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TOWN OF PLAIN DEALING, LOUISIANA

FINANCIAL STATEMENTS

December 31, 1999

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

Release Date JUN 07 2000

TOWN OF PLAIN DEALING, LOUISIANA

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**INDEPENDENT
AUDITOR'S REPORT - OPINION OF
CERTIFIED PUBLIC ACCOUNTANTS**



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable David Smith, Mayor
and the Members of the Board of Aldermen of
The Town of Plain Dealing, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund and account group financial statements of the Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 1999, as listed in the accompanying table of contents. These financial statements are the responsibility of the Town of Plain Dealing, Louisiana's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as discussed in the following paragraph, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Governmental Accounting Standards Board Technical Bulletin 98-1, *Disclosures About Year 2000 Issues*, requires disclosure of certain matters regarding the Year 2000 Issue. The Town of Plain Dealing, Louisiana, has included such disclosures in Note 5. Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Town of Plain Dealing, Louisiana's disclosures with respect to the Year 2000 Issue made in Note 5. Further, we do not provide assurance that the Town of Plain Dealing, Louisiana, is or will be year 2000 ready, that the Town of Plain Dealing, Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Plain Dealing, Louisiana, does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the financial statements referred to above present fairly, in all material respects, the financial position of the Town of Plain Dealing, Louisiana, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated February 15, 2000, on our consideration of the Town of Plain Dealing, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Plain Dealing, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Certified Public Accountants
February 15, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

The General Purpose Financial Statements include the combined financial statements which include all funds and account groups of the Town and are designed to provide an overview of the financial position and results of operations for the Town as a whole. Additional information in the form of combining and individual fund and account group statements and schedules are included elsewhere in this report.

TOWN OF PLAIN DEALING, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1999

	Governmental Fund Types						Fiduciary Fund Type			Account Groups			Totals (Memorandum Only)			
	Special Revenue		Debt Service		Capital Projects		Proprietary Fund Type			Trust and Agency			General Long-Term Debt		1999	1998
	General						Enterprise	Agency	Assets	Fixed	Term	1999	1998			
Assets																
Cash	\$ 99,075	\$ 1,388	\$ -	\$ -	\$ 59,879	\$ -	\$ 174,839	\$ 10,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 345,553	\$ 281,900	
Certificates of deposit	59,757	-	-	-	505,033	-	44,884	110,000	-	-	-	-	-	719,674	637,304	
Receivables:																
Accounts	12,794	-	-	-	-	-	37,877	-	-	-	-	-	-	50,671	61,512	
Accrued interest	311	-	-	-	2,887	-	1,022	151	-	-	-	-	-	4,371	6,993	
Due from other funds	-	1,006	-	-	-	-	69,518	-	-	-	-	-	-	70,524	89,967	
Restricted assets - cash (Note 3)	9,627	-	-	-	-	-	35,786	-	-	-	-	-	-	45,413	40,264	
Restricted assets - certificates of deposit	11,581	-	-	-	-	-	48,787	-	-	-	-	-	-	60,368	66,217	
Fixed assets (net of accumulated depreciation - Note 4)	-	-	-	-	-	-	1,114,681	-	2,152,209	-	-	-	-	3,266,890	3,230,702	
Amount available in Debt Service Funds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	138	
Amounts to be provided for retirement of general long-term debt from:																
Ad valorem taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(138)	
Total assets	<u>193,145</u>	<u>2,394</u>	<u>-</u>	<u>-</u>	<u>567,799</u>	<u>-</u>	<u>1,527,394</u>	<u>120,503</u>	<u>2,152,209</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,563,444</u>	<u>4,414,859</u>	
Liabilities																
Accounts payable	8,766	-	-	-	137	-	4,261	-	-	-	-	-	-	13,164	16,203	
Accrued expenses	3,146	-	-	-	-	-	2,815	-	-	-	-	-	-	5,961	1,509	
Due to other funds	64,514	-	-	-	1,006	-	5,004	-	-	-	-	-	-	70,524	89,967	
Payable from restricted assets:																
Water revenue bond	-	-	-	-	-	-	6,588	-	-	-	-	-	-	6,588	6,257	
Interest payable	-	-	-	-	-	-	4,002	-	-	-	-	-	-	4,002	8,848	
Customer deposits	-	-	-	-	-	-	32,874	-	-	-	-	-	-	32,874	32,124	
Water revenue bond payable (Note 7)	-	-	-	-	-	-	213,075	-	-	-	-	-	-	213,075	219,886	
Total liabilities	<u>76,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,143</u>	<u>-</u>	<u>268,619</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>346,188</u>	<u>374,794</u>	

See accompanying notes to financial statements.

