

OFFICIAL
FILE COPY
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

NOV 12 1999
11:10

VILLAGE OF McNARY
GLENMORA, LOUISIANA

COMPILATION
FINANCIAL STATEMENTS
YEARS ENDED
JUNE 30, 1999 AND 1998

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

Release Date **DEC 08 1999**

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
ANNUAL FINANCIAL REPORT
JUNE 30, 1999

TABLE OF CONTENTS

<u>FINANCIAL SECTION</u>	<u>PAGE</u>
Accountants' Report	1
<u>GENERAL PURPOSE FINANCIAL STATEMENTS</u> <u>(COMBINED STATEMENTS - OVERVIEW)</u>	
<u>EXHIBIT A</u> Combined Balance Sheets - All Fund Types and Account Groups	2
<u>EXHIBIT B</u> Combined Statements of Revenues, Expenditures, Other Financing Sources (Uses) and Changes in Fund Balances - All Governmental Fund Types	3
<u>EXHIBIT C</u> Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings - Proprietary Fund Types	4
<u>EXHIBIT D</u> Comparative Statements of Changes in Cash Flows - Proprietary Fund Types	5
Notes to Financial Statements	6 - 15
<u>FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS</u>	
<u>GENERAL FUND</u>	
<u>STATEMENT A-1</u> Comparative Balance Sheets	16
<u>STATEMENT A-2</u> Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	17
<u>STATEMENT A-3</u> Statements of Revenues, Expenditures - Budget and Actual	18
<u>CAPITAL PROJECTS FUND</u>	
<u>STATEMENT B-1</u> Combining Balance Sheets	19
<u>STATEMENT B-2</u> Combining Statement of Revenues, Expenditures, and Changes in Fund Balance	20
<u>STATEMENT B-3</u> Comparative Balance Sheets - Board Restricted	21

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
ANNUAL FINANCIAL REPORT
JUNE 30, 1999

TABLE OF CONTENTS

<u>STATEMENT B-4</u>	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Board Restricted	22
<u>STATEMENT B-5</u>	Comparative Balance Sheet - L.C.D.B.G.	23
<u>STATEMENT B-6</u>	Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - L.C.D.B.G.	24
<u>ENTERPRISE FUND</u>		
<u>STATEMENT C-1</u>	Comparative Balance Sheets	25
<u>STATEMENT C-2</u>	Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	26
<u>STATEMENT C-3</u>	Comparative Statements of Changes in Cash Flows	27
<u>STATEMENT C-4</u>	Comparative Schedules of Detail of Expenses	28
<u>STATEMENT C-5</u>	Income Statement - Budget and Actual	29
<u>STATEMENT C-6</u>	Schedule of Utility Plant and Equipment	30
<u>GENERAL FIXED ASSETS ACCOUNT GROUP</u>		
<u>STATEMENT D-1</u>	Comparative Schedules of General Fixed Assets By Source	31
<u>STATEMENT D-2</u>	Schedule of Changes in General Fixed Assets	32
<u>ATTESTATION REPORT</u>		33 - 36
<u>ADDITIONAL AND SUPPLEMENTARY INFORMATION</u>		
<u>STATEMENT E-1</u>	Combined Schedule of Cash and Investments - All Funds	37
<u>STATEMENT E-2</u>	Schedule of Insurance in Force	38
<u>STATEMENT E-3</u>	Schedule of Federal Financial Assistance for the Year Ending June 30, 1999	39
<u>GRAPHS</u>		40 - 43

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS
119 PROFESSIONAL DRIVE
WEST MONROE, LOUISIANA 71291

CAROLYN V. GARRETT
JUDY D. GARRETT

PHONE: 318 322-0845
FAX: 318 322-5577

E-MAIL: PRO119@IAMERICA.NET

October 20, 1999

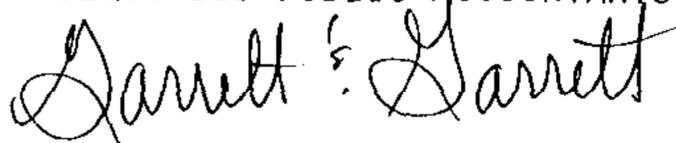
INDEPENDENT ACCOUNTANTS' REPORT

The Honorable Donald Parker, II, Mayor
and Members of the Board of Alderman

We have compiled the accompanying general purpose financial statements of the Village of McNary, Glenmora, Louisiana and the combining, individual fund and account group financial statements of the Village of McNary, Glenmora, Louisiana, as of and for the years ended June 30, 1999 and 1998, and the accompanying supplementary information for the year then ended contained on pages 37 through 43, which are presented only for supplementary analysis purposes, as listed in the table of contents. Our compilation was performed in accordance with Statements and Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of the Village of McNary, Glenmora, Louisiana.

A compilation is limited to presenting in the form of financial statements and supplementary schedules information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedules for the years ended June 30, 1999 and 1998 and, accordingly, do not express an opinion or any other form of assurance on them.

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS



EQUITY AND OTHER CREDITS

Contributed Capital	\$.00	\$.00	\$ 9,248.00	\$.00	\$ 9,248.00
Investment in General Fixed Assets	.00	.00	.00	75,009.28	75,009.28
Retained for Revenue Bond and Depreciation and Contingency	.00	.00	22,722.56	.00	22,722.56
Unreserved/Undesignated	99,915.52	4,498.48	28,550.67	.00	132,955.77
<u>TOTAL EQUITY AND OTHER CREDITS</u>	<u>\$ 99,915.52</u>	<u>\$ 4,498.48</u>	<u>\$ 50,521.33</u>	<u>\$ 75,009.28</u>	<u>\$ 239,945.71</u>
<u>TOTAL LIABILITIES AND EQUITY AND OTHER CREDITS</u>	<u>\$ 128,982.99</u>	<u>\$ 5,046.48</u>	<u>\$ 151,218.46</u>	<u>\$ 75,009.28</u>	<u>\$ 360,257.21</u>

EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)	\$	249.92	\$	134.87	\$.00	\$	384.79
<u>FUND BALANCE - UNRESERVED JULY 1</u>	\$	<u>99,666.70</u>	\$	<u>4,363.61</u>	\$	<u>.00</u>	\$	<u>104,030.31</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	\$	<u>99,916.62</u>	\$	<u>4,498.48</u>	\$	<u>.00</u>	\$	<u>104,415.10</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
ENTERPRISE FUND

EXHIBIT C

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	PROPRIETARY FUND TYPE ENTERPRISES	
	1999	1998
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 25,158.87	\$ 23,280.61
Miscellaneous	150.00	548.90
Total Operating Revenues	\$ 25,308.87	\$ 23,829.51
<u>OPERATING EXPENSES</u>		
Cost of Sales and Services	\$ 12,323.92	\$ 7,543.72
Administrative	7,109.38	7,371.01
Depreciation	3,949.44	3,949.44
Total Operating Expenses	\$ 23,382.74	\$ 18,864.17
<u>OPERATING INCOME</u>	\$ 1,926.13	\$ 4,965.34
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 2,652.65	\$ 2,396.43
Interest Expense & Fiscal Charges	(4,050.00)	(4,250.00)
Total Non-operating Revenues (Expenses)	\$ (1,397.35)	\$ (1,853.57)
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$ 528.78	\$ 3,111.77
<u>TRANSFER TO/FROM OTHER FUNDS</u>	.00	.00
<u>NET INCOME (LOSS)</u>	\$ 528.78	\$ 3,111.77
<u>(INCREASE) DECREASE IN RESERVES FOR REVENUE BOND, DEPRECIATION, CONTINGENCY</u>	22,807.57	(726.96)
<u>NET CHANGE IN UNRESERVED RETAINED EARNINGS FOR THE YEAR</u>	\$ 23,336.35	\$ 2,384.81
<u>RETAINED EARNINGS - UNRESERVED JULY 1</u>	5,214.32	2,829.51
<u>RETAINED EARNINGS - UNRESERVED JUNE 30</u>	\$ 28,550.67	\$ 5,214.32

See accompanying notes and accountants' report.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
PROPRIETARY FUND TYPES
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CHANGES IN CASH FLOWS
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

EXHIBIT D

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	\$ 528.78	\$ 3,111.77
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,949.44	3,949.44
(Increase) Decrease in Accounts Receivable	(19.18)	(24.89)
(Increase) Decrease in Due from Capital Projects	(448.00)	.00
(Increase) Decrease in Accrued Interest Receivable	(123.00)	100.00
(Increase) Decrease in Restricted Assets	100.65	(726.96)
Increase (Decrease) in Vouchers Payable	390.86	92.17
Increase (Decrease) in Other Accrued Expense	(100.00)	(100.00)
Increase (Decrease) in Customer Deposits	165.00	50.00
Increase (Decrease) Due To General Fund	(37.76)	6.62
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 4,406.79</u>	<u>\$ 6,458.15</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	\$.00	\$.00
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Payment of Revenue Bonds	\$ (4,000.00)	\$ (4,000.00)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
None	\$.00	\$.00
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>\$ 406.79</u>	<u>\$ 2,458.15</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>20,614.30</u>	<u>18,156.15</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 21,021.09</u>	<u>\$ 20,614.30</u>
Cash Paid for Interest	<u>\$ 4,150.00</u>	<u>\$ 4,350.00</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Village of McNary was incorporated August 6, 1913, under the provisions of the Lawrason Act. The Village operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Village of McNary conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies.

