
Supplies	4,804	28,883	28,091
Utilities	8,317	7,428	15,749
Insurance	1,075	3,383	4,428
Maintenance and Repair Office	8,748	3,913	12,443
	1,988	3,378	8,324
Depreciation	4,812	5,121	10,883
total Operating Expenses	88,828	89,184	155,124
Operating Income (Loss)	3,858	19,199	21,356
Non-Operating Revenues (Expenses):			
Grants	15,000		15,000
Interest Expense	(2,828)	(12,488)	(14,338)
Net Income	14,972	6,300	22,726
Retained Earnings(Deficit)-July 1	(21,981)	(47,313)	(69,314)
Retained Earnings(Deficit)-June 30	17,971	139,617	148,988

(See Accountant's Compilation Report)

JAMES W. COLLINGSWORTH, JR.
 Certified Public Accountant

VILLAGE OF SOUTH HANFIELD
COMBINING STATEMENT OF CASH FLOWS
EXTRAPERIOD FUNDS
FOR THE YEAR ENDED JUNE 30, 1996

	Water	Sewer	Total
Cash flows from operating activities:			
Net income (loss)	14,826	8,380	23,206
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation	4,032	6,031	10,063
Increase in fixed assets		(30,800)	(30,800)
Increase in receivables	(2,407)	(5,825)	(8,232)
Increase (decrease) in accounts payable and accrued liabilities	(7,382)	2,818	(4,564)
Net cash provided (used) by operating activities	10,069	(17,676)	(7,607)
Cash flows from financing activities:			
Proceeds from customer deposits	(148)		(148)
Proceeds from notes payable		22,280	22,280
Payment of revenue bonds	(6,880)	(4,880)	(11,760)
Net cash used in financing activities	(7,176)	(2,480)	(9,656)
Increase(decrease)in cash and cash equivalents	2,893	(204)	2,689
Cash and cash equivalents, June 30, 1995	12,325	21,250	33,575
Cash and cash equivalents, June 30, 1996	15,218	20,946	36,164

(See Accountant's Compilation Report)

JAMES M. COLLINGSWORTH, JR.
 Certified Public Accountant

REFERENCES INFORMATION

VILLAGE OF SOUTH BRANFORDSCHEDULE OF OFFICERSYEAR 10, 1996

<u>NAME</u>	<u>POSITION</u>	<u>COMPENSATION</u>
Eugene Washington	Mayor	3,000
Erica Hayweather	Alderswoman	3,020
David Evans	Alderman	3,020
Barbara Egan	Alderswoman	3,020
		10,020

JAMES W. COLLINGSWORTH, JR.
Certified Public Accountant
1109 Jarber Place - Shreveport, LA 71204
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Independent Accountant's Report
on Applying Agreed-Upon Procedures

Mayor and Members of the Board
of Aldermen
South Mansfield, Louisiana

I have performed the procedures included in the Louisiana Government Audit Guide and enumerated below, which were agreed to by the management of the Village of South Mansfield and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of South Mansfield's compliance with certain laws and regulations during the period ended June 30, 1986, included in the accompanying Louisiana Attention Questionnaire. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

1) PUBLIC BID LAW - Select all expenditures made during the year for material and supplies exceeding \$5,000, or public works exceeding \$50,000, and determine whether such purchases were made in accordance with LA&RS 30:2211-2251 (the public bid law).

One expenditure was made during the year for materials and supplies exceeding \$5,000. I examined documentation which indicated that this expenditure had been properly advertised and accepted in accordance with the provisions of LA&RS 30:2211-2251.

2) CODE OF ETHICS FOR PUBLIC OFFICIALS AND EMPLOYEES - Obtain from management a list of the immediate family members of each board member as defined by LA&RS 42:1102-1124 (the code of ethics), and a list of outside business interests of all board members and employees, as well as their immediate families.

Management provided me with the required lists.

December 27, 1986

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3) Obtain from management a listing of all employees paid during the period under examination.

Management provided me with the required list.

4) Determine whether any of those employees included in the listing obtained from management in agreed-upon procedure (3) were also included on the listing obtained from management in agreed-upon procedure (2) as immediate family members.

None of the employees included on the list of employees provided by management [agreed-upon procedure (3)] appeared on the list provided by management in agreed-upon procedure (2).

5) Obtain a copy of the legally adopted budget and all amendments.

Management provided me with a copy of the original budget. There were no amendments.

6) Trace the budget adoption and amendments to the minute book.

I traced the adoption of the original budget to the minutes of the July 1985 meeting which indicated that the budget had been adopted unanimously.

7) Compare the revenues and expenditures of the final budget to actual revenues and expenditures to determine if actual revenues or expenditures exceed budgeted amounts by more than 5%.

I compared the revenues and expenditures of the final budget to actual revenues and expenditures. General Fund revenues exceeded budgeted revenues by 5%. General Fund expenditures were 17% higher than budgeted amounts.

8) ACCOUNTING AND REPORTING - Randomly select 4 disbursements made during the period under examination and:

a) trace payments to supporting documentation as to proper amount and payee;

I examined supporting documentation for each of the six selected disbursements and found that payment was for the proper amount and made to the correct payee.

b) determine if payments were properly coded to the correct fund and general ledger account;

All six payments were properly coded to the correct fund and general ledger account.

c) determine whether payments received approval from proper authorities.

Inspection of documentation supporting each of the six selected disbursements indicated approvals from the village clerk and fiscal administrator.

9) MEETINGS - Examine evidence indicating that agendas for meetings recorded in the minute book were posted or advertised as required by LA-SS 42:1 through 47:12(the open meetings law).

The Village is required to post a notice of each meeting and the accompanying agenda on the door of the Village's office building. I examined evidence which indicated that such postings were made.

10) BANK - Examine bank deposits for the period under examination and determine whether any such deposits appear to be proceeds of bank loans, bonds, or like indebtedness.

I inspected copies of all bank deposit slips for the period under examination and noted no deposits which appeared to be proceeds of bank loans, bonds, or like indebtedness.

The Village did enter into a lease-purchase agreement with Ford Motor credit for the purchase of a tractor. The Village did not receive approval from the State Bond Commission as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section 3) of the 1974 Constitution, and SSA-NS 47:1410.04.

11) ADVANCES AND BONUSES - Examine payroll records and minutes for the year to determine whether any payments have been made to employees which may constitute bonuses, advances, or gifts.

I inspected payroll records for the year and noted no instances of the above listed payments. Minutes of Village meetings also show no approval of such payments.

I was not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

December 27, 1994

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This report is intended solely for the use of management of the Village of South Mansfield and the legislative auditor, state of Louisiana, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. However, this report is a matter of public record and its distribution is not limited.

James H. Collinsworth, Jr.

December 27, 1994