TOWN OF PLAIN DEALING, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1999

	Governmental Fund Types				Proprietary Fund Type Enterprise	Fiduciary Fund Type Trust and Agency	Account Groups		Totals	
	General	Special Revenue	Debt Service	Capital Projects			General Assets	Fixed term Debt	1999	1998
									(Memorandum Only)	(Memorandum Only)
<u>Fund Equity</u>										
Contributed capital	-	-	-	-	974,698	-	-	-	974,698	974,698
Investment in general fixed assets	-	-	-	-	-	-	2,152,209	-	2,152,209	2,078,461
Retained earnings:										
Unreserved	-	-	-	-	284,077	-	-	-	284,077	198,646
Fund balance:										
Reserved for debt service	-	-	-	-	-	-	-	-	-	138
Reserved for restricted assets	21,208	-	-	566,656	-	-	-	-	587,864	549,316
Unreserved-undesignated	95,511	2,394	-	-	-	120,503	-	-	218,408	238,806
Total fund equity	116,719	2,394	-	566,656	1,258,775	120,503	2,152,209	-	4,217,256	4,040,065
Total liabilities and fund equity	\$ 193,145	\$ 2,394	\$ -	\$ 567,799	\$ 1,527,394	\$ 120,503	\$ 2,152,209	\$ -	\$ 4,563,444	\$ 4,414,859

See accompanying notes to financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Exhibit 2

Combined Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
Year Ended December 31, 1999

	Governmental Fund Types				Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	1999	1998
	Revenues:					
Property taxes	\$ 24,844	\$ -	\$ -	\$ -	\$ 24,844	\$ 27,616
Franchise taxes	26,848	-	-	-	26,848	24,332
Sales taxes	-	95,605	-	95,339	190,944	181,662
Other taxes	40,851	-	-	-	40,851	39,101
Licenses and permits	15,716	-	-	-	15,716	17,814
Intergovernmental	22,545	-	-	-	22,545	20,639
Grant revenue	25,567	-	-	-	25,567	33,522
Interest income	6,166	-	-	26,646	32,812	28,878
Charges for services	48,663	-	-	-	48,663	48,311
Rental income	5,900	-	-	-	5,900	6,600
Fines and forfeits	8,285	-	-	-	8,285	10,634
Lake income	23,013	-	-	-	23,013	296
Other	3,718	-	-	-	3,718	2,492
Total revenues	252,116	95,605	-	121,985	469,706	441,897
Expenditures:						
General government	73,304	-	-	16,946	90,250	73,996
Public safety	130,559	-	-	-	130,559	133,503
Street and Sanitation	92,821	-	-	-	92,821	114,246
Capital outlays	71,717	-	-	5,375	77,092	119,951
Other	-	676	138	-	814	271
Debt service:						
Interest	-	-	-	-	-	457
Principal retirement	-	-	-	-	-	15,000
Total expenditures	368,401	676	138	22,321	391,536	457,424
Excess (deficiency) of revenues over expenditures	(116,285)	94,929	(138)	99,664	78,170	15,527
Other financing sources (uses):						
Operating transfers in	93,230	-	-	336	93,566	159,981
Operating transfers out	-	(93,566)	-	(64,722)	(158,288)	(164,716)
Net other financing sources (uses)	93,230	(93,566)	-	(64,386)	(64,722)	(4,735)
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(23,055)	1,363	(138)	35,278	13,448	(20,262)
Fund balance at beginning of year	139,774	1,031	138	531,378	672,321	692,583
Fund balance at end of year	\$ 116,719	\$ 2,394	\$ -	\$ 566,656	\$ 685,769	\$ 672,321

See accompanying notes to financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types
Year Ended December 31, 1999