Financial Reporting Entity. This report includes all funds and account groups which are controlled by or dependent on the Village of McNary and Legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Village of McNary was determined on the basis of taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

Fund Accounting. The accounts of the Village of McNary are organized on the basis of funds and account groups, each of which is considered a separate set of self-balancing accounts that comprises 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 four generic fund types and two board fund categories as follows:

Government Funds-

General Fund

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

Capital Projects Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those by proprietary funds, special assessment funds, and trust funds).

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Special Revenue Funds

The purpose of a Special Revenue Fund is to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or sources for major capital projects) that are legally restricted to expenditures for specified purposes. An example of Special Revenue Fund is a state gasoline tax for which distributions are made to local governments and expenditures are restricted to the maintenance of the local highway system.

Fund Accounting

Proprietary Fund-

Enterprise Fund

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 cost (expenses, including depreciation) of providing goods or services to the general public on the continuing basis 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. The only proprietary fund the Village Operates is its Water Utility Fund.

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 and only current assets and current liabilities are included on their balance sheets.

Fixed assets used in government fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the government fund types when purchased. No depreciation has been provided on general fixed assets. General fixed assets account group is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Funds.

There are no long-term liabilities expected to be financed from governmental funds.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with their activity are included on their balance sheet.

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:

Fixed Assets and Long-Term Liabilities

Water Utility -

Water Distribution System	50 years
Other Equipment	25 and 10 years

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

Basis of Accounting -

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

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Taxpayers-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on investments. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

Bad Debts - Uncollected amounts due for customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectability of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowances for uncollectible receivables are recorded due to immateriality at June 30, 1999.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

Encumbrances - Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Village as an extension of formal budgetary integration in the funds.

Interest-Bearing Deposits - Interest-bearing deposits are stated at cost, which approximates market.

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

Use Of Estimates The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that effect certain reported amounts and disclosures. According, actual results could differ from those estimates.

NOTE #2 - RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30:

Water Revenue Bond Fund	\$ 13,113.71
Water Revenue Bond Reserve Fund	18,129.02
Water Revenue Bond Fund	6,475.44
Water Replacement and Extension Fund (Depreciation and Contingency Fund)	7,711.41
	<u>\$ 45,429.58</u>

NOTE #3 - CASH

Cash and Interest-bearing Deposits - At June 30, 1999 the carrying amount of the Village's cash and interest-bearing deposits is \$198,645.84 and the total bank balance is \$198,595.84. The balance is categorized as follows:

Amount insured by the FDIC and FSLIC	\$ 161,107.24
Collateralized with securities held by Village in its name	37,488.60
Total	<u>\$ 198,595.84</u>

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #4 - UTILITY ACCOUNTS RECEIVABLE AND REVENUE

A. The aged balance of the Water Department's account receivable is:

<u>TOTAL</u>	<u>CURRENT</u>	<u>30 DAYS</u>	<u>60 DAYS</u>	<u>90 DAYS</u>	<u>120 DAYS OR OVER</u>
\$2,619.39	\$2,309.29	\$ 204.91	\$ 32.20	\$ 44.69	\$ 28.30

The Village has 206 customers; 206 Residential.

B. The rates for the 1998 - 1999 calculation of Water Revenue are as follows:

<u>GALLONS</u>	<u>AMOUNT</u>
0 - 2,000	\$ 5.50
2,000 - 4,000/10 Gallons	.01
4,000 - 8,000/10 Gallons	.0075
Over 8,000/10 Gallons	.0050

The council voted in June 1999 to change the water rates as follows:

RESIDENTIAL

<u>GALLONS</u>	<u>AMOUNT</u>
0 - 2,000	\$ 10.00
over 2,000	1.50 Per Thousand Gallons

COMMERCIAL

<u>GALLONS</u>	<u>AMOUNT</u>
0 - 12,000	\$ 21.50
over 12,000	1.50 Per Thousand Gallons

C. The estimated water usage for this year is 21,095,308 gallons.

NOTE #5 - CHANGES IN GENERAL FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>BALANCE JULY 1 1998</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE JUNE 30 1999</u>
Land	\$ 1,100.00	\$.00	\$.00	\$ 1,100.00
Buildings	10,770.89	.00	.00	10,770.89
Improvements other than buildings	265.00	.00	.00	265.00
Equipment	<u>40,565.75</u>	<u>22,307.64</u>	<u>.00</u>	<u>62,873.39</u>
Total General Fixed Assets	<u>\$ 52,701.64</u>	<u>\$ 22,307.64</u>	<u>\$.00</u>	<u>\$ 75,009.28</u>

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #5 - CHANGES IN GENERAL FIXED ASSETS CONTINUED

A summary of propriety fund types, plant and equipment at June 30, 1999 follows:

Water Utility:	
Water Distribution System	\$ 169,123.92
Other Equipment	1,423.85
	<u>\$ 170,547.77</u>
Less Accumulated Depreciation	89,467.37
Net	<u>\$ 81,080.40</u>

NOTE #6 - METER DEPOSITS

Meter deposits are not restricted by bond ordinance, and the Village considers them to be part of the operating account; therefore, they are not shown as payable from restricted assets.

NOTE #7 - CHANGES IN LONG-TERM DEBT

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

	<u>TOTAL</u>
Bonds Payable - July 1, 1998	\$ 83,000.00
Bonds Retired	<u>4,000.00</u>
Bonds Payable - <u>June 30, 1999</u>	<u>\$ 79,000.00</u>

Bonds payable at June 30, 1999 are comprised of the following individual issues:

Revenue Bonds:

\$142,000 Water Utility Bonds issued and dated January 20, 1972; due in annual installments; interest at 5%	<u>\$ 79,000.00</u>
---	---------------------

VILLAGE OF McNARY
 GLENMORA, LOUISIANA
 COMPILATION
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 1999

NOTE #7 - CHANGES IN LONG-TERM DEBT CONTINUED

The annual requirement to amortize all non-major debt outstanding as of June 30, 1999, including interest payments of \$30,500, are as follows:

YEAR ENDING JUNE 30	PRINCIPLE	INTEREST	TOTAL PAYMENTS
2000	\$ 4,000.00	\$ 3,950.00	\$ 7,950.00
2001	5,000.00	3,750.00	8,750.00
2002	5,000.00	3,500.00	8,500.00
2003	5,000.00	3,250.00	8,250.00
2004	5,000.00	3,000.00	8,000.00
2005 - 2006	12,000.00	5,200.00	17,200.00
2007 - 2011	35,000.00	7,450.00	42,450.00
2012	8,000.00	400.00	8,400.00
	<u>\$ 79,000.00</u>	<u>\$ 30,500.00</u>	<u>\$ 109,500.00</u>

NOTE #8 - FLOW OF FUNDS; RESTRICTION ON USE - UTILITIES REVENUES

Under the terms of the bond indenture on outstanding Water Utility Revenue Bonds dated January 20, 1972, all income and revenue to be earned from the operation of the Water System shall be deposited promptly in a separate and special bank account to be known and designated as "Water Revenue Fund" and said fund shall be established, maintained and administered in the following order of priority:

(a) The payment of all reasonable and necessary expenses of operating, maintaining and administering the System.

(b) The establishment and maintenance of a Water Revenue Bond Fund sufficient in amount to pay promptly and fully the principal of and the interest on the bonds of transferring from said Water Revenue Fund, monthly, in advance of the 20th day of each month of each year, a sum equal to one-twelfth (1/12) of the principal and interest falling due on January 1st of the following year.

(c) The establishment and maintenance of a Water Revenue Bond Reserve Fund by transferring from said Water Revenue Fund, a sum at least equal to five percent (5%) of the amount required to be paid into the aforementioned Water Revenue Bond Fund provided for in paragraph (b) above, the payments into said Water Revenue Bond Fund to be made at the same time as payments are made into the aforementioned Water Revenue Bond Fund and to continue until such time as there has been accumulated in said Water Revenue Bond Reserve Fund funds and/or investments in an amount equal to the highest annual debt service payable in any future year. The money so deposited in said Water Revenue Bond Reserve Fund shall be retained solely for the purpose of paying the principal of and interest on the bonds herein authorized as to which there would otherwise be default.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #8 - FLOW OF FUNDS; RESTRICTION ON USE - UTILITIES REVENUES CONTINUED

(d) The establishment and maintenance of a Water Replacement and Extension Fund by transferring monthly from the Water Revenue Fund after provision is made for the payments of (a), (b), and (c) above, the sum of \$35 per month. Monies in the Water Replacement and Extension Fund may be withdrawn and used by the Village for the purpose of paying the cost of unusual or extraordinary maintenance, repairs, replacement, and extension and paying the costs or improvements to the System which will either enhance its revenue-producing capacity or provide a higher degree of service. In the event the available balances in the Water Revenue Bond Fund and/or the Water Revenue Bond Reserve Fund shall at any principal or interest payment date, be insufficient to pay the next installment of principal and/or interest and to maintain the required debt service reserve of \$8,900, then transfer shall be made from said Water Replacement and Extension Fund, in such amounts as are necessary to eliminate the deficiencies.

Subject to the foregoing, which are cumulative, any balance in the Water Revenue Fund shall be used for the purpose of acquiring for cancellation, the outstanding Water Revenue Bonds or for redeeming the outstanding Water Revenue Bonds in inverse numerical order, at par and accrued interest to the call date, or any other lawful purpose whether or not connected with the System.

NOTE #9 - LEASE OBLIGATION

In 1999, the Village of McNary entered into a two year contract with The Omega One Company to provide garbage pickup for Village residents. The contract cost is \$11.00 per month per customer with the customer paying \$3.00 of this cost. The General Fund will fund the rest of the \$11.00 cost of \$8.00. A receivable has not been setup due to the immateriality of the amount.

NOTE #10 - NOTE PAYABLE

\$21,005 was borrowed on March 15, 1999 to buy a new police car. The interest rate was calculated 2% above the rate of the certificate of deposit at Hancock Bank (formerly American Security Bank). The certificate of deposit was used as collateral on the note. The Village has been paying \$417.00 a month, beginning in April 1999 @ 7.050% interest. The note was paid off on October 20, 1999 with a payoff of \$19,350.67.

NOTE #11 - FY1994 LCDBG FIRE PROTECTION IMPROVEMENTS

The Village received a block grant in 1994 for improvements to the water mains and to add fire hydrants. This grant totals \$277,600. The consultant for the program is Meyer, Meyer, LaCroix & Hixson Engineers.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #11 - FY1994 LCDBG FIRE PROTECTION IMPROVEMENTS CONTINUED

In conjunction with this project, the Village plans to extend the water lines, drill a new water well, and renovate the pumps. The funding for this additional project will come from a RUS loan of \$215,000. The original grant expired at the end of 1999, a three year extension was received. The project was started after the year end and is projected to be completed in 2000.

NOTE #12 - COMPENSATION MAYOR AND BOARD

Compensation paid to the Mayor and Board of Aldermen in the form of salaries for the year ended June 30, 1999 are as follows:

MAYOR

Q. A. Clark	\$ 2,450.00
P. O. Box 1176	
Glenmora, LA 71433	
318 748-8817	

Donald Parker II	1,550.00
P. O. Box 194	
Glenmora, LA 71433	
318 748-6022	

ALDERMEN & ALDERWOMEN

Donald Parker II	1,750.00
P. O. Box 194	
Glenmora, LA 71433	
318 748-6022	

Jeanette Brady	2,650.00
P. O. Box 1646	
Glenmora, LA 71433	
318 748-6064	

Louise Bullock	2,050.00
P. O. Box 343	
Glenmora, LA 71433	
318 748-4234	

Billy E. Billings	1,000.00
P. O. Box 1103	
Glenmora, LA 71433	
318 748-4679	

Their terms expire January 1, 2003 except former Mayor Q. A. Clark, who retired at December 31, 1998.

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999

NOTE #13 - SUMMARY OF DISCLOSURES OF SIGNIFICANT CONTINGENCIES

In the normal course of operations, the Village receives grant funds from various Federal and State agencies. The grant programs are subject to audit by agents of the granting authority, the purpose of which is to ensure compliance with conditions precedent to the granting funds. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

NOTE #14 - WATER DEPARTMENT BUDGET 1999

Operating Revenue	\$ 47,316.00
Operating Expenses	(22,869.00)
Non Operating Revenues (Expenses)	<u>(950.00)</u>
<u>Net Income</u>	<u>\$ 23,497.00</u>

FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS

GENERAL FUND

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
GENERAL FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 1999 AND 1998

STATEMENT A-1

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash	\$ 127,596.13	\$ 109,141.86
Due From Water Department	1,286.86	1,324.62
Due From LCDBG Fund	<u>100.00</u>	<u>100.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 128,982.99</u>	<u>\$ 110,566.48</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>CURRENT LIABILITIES</u>		
Vouchers Payable	\$ 8,894.07	\$ 10,834.23
Notes Payable	20,117.31	.00
Accrued Liabilities	<u>54.99</u>	<u>65.55</u>
Total Current Liabilities	<u>\$ 29,066.37</u>	<u>\$ 10,899.78</u>
<u>FUND EQUITY</u>		
Unreserved	<u>\$ 99,916.62</u>	<u>\$ 99,666.70</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 128,982.99</u>	<u>\$ 110,566.48</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
 GLENMORA, LOUISIANA
 COMPILATION
 GENERAL FUND

STATEMENT A-2

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUE</u>		
Taxes		
Sales	\$ 29,190.07	\$ 29,891.36
Franchise	4,114.07	3,762.09
Licenses and Permits	1,953.69	2,304.00
Intergovernment Revenues	2,466.55	2,067.14
Fines and Forfeits	34,915.00	34,288.40
Garbage Pickup	2,432.00	2,137.00
Video Draw Poker	3,671.13	2,683.29
Oil and Gas Royalties	11,278.37	12,163.16
Interest Income	3,327.60	2,187.88
<u>TOTAL REVENUES</u>	<u>\$ 93,348.48</u>	<u>\$ 91,484.32</u>
<u>EXPENDITURES</u>		
Current		
General and Administrative	\$ 37,448.20	\$ 35,984.76
Police Department	33,789.21	42,949.43
<u>TOTAL EXPENDITURES</u>	<u>\$ 71,237.41</u>	<u>\$ 78,934.19</u>
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	<u>\$ 22,111.07</u>	<u>\$ 12,550.13</u>
<u>OTHER FINANCING SOURCES (USES)</u>		
Miscellaneous	\$ 446.49	\$ 467.15
Purchase of Police Car and Improvements	(21,767.65)	.00
Purchase of Other Equipment	(539.99)	.00
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 249.92</u>	<u>\$ 13,017.28</u>
<u>FUND BALANCE - UNRESERVED JULY 1</u>	<u>99,666.70</u>	<u>86,649.42</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ 99,916.62</u>	<u>\$ 99,666.70</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
GENERAL FUND

STATEMENT A-3

STATEMENTS OF REVENUES, EXPENDITURES - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>REVENUE</u>	\$ 92,655.00	\$ 93,348.48	\$ 693.48
<u>EXPENDITURES</u>	\$ 80,438.00	\$ 71,237.41	\$ 9,200.59
<u>EXCESS OF REVENUE OVER (UNDER) EXPENDITURES</u>	\$ 12,217.00	\$ 22,111.07	\$ 9,894.07
<u>OTHER FINANCING SOURCES (USES)</u>			
Miscellaneous	\$.00	\$ 446.49	\$ 446.49
Purchase of Equipment	.00	(22,307.64)	(22,307.64)
<u>EXCESS OF REVENUE AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 12,217.00</u>	<u>\$ 249.92</u>	<u>\$ (11,967.08)</u>

See accompanying notes and accountants' report.