	General Fund		Special Revenue Fund Types		Variance - Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Property taxes	\$ 28,000	\$ 24,844	\$ -	\$ -	\$ (3,156)
Franchise taxes	22,000	26,848	-	-	4,848
Sales taxes	-	-	95,000	95,605	605
Other taxes	42,300	40,851	-	-	(1,449)
Licenses and permits	18,310	15,716	-	-	(2,594)
Intergovernmental	23,200	22,545	-	-	(655)
Grant revenue	26,197	25,567	-	-	(630)
Interest income	6,000	6,166	-	-	166
Charges for services	52,000	48,663	-	-	(3,337)
Rental income	5,500	5,900	-	-	400
Fines and forfeits	8,000	8,285	-	-	285
Lake income	23,000	23,013	-	-	13
Other	-	3,718	-	-	3,718
Total revenues	254,507	252,116	95,000	95,605	(2,391)
Expenditures:					
General government	74,438	73,304	-	-	1,134
Public safety	125,629	130,559	-	-	(4,930)
Street and Sanitation	92,346	92,821	-	-	(475)
Capital outlays	70,594	71,717	-	-	(1,123)
Other	-	-	-	676	(676)
Total expenditures	363,007	368,401	-	676	(5,394)
Excess (deficiency) of revenues over expenditures	(108,500)	(116,285)	-	94,929	(7,785)
Other financing sources (uses):					
Operating transfers in	95,000	93,230	-	-	(1,770)
Operating transfers out	-	-	(95,000)	(93,566)	1,434
Net other financing sources (uses)	95,000	93,230	(95,000)	(93,566)	1,434
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(13,500)	(23,055)	-	1,363	1,363
Fund balance at beginning of year	139,774	139,774	1,031	1,031	-
Fund balance at end of year	\$ 126,274	\$ 116,719	\$ 1,031	\$ 2,394	\$ 1,363

See accompanying notes to financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Exhibit 4

Combined Statement of Revenues, Expenses, and Changes
in Retained Earnings/Fund Balances - Proprietary Fund Types
and Similar Trust and Agency Funds
For the Year Ended December 31, 1999

	Proprietary Fund Type - Enterprise	Fiduciary Fund Type - Trust	Totals (Memorandum Only)	
			1999	1998
Operating Revenues:				
Charges for services	\$ 267,086	\$ 1,655	\$ 268,741	\$ 272,324
Interest	-	5,681	5,681	5,607
Other	1,181	5,657	6,838	5,406
Total operating revenues	<u>268,267</u>	<u>12,993</u>	<u>281,260</u>	<u>283,337</u>
Operating Expenses:				
Personal services	86,792	-	86,792	82,949
Contractual services	8,104	-	8,104	7,366
Labor	-	5,636	5,636	2,510
Supplies and materials	23,082	2,093	25,175	28,078
Capital outlay	-	700	700	1,099
Heat, light and power	25,024	-	25,024	25,846
Depreciation	45,383	-	45,383	43,831
Other	63,880	-	63,880	75,693
Total operating expenses	<u>252,265</u>	<u>8,429</u>	<u>260,694</u>	<u>267,372</u>
Operating income	<u>16,002</u>	<u>4,564</u>	<u>20,566</u>	<u>15,965</u>
Non-Operating Revenues (Expenses):				
Interest income	11,169	-	11,169	3,588
Interest expense	(6,461)	-	(6,461)	(12,080)
Transfers in	64,721	-	64,721	49,233
Transfers out	-	-	-	(44,498)
Net non-operating revenues (expenses)	<u>69,429</u>	<u>-</u>	<u>69,429</u>	<u>(3,757)</u>
Net income	85,431	4,564	89,995	12,208
Retained earnings/fund balance, beginning	<u>198,646</u>	<u>115,939</u>	<u>314,585</u>	<u>302,377</u>
Retained earnings/fund balance, ending	<u>\$ 284,077</u>	<u>\$ 120,503</u>	<u>\$ 404,580</u>	<u>\$ 314,585</u>

TOWN OF PLAIN DEALING, LOUISIANA

Combined Statement of Cash Flows -
 Proprietary Fund Types and Similar Trust Fund
 For the Year Ended December 31, 1999

	Proprietary Fund Type - Enterprise	Fiduciary Fund Type - Cemetery	Totals (Memorandum Only)	
			1999	1998
Cash flows from operating activities:				
Net income (loss)	\$ 16,002	\$ (1,118)	\$ 14,884	\$ 10,358
Adjustments to reconcile net income to cash provided by operating activities:				
Depreciation	45,383	-	45,383	43,830
Change in assets and liabilities:				
Increase (decrease) in accounts receivable	4,747	-	4,747	(7,578)
Decrease (increase) in due from other fund	(8,107)	-	(8,107)	29,818
Decrease in accounts payable	(2,339)	-	(2,339)	(14,499)
Decrease in due to other funds	(2,161)	-	(2,161)	(49,117)
Increase (decrease) in other liabilities	1,807	-	1,807	(1,167)
Total adjustments	39,330	-	39,330	1,287
Net cash provided (used) by operating activities	55,332	(1,118)	54,214	11,645
Cash flows from investing activities:				
Purchase of fixed assets	(8,484)	-	(8,484)	(3,575)
Disposals of fixed assets	659	-	659	-
Purchase of investments	(93,670)	(110,000)	(203,670)	(112,631)
Proceeds from investments	55,191	109,954	165,145	104,529
Interest on investments	11,269	7,615	18,884	8,959
Net cash provided (used) by investing activities	(35,035)	7,569	(27,466)	(2,718)
Cash flows from financing activities:				
Increase in restricted assets	(2,435)	-	(2,435)	(5,203)
Decrease (increase) in restricted liabilities	750	-	750	(304)
Principal payments of long-term debt	(6,480)	-	(6,480)	(5,959)
Net cash used by financing activities	(8,165)	-	(8,165)	(11,466)
Cash flows from noncapital financing activities:				
Interest expense	(11,305)	-	(11,305)	(11,828)
Operating transfers in (out), net	64,721	-	64,721	4,735
Net cash provided (used) by noncapital financing activities	53,416	-	53,416	(7,093)
Net increase (decrease) in cash and cash equivalents	65,548	6,451	71,999	(9,632)
Cash and cash equivalents at beginning of year	109,291	3,901	113,192	122,824
Cash and cash equivalents at end of year	\$ 174,839	\$ 10,352	\$ 185,191	\$ 113,192

See accompanying notes to financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies:

The Town of Plain Dealing, Louisiana (Town), was incorporated in 1890, under the provisions of LA R.S. 33:321-48. The Town operates under the Mayor-Board of Aldermen form of government.

The Town of Plain Dealing, Louisiana, complies with Generally Accepted Accounting Principles (GAAP). The Town's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:517 and the guides set forth in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Audits of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

- A. Reporting Entity - This report includes all funds and account groups which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.
- B. Fund Accounting - The accounts of the Town 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 purpose for which they are to be spent and the means by which spending activities are controlled. The following funds and group of accounts are used by the Town:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

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

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

The general obligation sewer bonds are secured as to payment by ad valorem taxes assessed on all property and improvements in the Town of Plain Dealing. These sewer bonds were paid off in 1998.

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds, Special Assessment Funds, and Trust Funds.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

B. Fund Accounting (Continued)

PROPRIETARY FUNDS

The Proprietary Fund is used to account for the Town's ongoing organizations and activities which are similar to those often found in the private sector. The Proprietary Fund is accounted for on a capital maintenance measurement focus; that is the measurement focus is upon determination of net income.

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

FIDUCIARY FUNDS

Trust and Agency Funds – Trust and Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

These include Expendable Trust, Nonexpendable Trust, Pension Trust, and Agency Funds. Nonexpendable Trust and Pension Trust Funds are accounted for in essentially the same manner as proprietary funds since capital maintenance is critical. Expendable Trust Funds are accounted for in essentially the same manner as governmental funds.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

ACCOUNT GROUPS

Account groups are used to establish accounting control and accountability for the Town's general fixed assets and general long-term obligations. The following are the Town's account groups:

General Fixed Assets Account Group – This account group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair value on the date of donation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group – This account group is established to account for long-term obligations to be financed from government funds.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

- C. 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 funds and Expendable Trust Funds are accounted for on a spending of "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) 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 (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

All fixed assets are valued at historical cost or estimated fair market value for assets acquired before 1959 and still on hand. Donated fixed assets are valued at their estimated fair market value on the date donated.