CAPITAL PROJECTS FUND

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
CAPITAL PROJECTS FUND
COMBINING BALANCE SHEETS
JUNE 30, 1999

STATEMENT B-1

	<u>BOARD RESTRICTED FUND</u>	<u>LCDBG GRANT</u>	<u>TOTAL</u>
<u>ASSETS</u>			
Cash	\$ 4,571.10	\$ 27.38	\$ 4,598.48
Receivables	.00	448.00	448.00
 TOTAL ASSETS	 \$ 4,571.10	 \$ 475.38	 \$ 5,046.48
 <u>LIABILITIES AND EQUITY</u>			
<u>LIABILITIES</u>			
Due to General Fund	\$.00	\$ 548.00	\$ 548.00
 <u>EQUITY</u>			
Fund Balance Unreserved	\$ 4,571.10	\$ (72.62)	\$ 4,498.48
 <u>TOTAL LIABILITIES AND EQUITY</u>	 \$ 4,571.10	 \$ 475.38	 \$ 5,046.48

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
CAPITAL PROJECTS FUND
COMBINING STATEMENTS OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 1999

STATEMENT B-2

	<u>BOARD RESTRICTED FUND</u>	<u>LCDBG FUND</u>	<u>TOTAL</u>
<u>REVENUES</u>			
Grant Income	\$.00	\$ 11,893.00	\$ 11,893.00
Miscellaneous	.00	.00	.00
Interest Earned	134.87	.00	134.87
Total Revenues	<u>\$ 134.87</u>	<u>\$ 11,893.00</u>	<u>\$ 12,027.87</u>
<u>EXPENDITURES</u>			
Management Fees	\$.00	\$ 5,175.00	\$ 5,175.00
Engineering Fees	.00	6,270.00	6,270.00
Administrative Expenses	.00	448.00	448.00
Total Expenditures	<u>\$.00</u>	<u>\$ 11,893.00</u>	<u>\$ 11,893.00</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ 134.87</u>	<u>\$.00</u>	<u>\$ 134.87</u>
<u>EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER (USES)</u>	<u>\$ 134.87</u>	<u>\$.00</u>	<u>\$ 134.87</u>
<u>FUND BALANCE - UNRESERVED JUNE 1</u>	<u>\$ 4,436.23</u>	<u>\$ (72.62)</u>	<u>\$ 4,363.61</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ 4,571.10</u>	<u>\$ (72.62)</u>	<u>\$ 4,498.48</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
CAPITAL PROJECTS FUND - BOARD RESTRICTED
COMPARATIVE BALANCE SHEETS
JUNE 30, 1999 AND 1998

STATEMENT B-3

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 4,571.10	\$ 4,436.23
<u>TOTAL ASSETS</u>	<u>\$ 4,571.10</u>	<u>\$ 4,436.23</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>	\$.00	\$.00
 <u>EQUITY</u>		
<u>FUND BALANCE</u>		
Unreserved	\$ 4,571.10	\$ 4,436.23
 <u>TOTAL LIABILITIES AND EQUITY</u>	<u>\$ 4,571.10</u>	<u>\$ 4,436.23</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
 GLENMORA, LOUISIANA
 COMPILATION

STATEMENT B-4

CAPITAL PROJECTS FUND - BOARD RESTRICTED
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>		
Miscellaneous	\$.00	\$.00
Interest Earned	<u>134.87</u>	<u>130.88</u>
Total Revenues	<u>\$ 134.87</u>	<u>\$ 130.88</u>
<u>EXPENDITURES</u>		
General Government	\$.00	\$.00
Total Expenditures	<u>\$.00</u>	<u>\$.00</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>\$ 134.87</u>	<u>\$ 130.88</u>
<u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND (USES)</u>	<u>\$ 134.87</u>	<u>\$ 130.88</u>
<u>FUND BALANCE - UNRESERVED JULY 1</u>	<u>\$ 4,436.23</u>	<u>\$ 4,305.35</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ 4,571.10</u>	<u>\$ 4,436.23</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
CAPITAL PROJECTS FUND - L.C.D.B.G
COMPARATIVE BALANCE SHEETS
JUNE 30, 1999 AND 1998

STATEMENT B-5

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$ 27.38	\$ 27.38
Accounts Receivable	<u>448.00</u>	<u>.00</u>
<u>TOTAL ASSETS</u>	<u>\$ 475.38</u>	<u>\$ 27.38</u>
 <u>LIABILITIES AND EQUITY</u>		
<u>LIABILITIES</u>		
Due to General Fund	\$ <u>548.00</u>	\$ <u>100.00</u>
<u>EQUITY</u>		
<u>FUND BALANCE</u>		
Unreserved	\$ <u>(72.62)</u>	\$ <u>(72.62)</u>
<u>TOTAL LIABILITIES AND FUND EQUITY</u>	<u>\$ 475.38</u>	<u>\$ 27.38</u>

See accompanying notes and accountants' report.

VILLAGE OF MCNARY
 GLENMORA, LOUISIANA
 COMPILATION

STATEMENT B-6

CAPITAL PROJECTS FUND - L.C.D.B.G

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>		
Grant Income	\$ 11,893.00	\$.00
Interest Earned	<u>.00</u>	<u>.00</u>
Total Revenues	\$ 11,893.00	\$.00
<u>EXPENDITURES</u>		
Management Fees	\$ 5,175.00	.00
Engineering Fees	6,270.00	.00
Administrative Expenses	<u>448.00</u>	<u>.00</u>
Total Expenditures	<u>\$ 11,893.00</u>	<u>\$.00</u>
<u>EXCESS OF REVENUES OVER</u> <u>(UNDER) EXPENDITURES</u>	<u>\$.00</u>	<u>\$.00</u>
<u>EXCESS (DEFICIENCY) OF REVENUES</u> <u>AND OTHER SOURCES OVER (UNDER)</u> <u>EXPENDITURES AND OTHER (USES)</u>	<u>\$.00</u>	<u>\$.00</u>
<u>FUND BALANCE - UNRESERVED JUNE 1</u>	<u>\$ (72.62)</u>	<u>\$ (72.62)</u>
<u>FUND BALANCE - UNRESERVED JUNE 30</u>	<u>\$ (72.62)</u>	<u>\$ (72.62)</u>

See accompanying notes and accountants' report.

ENTERPRISE FUND

STATEMENT C-1

VILLAGE OF McNARY
GLENGORA, LOUISIANA
COMPILATION
ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS
JUNE 30, 1999 and 1998

	1999	1998	
<u>ASSETS</u>			<u>LIABILITIES AND EQUITY</u>
<u>CURRENT ASSETS</u>			<u>CURRENT LIABILITIES</u>
Cash	\$ 21,021.09	\$ 20,614.30	Vouchers Payable
Accounts Receivable (Net of Allowance for Uncollectables)	2,619.39	2,600.21	Other Accrued Expenses
Accrued Interest	620.00	497.00	Payable for Customer's Deposit
Due From Capital Projects	448.00	.00	Due to General Fund
Total Current Assets	\$ 24,708.48	\$ 23,711.51	Total Current Liabilities
			<u>CURRENT LIABILITIES-PAYABLE</u>
<u>RESTRICTED ASSETS</u>			<u>FROM RESTRICTED ASSETS</u>
Water Reserve Fund	\$ 18,129.02	\$ 17,361.39	Payable from Revenue Bonds
Revenue Bond Fund	6,475.44	6,161.24	
Water Revenue Bond Fund	13,113.71	11,878.17	<u>NONCURRENT LIABILITIES</u>
Depreciation and Contingency Fund	7,711.41	10,129.43	Revenue Bonds Payable
Total Restricted Assets	\$ 45,429.58	\$ 45,530.23	
			<u>TOTAL LIABILITIES</u>
<u>FIXED ASSETS</u>			
Machinery and Equipment	\$ 170,547.77	\$ 170,547.77	<u>EQUITY</u>
Less: Accumulated Depreciation	89,457.37	85,517.93	Contributed Capital
Net Property, Plant and Equipment	\$ 81,090.40	\$ 85,029.84	<u>RETAINED EARNINGS</u>
			Unreserved
			Reserved (Revenue Bond
			Depreciation Contingency)
			Total Retained Earnings
			<u>TOTAL EQUITY</u>
<u>TOTAL ASSETS</u>	\$ 151,218.46	\$ 154,271.58	<u>TOTAL LIABILITIES AND EQUITY</u>
			\$ 151,218.46

See accompanying notes and accountants' report.