Assets in the General Fixed Assets Account Group are not depreciated, nor is interest capitalized. Depreciation is computed on the straight-line method for the fixed assets of the Proprietary Funds over the estimated useful lives of the assets. That portion of depreciation expense applicable to assets acquired with grants, entitlements, and shared revenues is reflected as a reduction of the respective contribution amount.

All Proprietary and Nonexpendable Trust Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with operation of these funds are included on the balance sheet. Their fund equity (net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Noncurrent portions of long-term receivables due to governmental funds are reported on their balance sheets, in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources", since they do not represent net current assets. Recognition of governmental fund type revenues represented by noncurrent receivables is deferred until they become current receivables.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-Term Account Group.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

C. Fixed Assets and Long-Term Liabilities (Continued)

Fixed Assets – All items of property, plant and equipment which do not constitute assets of the enterprise fund are recorded in the general fixed assets group of accounts. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) except that assets acquired before 1959 and still on hand are recorded at their fair market value of the asset on July 1, 1959 and no depreciation is computed or recorded thereon.

Property, plant and equipment which constitute assets of the enterprise fund are recorded at cost, except for those assets acquired before July 1, 1959 and still on hand are recorded at their fair market value at July 1, 1959. Depreciation computed on these assets is under the straight-line method of depreciation based on the estimated useful lives of the individual assets.

Public domain (“infrastructure”) general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalk, drainage systems and lighting systems, are not capitalized along with other general fixed assets.

D. 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. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except for principal and interest on general long-term debt which is recognized when due.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are, however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the Town; therefore, revenues are recognized based upon the expenditures recorded.

Licenses and permits, charges for general governmental services, fines and penalties, and miscellaneous other revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received. Ad valorem taxes are recorded as revenue at year end if they are collected within 60 days of year end. Other taxes, charges or services, and investment earnings are recorded as earned since they are measurable and available.

All proprietary funds are accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

D. Basis of Accounting (Continued)

The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

E. Budgets and Budgetary Accounting - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days 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. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
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 for which the budget is being adopted.
5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 1999 budget was amended December 14, 1999, to include lake income from timber sales, grant income, and various expenditure adjustments. The 1999 budget will also be amended April 11, 2000, to adjust interest and rental income, and to adjust general government and street/sanitation expenditures. More specifically, the budget will be amended to budget for the full amount of the fire truck purchase in capital outlays.
6. The Town utilizes formal budgetary integration as a management control device for all funds.

F. Investments – All investments are interest bearing deposits with original maturity dated in excess of three months are stated at cost which approximates market value. The Town's investments comply with Louisiana Statutes (LSA R.S. 33:2955).

G. Inventories – Inventory of supplies in the Proprietary Fund is not material and is charged to operations as purchased.

H. Bad Debts – Uncollectible amounts due from customers' utility and ad valorem taxes receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. Provisions for uncollectible utility and ad valorem taxes have not been deemed necessary.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

- I. Restricted Assets - The Debt Service and Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The Enterprise Funds also restrict customer and vendor deposits. Also, the General Fund restricts the use of the Medical Clinic Funds and the Cemetery Fund restricts the use of its operating account and certificate of deposit.
- J. Compensated Absences - No liability is recorded for nonvesting accumulating rights to receive vacation or sick pay benefits.
- K. Comparative Data - Comparative totals for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, presentation of prior year amounts by fund type has not been presented in each of the statements since their inclusions would make the statements unduly complex and difficult to read.
- L. Total Columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of 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.
- M. Reserves - Use of the term "reserve" in describing governmental fund "Fund Balances" and proprietary fund "Retained Earnings" indicates that a portion of the fund balance or retained earnings is not appropriate for expenditure or is legally segregated for a specific future use. These reserves are as follows:

General Fund:	
Medical Clinic – checking account	\$ 9,627
Medical Clinic – certificate of deposit	<u>11,581</u>
Total	<u>\$ 21,208</u>