VILLAGE OF McNARY
 GLENMORA, LOUISIANA
 COMPILATION
 ENTERPRISE FUND

STATEMENT C-2

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE FISCAL YEARS ENDED JUNE 30, 1999 AND 1998

	PROPRIETARY FUND TYPE ENTERPRISES	
	1999	1998
<u>OPERATING REVENUES</u>		
Charges for Services	\$ 25,158.87	\$ 23,280.61
Miscellaneous	150.00	548.90
Total Operating Revenues	\$ 25,308.87	\$ 23,829.51
<u>OPERATING EXPENSES</u>		
Cost of Sales and Services	\$ 12,323.92	\$ 7,543.72
Administrative	7,109.38	7,371.01
Depreciation	3,949.44	3,949.44
Total Operating Expenses	\$ 23,382.74	\$ 18,864.17
<u>OPERATING INCOME</u>	\$ 1,926.13	\$ 4,965.34
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Interest Income	\$ 2,652.65	\$ 2,396.43
Interest Expense & Fiscal Charges	(4,050.00)	(4,250.00)
Total Non-operating Revenues (Expenses)	\$ (1,397.35)	\$ (1,853.57)
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	\$ 528.78	\$ 3,111.77
<u>TRANSFER TO/FROM OTHER FUNDS</u>	.00	.00
<u>NET INCOME (LOSS)</u>	\$ 528.78	\$ 3,111.77
<u>(INCREASE) DECREASE IN RESERVES FOR REVENUE BOND, DEPRECIATION, CONTINGENCY</u>	22,807.57	(726.96)
<u>NET CHANGE IN UNRESERVED RETAINED EARNINGS FOR THE YEAR</u>	\$ 23,336.35	\$ 2,384.81
<u>RETAINED EARNINGS - UNRESERVED JULY 1</u>	5,214.32	2,829.51
<u>RETAINED EARNINGS - UNRESERVED JUNE 30</u>	\$ 28,550.67	\$ 5,214.32

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
ENTERPRISE FUND
COMPARATIVE STATEMENTS OF CHANGES IN CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999 AND 1998

STATEMENT C-3

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net Income (Loss)	\$ 528.78	\$ 3,111.77
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	3,949.44	3,949.44
(Increase) Decrease in Accounts Receivable	(19.18)	(24.89)
(Increase) Decrease in Due from Capital Projects	(448.00)	.00
(Increase) Decrease in Accrued Interest Receivable	(123.00)	100.00
(Increase) Decrease in Restricted Assets	100.65	(726.96)
Increase (Decrease) in Vouchers Payable	390.86	92.17
Increase (Decrease) in Other Accrued Expense	(100.00)	(100.00)
Increase (Decrease) in Customer Deposits	165.00	50.00
Increase (Decrease) Due To General Fund	(37.76)	6.62
<u>NET CASH PROVIDED BY OPERATING ACTIVITIES</u>	<u>\$ 4,406.79</u>	<u>\$ 6,458.15</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchase of Fixed Assets	\$.00	\$.00
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Payment of Revenue Bonds	\$ (4,000.00)	\$ (4,000.00)
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
None	\$.00	\$.00
<u>NET INCREASE (DECREASE) IN CASH</u>	<u>\$ 406.79</u>	<u>\$ 2,458.15</u>
<u>CASH AT BEGINNING OF YEAR</u>	<u>20,614.30</u>	<u>18,156.15</u>
<u>CASH AT END OF YEAR</u>	<u>\$ 21,021.09</u>	<u>\$ 20,614.30</u>
Cash Paid for Interest	<u>\$ 4,150.00</u>	<u>\$ 4,350.00</u>

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
ENTERPRISE FUND
COMPARATIVE SCHEDULES OF DETAIL OF EXPENSES
FOR THE FISCAL YEAR ENDED JUNE 30, 1999 AND 1998

STATEMENT C-4

	1999	1998
<u>COST OF SALES AND SERVICES</u>		
Supplies	\$ 159.38	\$ 508.00
Salaries	6,295.00	5,035.00
Payroll Taxes	161.29	130.09
Repairs and Maintenance	4,709.25	1,209.63
Sales Taxes	549.00	661.00
Travel	450.00	.00
Total Cost of Sales and Services	\$ 12,323.92	\$ 7,543.72
 <u>ADMINISTRATIVE</u>		
Salaries	\$ 1,200.00	\$ 1,200.00
Utilities	2,948.46	4,001.52
Office and Postage	1,219.92	866.77
Insurance	301.00	407.39
Miscellaneous	440.00	62.33
Accounting and Auditing	1,000.00	833.00
Total Administrative	\$ 7,109.38	\$ 7,371.01

See accompanying notes and accountants' report.

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
ENTERPRISE FUND
INCOME STATEMENT - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 1999

STATEMENT C-5

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE FAVORABLE (UNFAVORABLE)</u>
<u>OPERATING REVENUES</u>			
Charges for Services	\$ -	\$ 25,158.87	\$ -
Miscellaneous	-	150.00	-
Total Operating Revenues	<u>\$ 25,200.00</u>	<u>\$ 25,308.87</u>	<u>\$ 108.87</u>
<u>OPERATING EXPENSES</u>			
Cost of Sales and Services	\$ -	\$ 12,323.92	\$ -
Administrative	-	7,109.38	-
Depreciation	-	3,949.44	-
Total Operating Expenses	<u>\$ 23,177.00</u>	<u>\$ 23,382.74</u>	<u>\$ (205.74)</u>
<u>OPERATING INCOME</u>	\$ 2,023.00	\$ 1,926.13	\$ (96.87)
<u>NON-OPERATING REVENUES (EXPENSES)</u>			
Interest Income	\$ -	\$ 2,652.65	-
Interest Expense & Fiscal Charges	-	(4,050.00)	-
Total Non-operating Revenues (Expenses)	<u>\$ (1,850.00)</u>	<u>\$ (1,397.35)</u>	<u>\$ 452.65</u>
<u>NET INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	<u>\$ 173.00</u>	<u>\$ 528.78</u>	<u>\$ 355.78</u>

See accompanying notes and accountants' report.

STATEMENT C-6

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION

ENTERPRISE FUND - WATER DEPARTMENT
SCHEDULE OF UTILITY PLANT AND EQUIPMENT
JUNE 30, 1999 AND 1998

<u>1999</u>	<u>ACQUIRED</u>	<u>LIFE</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>	<u>DEPRECIATION</u>
<u>IMPROVEMENTS OTHER THAN BUILDING</u>						
Water System	1979	50	\$ 157,147.00	\$ 80,697.52	\$ 76,449.48	\$ 3,140.44
Water Lines	1993	25	4,236.38	1,101.49	3,134.89	169.46
Total			<u>\$ 161,383.38</u>	<u>\$ 81,799.01</u>	<u>\$ 79,584.37</u>	<u>\$ 3,309.90</u>
<u>MACHINERY AND EQUIPMENT</u>						
		10	\$ 9,164.39	\$ 7,668.36	\$ 1,496.03	\$ 639.54
<u>GRAND TOTAL</u>			<u>\$ 170,547.77</u>	<u>\$ 89,467.37</u>	<u>\$ 81,080.40</u>	<u>\$ 3,949.44</u>

<u>1998</u>	<u>ACQUIRED</u>	<u>LIFE</u>	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>	<u>DEPRECIATION</u>
<u>IMPROVEMENTS OTHER THAN BUILDING</u>						
Water System	1979	50	\$ 157,147.00	\$ 77,682.08	\$ 79,464.92	\$ 3,140.44
Water Lines	1993	25	4,236.38	932.03	3,304.35	169.46
Total			<u>\$ 161,383.38</u>	<u>\$ 78,614.11</u>	<u>\$ 82,769.27</u>	<u>\$ 3,309.90</u>
<u>MACHINERY AND EQUIPMENT</u>						
		10	\$ 9,164.39	\$ 6,903.82	\$ 2,260.57	\$ 639.54
<u>GRAND TOTAL</u>			<u>\$ 170,547.77</u>	<u>\$ 85,517.93</u>	<u>\$ 85,029.84</u>	<u>\$ 3,949.44</u>

See accompanying notes and accountants' report.

GENERAL FIXED ASSETS ACCOUNT GROUP

VILLAGE OF McNARY
GLENMORA, LOUISIANA
COMPILATION
COMPARATIVE SCHEDULES OF GENERAL FIXED ASSETS BY SOURCE
JUNE 30, 1999 AND 1998

STATEMENT D-1

	1999	1998
<u>GENERAL FIXED ASSETS</u>		
Land	\$ 1,100.00	\$ 1,100.00
Building	10,770.89	10,770.89
Improvements Other Than Building	265.00	265.00
Machinery and Equipment	62,873.39	40,565.75
<u>TOTAL GENERAL FIXED ASSETS</u>	\$ 75,009.28	\$ 52,701.64
 <u>INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE</u>		
General Fund	\$ 53,554.43	\$ 31,246.79
General Fund - Donated	10,000.00	10,000.00
Capital Outlay Fund	11,454.85	11,454.85
<u>TOTAL INVESTMENT IN GENERAL FIXED ASSETS BY SOURCE</u>	\$ 75,009.28	\$ 52,701.64

See accompanying notes and accountants' report.

STATEMENT D-2

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 1999 AND 1998

1999

GENERAL FIXED ASSETS

July 1, 1998

	<u>LAND</u>	<u>BUILDING</u>	<u>IMPROVEMENTS OTHER THAN BUILDING</u>	<u>MACHINERY AND EQUIPMENT</u>
	\$ 1,100.00	\$ 10,770.89	\$ 265.00	\$ 40,565.75
<u>ADDITIONS</u>				
Police Car	.00	.00	.00	21,767.65
Camcorder	.00	.00	.00	539.99
<u>DEDUCTIONS</u>				
Assets Sold and Retired	.00	.00	.00	.00

GENERAL FIXED ASSETS

JUNE 30, 1999

	\$ 1,100.00	\$ 10,770.89	\$ 265.00	\$ 62,873.39
--	-------------	--------------	-----------	--------------

1998

GENERAL FIXED ASSETS

July 1, 1998

	<u>LAND</u>	<u>BUILDING</u>	<u>IMPROVEMENTS OTHER THAN BUILDING</u>	<u>MACHINERY AND EQUIPMENT</u>
	\$ 1,100.00	\$ 10,770.89	\$ 265.00	\$ 40,565.75
<u>ADDITIONS</u>				
	.00	.00	.00	.00
<u>DEDUCTIONS</u>				
Assets Sold and Retired	.00	.00	.00	.00

GENERAL FIXED ASSETS

JUNE 30, 1999

	\$ 1,100.00	\$ 10,770.89	\$ 265.00	\$ 40,565.75
--	-------------	--------------	-----------	--------------

ATTESTATION REPORT

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS
119 PROFESSIONAL DRIVE
WEST MONROE, LOUISIANA 71291

CAROLYN V. GARRETT
JUDY D. GARRETT

PHONE: 318 322-0845
FAX: 318 322-5577

E-MAIL: PRO119@IAMERICA.NET

October 20, 1999

ATTESTATION REPORT

Independent Accountant's Report
On Applying Agreed-Upon Procedures

To the Honorable Donald Parker, II, Mayor
and Members of the Board of Alderman

We have performed the procedures included in the Louisiana Government Audit Guide as enumerated below, which were agreed to by the management of the Village of McNary and the Legislative Auditor, State of Louisiana, solely to assist the users in evaluating management's assertions about the Village of McNary's compliance with certain laws and regulations during the year ended June 30, 1999 included in the accompanying Louisiana Attestation 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, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested of for any other purpose.

Public Bid Law

1. Select all expenditures made during the year for material supplies exceeding \$15,000, or public works exceeding \$100,000, and determine whether such purchases were made in accordance with LSA-RS 38:2211-2251 (the public bid law).

We found only one expenditure of more than \$15,000, for the purchase of a car. This transaction was handled in accordance to the public bid law.

Code of Ethics for Public Officials and Public Employees

2. Obtain from management a list of the immediate family members of each board member as defined by LSA-RS 42:1101-1124 (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 us with the required list including the noted information.

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

Management provided us 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 as immediate family members.

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

Budgeting

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

Management provided us with a copy of the original budget. There was one amendment to the budgets during the year.

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

We traced the adoption of the original budget to the minutes of a meeting held on June 8, 1998 which indicated that the budget had been adopted by the commissioners of the Village of McNary by a vote of three in favor and zero opposed. One amendment was made to the budget of the Water Department on December 7, 1998.

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%.

The Village under budgeted the General Fund by \$11,967.08, due to the purchase of a police car.

Accounting and Reporting

8. Randomly select 6 disbursements made during the period under examination and: (a) trace payments to supporting documentation as to proper amount and payee;

We 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; and

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

(c) determine whether payments received approval from proper authorities.

According to the minute book, disbursements are approved by the town council each month before they are paid.

Meetings

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

The Village of McNary is only required to post a notice of each meeting and the accompanying agenda on the door of the entity's office building. They advertise each meeting in the local newspaper. A notice is attached to the door to their office.

Debt

10. 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.

We inspected copies of all bank deposit slips for the period under examination and noted one deposit which appeared to be proceeds of bank loans, bonds, or like indebtedness. The current loan was financed by a certificate of deposit, that came due in the Fall. The note was paid off on October 20, 1999.

Advances and Bonuses

11. 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.

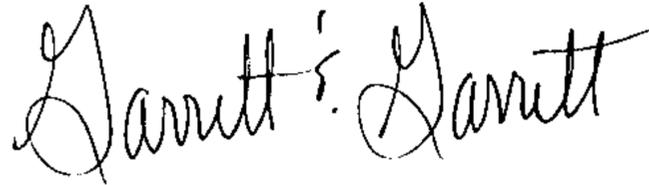
We read the minutes of the entity for the year and noted no approval of any of the payments noted above. We also inspected payroll records for the year and noted no instances which would indicate that payments to employees would constitute bonuses, advances, or gifts.

We were 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, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

To the Honorable Donald Parker, II, Mayor
and Members of the Board of Alderman
October 20, 1999
Page 4

This report is intended solely for the use of management of the Village of McNary and the Legislative Auditor, State of Louisiana, and should not be used by those who have not agreed to the procedures and taken the 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.

GARRETT & GARRETT
CERTIFIED PUBLIC ACCOUNTANTS

A handwritten signature in cursive script that reads "Garrett & Garrett". The signature is written in black ink and is positioned below the printed name of the firm.

ADDITIONAL AND SUPPLEMENTARY INFORMATION

STATEMENT E-1

VILLAGE OF MCNARY
GLENMORA, LOUISIANA
COMPILATION

COMBINED SCHEDULE OF CASH AND INVESTMENTS - ALL FUNDS
JUNE 30, 1999

<u>FUND</u>	<u>BANK</u>	<u>DATE</u>	<u>INTEREST RATE</u>	<u>MATURITY DATE</u>	<u>1999 BALANCE</u>
<u>GENERAL FUND</u>					
Checking	Hancock Bank	-	-	-	\$ 52,523.57
Petty Cash	-	-	-	-	25.00
Checking - Police	Hancock Bank	-	-	-	5,062.39
Savings - C.D.	Hancock Bank	06-23-99	4.35%	09-22-99	25,491.50
Savings - C.D.	Hancock Bank	12-31-98	5.05%	12-31-99	21,050.00
Savings - C.D.	Hancock Bank	08-16-98	5.25%	08-16-99	23,443.67
Total General Fund					<u>\$ 127,596.13</u>
<u>CAPITAL PROJECTS</u>					
Passbook	Hancock Bank	-	3.04%	-	\$ 4,571.10
Checking	Hancock Bank	-	-	-	27.38
Total Capital Projects					<u>\$ 4,598.48</u>
<u>WATER</u>					
Checking	Hancock Bank	-	-	-	\$ 3,493.90
Petty Cash	-	-	-	-	25.00
Savings - Water	Hancock Bank	04-14-99	4.80%	10-14-99	12,796.39
Savings - Water Restricted	Hancock Bank	10-04-98	5.25%	10-04-99	4,706.36
Water Revenue Bond	Hancock Bank	-	3.04%	-	13,113.71
Depreciation & Contingency	Hancock Bank	-	2.05%	-	7,711.41
Water Reserve Bond Fund	Hancock Bank	04-02-99	4.35%	07-02-99	18,129.02
Revenue Bond Fund	Hancock Bank	02-02-99	4.80%	08-03-99	6,475.44
Total Water					<u>\$ 66,451.23</u>
<u>TOTAL CASH AND INVESTMENTS</u>					
					<u>\$ 198,645.84</u>

Total with Hancock Bank of \$198,595.84 is secured up to \$100,000, for checking accounts and \$100,000 for savings, by the FDIC and \$50,000 of pledged securities.

See accompanying notes and accountants' report.