Capital Projects:	
Industrial Development – fund balance	<u>\$ 566,658</u>

- N. Debt Service - This amount represents the portion of fund balance or retained earnings that has been reserved in the Debt Service Fund for future payment of principal and interest on bonded debt and revenue bonds.
- O. Interfund Transactions - There are several types of transactions that are reported in the financial statements as interfund items. Interfund transactions which constitute reimbursements of the fund for expenditures or expenses initially made from that fund which are properly applicable to another fund are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditure or expense in the fund that is being reimbursed. Nonrecurring or non-routine transfers of equity between funds are treated as residual equity transfers and reported as additions to or deductions from fund balance. All other transfers are treated as operating transfers and are included in the results of operations of both governmental and proprietary funds. Reference should be made to Note 6 regarding interfund transactions.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued):

- P. Statements of Cash Flows (including restricted assets) - For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.
- Q. Refundable Deposits - The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.
- R. Reclassifications - Revenues in the General Fund were reclassified in 1998 to specifically identify major sources of tax revenue and to conform to 1999 presentation. This did not affect the presentation of the 1998 financial statements taken as a whole.

2. Ad Valorem Taxes:

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted in the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Bossier Parish.

For the year ended December 31, 1999, taxes of 8.03 mills were levied on property with assessed valuations totaling \$3,093,960 and were dedicated for general corporate purposes.

Total taxes levied were \$24,844. Taxes receivable at December 31, 1999, consisted of the following:

Taxes receivable current roll	\$	5,097
Taxes receivable prior roll		803
		5,900
Less: allowance for uncollectible taxes		-
	\$	5,900

3. Restricted Assets:

Restricted assets were applicable to the following at December 31:

	1999	1998
Governmental Fund Type:		
Restricted cash -- clinic account	\$ 9,627	\$ 6,913
Restricted certificate of deposit	11,581	11,025
	21,208	17,938
Proprietary Fund Type:		
Customer deposit account	5,393	4,656
Customer deposits -- certificate of deposit	31,000	34,178
Water Revenue Bond account	7,007	6,775
Water Revenue Bond Reserve -- certificate of deposit	17,787	21,014
Water Replacement & Extension account	23,386	21,920
	\$ 84,573	\$ 88,543

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

4. General Fixed Assets and Property, Plant and Equipment:

	Balance January 1, 1999	Additions	Deletions	Balance December 31, 1999
Buildings	\$ 303,039	\$ 3,500	\$ -	\$ 306,539
Machinery & equipment	42,325	-	-	42,325
Dam & reservoirs	294,580	-	-	294,580
Cemetery	8,401	-	-	8,401
Fire department	141,534	41,991	-	183,525
General fund	315,032	16,955	3,343	328,644
Industrial Park	532,773	5,375	-	538,148
Lake Plain Dealing	-	9,270	-	9,270
Street improvements	440,777	-	-	440,777
Total	\$ 2,078,461	\$ 77,091	\$ 3,343	\$ 2,152,209

A summary of Proprietary fund type property, plant and equipment at December 31, 1999:

Water utility:	
Wells	\$ 214,524
Storage tanks	88,210
Lines and meters	503,549
Other equipment	25,400
Right-of-way	5,079
Bolinger water system	22,691
Sewer utility:	
Land	15,000
Lines	44,590
Treatment plant	461,232
Sewer Project 414	683,721
Other	12,148
Total	2,076,144
Less: accumulated depreciation	(961,463)
Net	\$ 1,114,681

Depreciation is computed using the straight-line method.

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:

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

4. General Fixed Assets and Property, Plant and Equipment (Continued):

Water Utility:	
Wells	20-25 years
Storage tanks	25-50 years
Lines and meters	20-50 years
Other equipment	6-20 years
Right-of-ways	-
Sewerage Utility:	
Waste disposal plant	60 years
Lines	50 years
Other equipment	6-10 years

Since July 1, 1959, the Town has kept records with a history of fixed asset cost. All assets acquired since that time are recorded at original cost. Assets acquired before July 1, 1959, are recorded at their fair market value as of July 1, 1959.

During the year ended June 30, 1980, the Town began keeping separate accounting records for the water department and the sewer department. The financial statements for both departments have been combined.

5. Year 2000 Issue:

Year 2000 is an issue arising from computers being programmed in prior years to use only two digits (under the assumption that the first two digits would always be 19) to identify the year when processing date-sensitive information. This method of identifying dates could cause problems when processing information with dates in the year 2000 or later. As a result, the systems that use only two digits to identify dates could process data incorrectly or stop functioning altogether. The effects of the year 2000 is expected to extend beyond systems and any equipment that is dependent on microchip technology.