VILLAGE OF MCNARY
 GLENORA, LOUISIANA
 COMPILATION
 SCHEDULE OF INSURANCE IN FORCE
 JUNE 30, 1999

INSURANCE COMPANY	POLICY	DATE	COVERAGE TYPE	AMOUNT	PREMIUM
Transcontinental	B158618562	03-29-99 03-29-00	General Liability	\$ 500,000	\$ 747
CNA	Pending	03-29-99 03-29-00	Workmen's Compensation Each Accident Each Disease Policy Limits	\$ 100,000 \$ 100,000 \$ 500,000	
CNA	Pending	03-29-99 03-29-00	Business Auto Policy Liability each accident	\$ 500,000	
Columbia Casualty Co.	1858630541	03-29-99 03-29-00	Professional Liability for Police	\$ 500,000	\$ 1,508
Transcontinental	B1586185	03-29-99 03-29-00	Commercial Property Building Pump House Contents Pressure Tank Storage Tank Water Pump Building - Town Hall Contents	\$ 7,900 12,600 12,600 7,900 8,900 25,000 4,600	\$ 453
CNA Surety	1317585	12-14-98 12-14-99	Surety Bond	\$ 40,000	\$ 140
CNA Surety	18237200	10-11-99 10-11-00	Clerks Bond	\$ 2,000	\$ 50
Columbia Casualty	POL185863040	03/29/99 03/29/00	Public Officials	\$ 500,000	\$ 1,722

See accompanying notes and accountants' report.

VILLAGE OF McNARY
 GLENMORA, LOUISIANA
 SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE
 FOR THE FISCAL YEAR ENDED JUNE 30, 1999

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PASS-THROUGH GRANTOR'S NUMBER	PROGRAM OR AWARD AMOUNT	CASH/ACCRUAL (DEFERRED) REVENUE AT 07/01/97	RECEIPTS OR REVENUE RECOGNIZED	DISBURSEMENT EXPENDITURES	CASH/ACCRUAL (DEFERRED) REVENUE JUNE 30, 1999
PASSED THROUGH STATE DEPARTMENT OF COMMUNITY DEVELOPMENT:							
LCDBG Fire Protection Improvements			\$ 277,600.00 (1)	.00	.00	.00	.00

(1) Grant was approved in 1994. A three year extension was received. The project was started after June 30, 1999 and projected to be finished by year end.

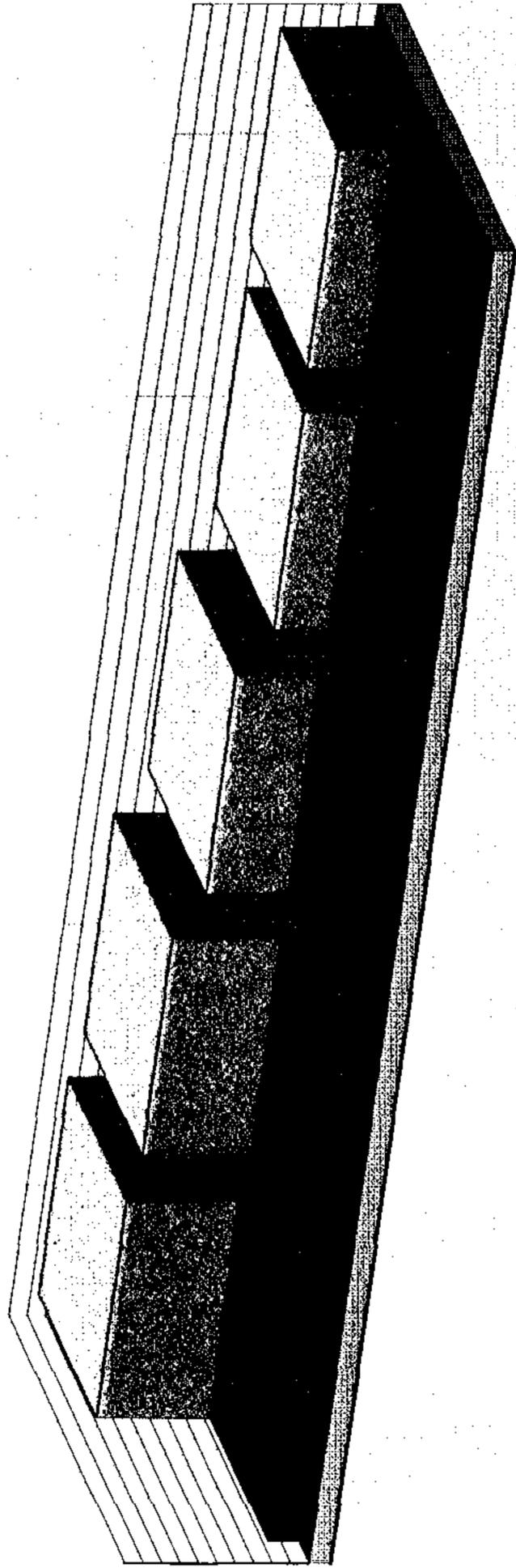
GRAPHS

Village of McNary

General Fund-Garbage

June 30, 1999

Y-AXIS
Thousands
8 4 0

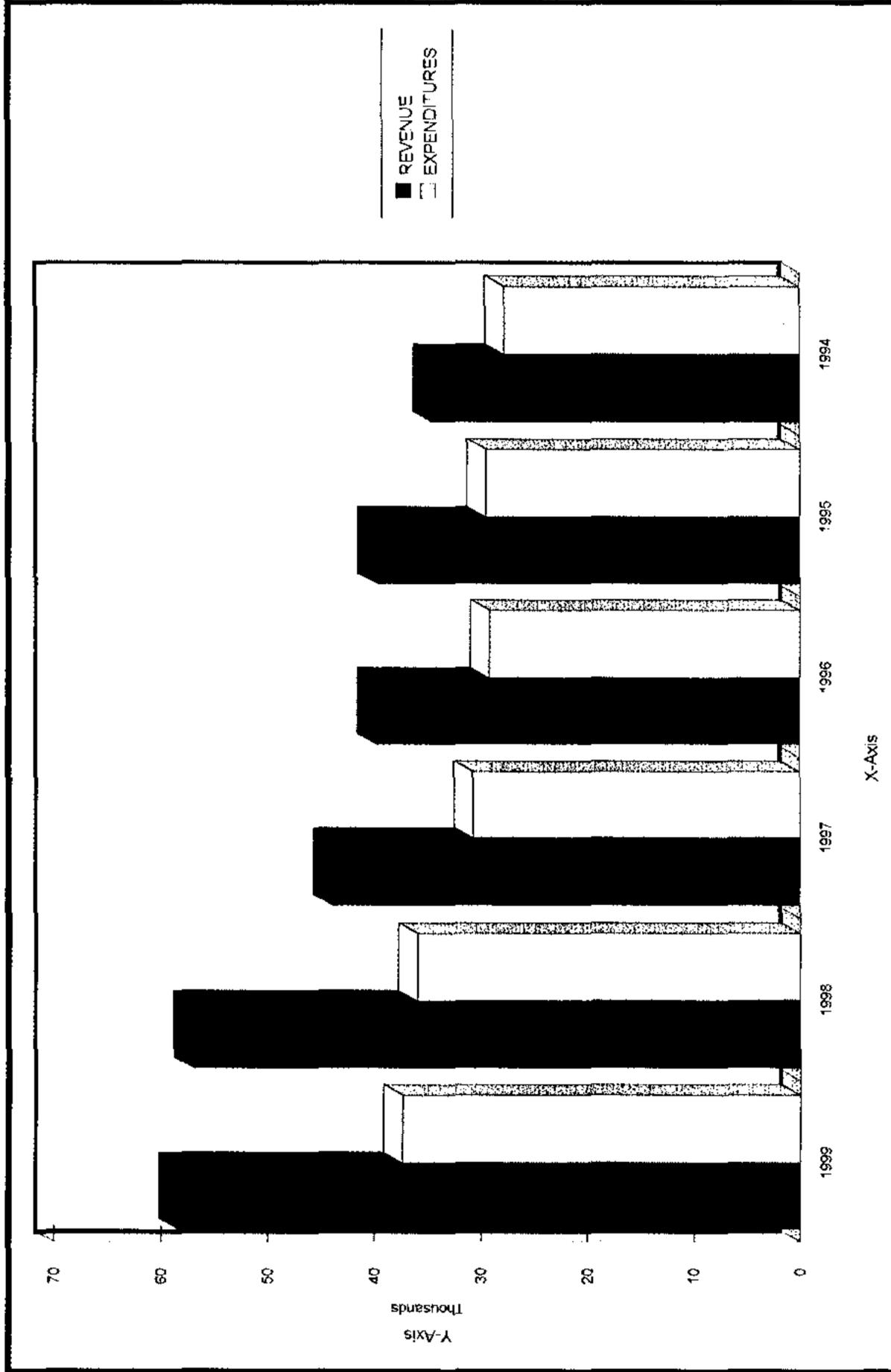


X-AXIS

	1999	1998	1997	1996	1995
■ COLLECTIONS	\$2,432	\$2,137	\$2,088	\$1,830	\$1,986
▣ EXPENDITURES	\$8,599	\$8,106	\$6,605	\$4,924	\$5,119

See Accountants' report.

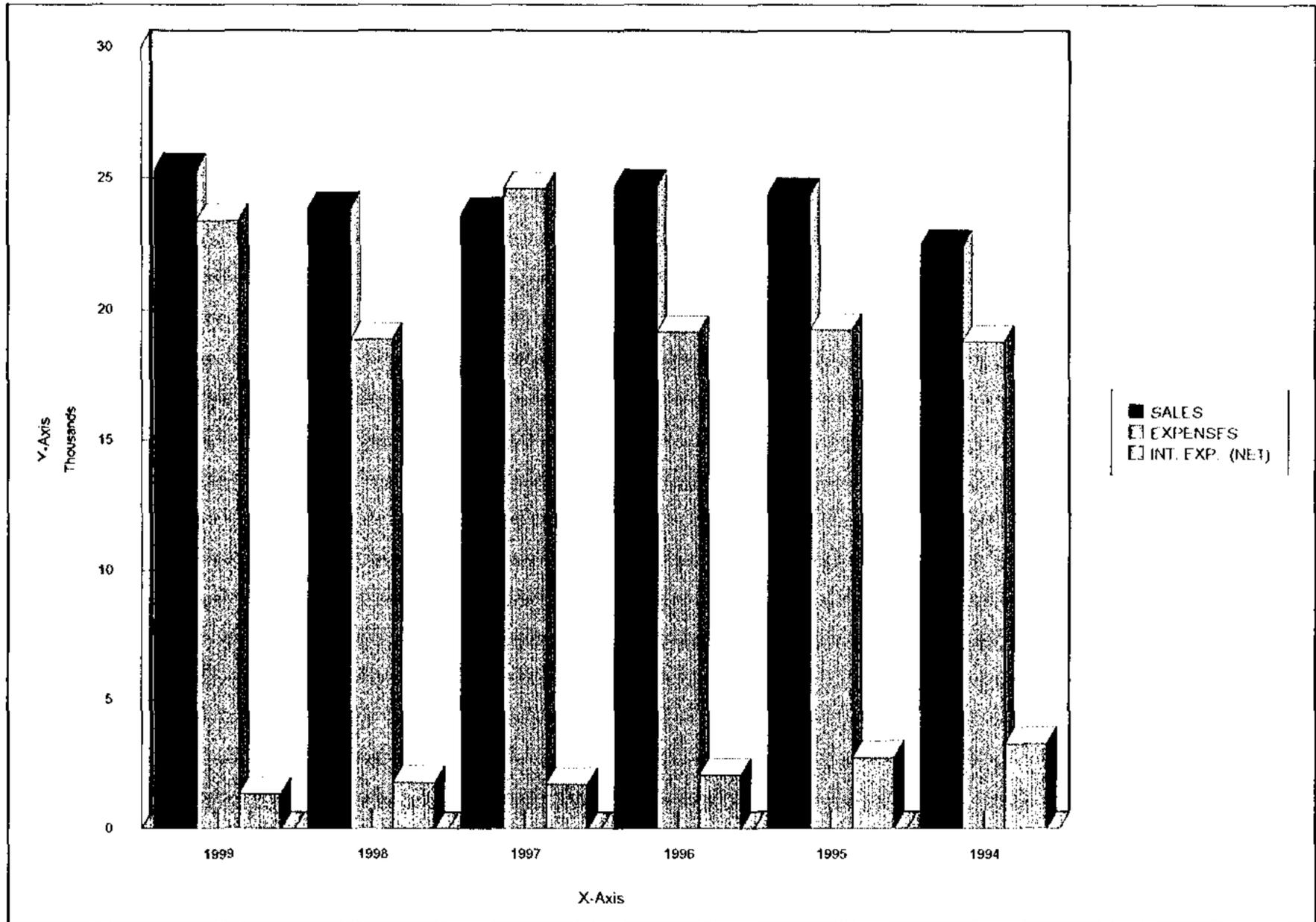
VILLAGE OF MCNARY
 GLENMORA, LOUISIANA
 GENERAL FUND
 JUNE 30, 1999



	1999	1998	1997	1996	1995	1994
REVENUE	\$58,433	\$57,075	\$43,920	\$39,842	\$39,769	\$34,530
EXPENDITURES	\$37,448	\$35,985	\$30,767	\$29,229	\$29,562	\$27,808

See accountants' report.

VILLAGE OF MCNARY
 GLENMORA, LOUISIANA
 WATER DEPARTMENT
 JUNE 30, 1999



	1999	1998	1997	1996	1995	1994
SALES	\$25,309	\$23,830	\$23,625	\$24,688	\$24,377	\$22,418
EXPENSES	\$23,383	\$18,864	\$24,606	\$19,164	\$19,257	\$18,787
INT. EXP. (NET)	\$1,397	\$1,854	\$1,778	\$2,135	\$2,824	\$3,340

See accountants' report.

VILLAGE OF MCNARY
P. O. BOX 1197
GLENMORA, LA 71433

Garrett & Garrett CPA's
119 Professional Drive
West Monroe, LA 71291

In connection with your compilation of our financial statements as of June 30, 1999 and for the period then ended, and as required by Louisiana Revised Statute 24:513 and the Louisiana Governmental Audit Guide, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulations and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as June 30, 1999.

Public Bid Law

It is true that we have complied with the public bid law, LSA-RS Title 38.2212, and, where applicable, the regulations of the Division of Administration, State Purchasing Office.

Yes (X) No ()

Code of Ethics for Public Officials and Public Employees

It is true that no employees or officials have accepted anything of value, whether in the form of a service, loan, or promise, from anyone that would constitute a violation of LSA-RS 42:1101-1124.

Yes (X) No ()

It is true that no member of the immediate family of any member of the governing authority, or the chief executive of the governmental entity, has been employed by the governmental entity after April 1, 1980, under circumstances that would constitute a violation of LSA-RS 42:1119.

Yes (X) No ()

Budgeting

We have complied with the state budgeting requirements of the Local Government Budget Act (LSA-RS 39:1301-14) or the budget requirement of LSA-RS 39:43.

Yes (X) No ()

Accounting and Reporting

All non-exempt governmental records are available as public record and have been retained for at least three years, as required by LSA-RS 44:1, 44:7, 44:31, and 44:36.

Yes (X) No ()

We have filed our annual financial statements in accordance with LSA-RS 24:514, 33:463, and/or 39:92.

Yes (X) No ()

We have had our financial statements audited or compiled in accordance with LSA-RS 24:513.

Yes (X) No ()

Meetings

We have complied with the provisions of the Open Meetings Law, provided in RS 42:1 through 42:12.

Yes (X) No ()

Debt

It is true we have not incurred any indebtedness, other than credit for 90 days or less to make purchase in the ordinary course of administration, nor have we entered into any lease-purchase agreements, without the approval of the State Bond Commission, as provided by Article VII, Section 8 of the 1974 Louisiana Constitution, Article VI, Section of the 1974 Louisiana Constitution, and LSA-RS 47:1410.60

Yes (X) No ()

Advances and Bonuses

It is true we have not advanced wages or salaries to employees or paid bonuses in violation of Article VII, Section 14, of the 1974 Louisiana Constitution, LSA-RS 14:138, and AG opinion 79-729.

Yes (X) No ()

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the foregoing laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations including any communications received between the end of the period under examination and the issuance of this report. We acknowledge our responsibility to disclose to you any known noncompliance which may occur subsequent to issuance of your report.

George Holden Secretary 10-20-1999 Date
[Signature] (Mayor) President 10-20-1999 Date

Treasurer _____ Date



NOV 30 1999

Village of McNary

P O BOX 1197
GLENMORA, LOUISIANA 71433
PHONE (318) 748-8264 VOICE/TDD
FAX (318) 748-8264

ALDERMEN:
LOUISE BULLOCK
JEANETTE BRADY
BILLY BILLINGS

MAYOR

DONALD PARKER, II

November 30, 1999

CLERK AND TAX COLLECTOR

MARGIE HOLDEN

MARSHAL

RAYMOND HAMILTON

Daniel G. Kyle, CPA, CFE
Legislative Auditor
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Compilation and Attestation Report
Village of McNary
As of and for the Year Ended June 30, 1999

Finding: The Village's failure to amend the budget. A police car was purchased in March after the old police car was unavailable for use. The budget was not amended for this cost.

Corrective Action: The bookkeeping procedures have been changed to allow interim statements to be compiled to monitor the accuracy of the Village's budget before the year-end. This would allow action to be taken to correct any deficit to the Village's budget.

Sincerely,

Donald Parker, II
Mayor, Village of McNary