As stated in Note 1, the Town provides public services, public safety and various other public works to its citizens. The execution of these services generally does not rely upon microchip technology since these services are not automated in nature. However, the effect of the year 2000 issue upon the Town's vendors, entities, and utility providers from which it obtains services has not been determined. As a result, the effect of any of these entities' non-compliance with the year 2000 issue upon the Town has also not been determined.

For the year ended December 31, 1999, the Town of Plain Dealing, Louisiana, incurred approximately \$9,000 concerning the Year 2000 Issue for the purchase of hardware and software for year 2000 compliant systems to be used in the daily financial operations of the Town.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

6. Other Required Individual Fund Disclosures:

A. Interfund Receivables and Payables

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 566	\$ 64,939
Sales tax fund	1,006	-
Industrial development fund	-	1,006
Water department	77,142	7,731
Sewer department	7,165	12,203
	\$ 85,879	\$ 85,879

B. Operating Transfers

	<u>Operating In</u>	<u>Transfers Out</u>
General fund	\$ 93,230	\$ -
Sales tax department	-	93,566
Sewer department	64,721	-
Sewer Project 414	-	64,721
Industrial Development	336	-
	\$ 158,287	\$ 158,287

7. Changes in Long-Term Debt:

The following is a summary of bond transactions for the year ended December 31, 1999:

	<u>Water Revenue</u>
Bonds outstanding January 1, 1999	\$ 226,143
Bonds retired	(6,480)
Bonds outstanding December 31, 1999	\$ 219,663

Bonds outstanding at December 31, 1999, are comprised of the following individual issues:

Water Revenue Bonds dated August 31, 1979, \$300,000, at 5%, due in annual installments of \$17,787, including interest, through 2018, and a final installment of \$5,751 in 2019 -- to be retired from the income and revenue of the water system.	\$ 219,663
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TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements December 31, 1999

7. Changes in Long-Term Debt (Continued):

The annual requirements to amortize all debt outstanding as of December 31, 1999 including interest payments of \$142,243 follows:

Year Ended December 31,	Water Revenue
2000	\$ 17,787
2001-2005	88,935
2006-2010	88,935
2011-2015	88,935
2016-2020	<u>77,314</u>
	<u>\$ 361,906</u>

Under the terms of the bond indenture on outstanding Water Utility Bonds dated August 31, 1979, all income and revenue of every nature, earned or derived from obligation of the Utility system are pledged and dedicated to the retirement of said bonds, and are to be set aside monthly into the following special funds:

- A. A sum equal to 1/12th of the total amount of principal and interest falling due in the ensuing year is to be deposited into an account entitled "Water and Revenue Bond Fund" and remitted to the Farmers Home Administration on an annual basis.
- B. A sum at least equal to five percent (5%) of the amount to be paid into an account entitled "Water Revenue Bond Reserve Fund" until such time as there has been accumulated a sum equal to the highest combined principal and interest falling due in any year, as a Debt Service Reserve. This Reserve is to be retained solely for the purpose of paying the principal of and interest on bonds payable from the Water Revenue Bond Fund as to which there would otherwise be default.
- C. The sum of \$75 into an account entitled "Water Replacement and Extension Fund" to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly. The funds may also be used to make up deficiencies in the Revenue Bond Fund or Reserve Fund, but if so used, it shall be replaced as soon as possible out of earnings from the system after making the required payments into the respective funds.

Such notes payable are substantially in the form of Water Revenue Bonds and are collateralized by revenue of the system and the fixed assets of the system and mature 40 years from the date they were issued.

8. Retirement Commitments:

Municipal Police Employees Retirement System of Louisiana (System)

Only one police employee of the Town of Plain Dealing, Louisiana, is a member of the Municipal Police Employees Retirement System of Louisiana, a statewide retirement system. This system is cost-sharing, multiple-employer defined benefit pension plan administered by separate board of trustees. Pertinent information relative to this plan follows:

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

8. Retirement Commitments (Continued):

A. Plan Description

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (225) 929-7411.

B. Funding Policy

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Plain Dealing is required to contribute at an actuarial determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Plain Dealing are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Plain Dealing's contributions to the System for the years ending December 31, 1999, 1998, and 1997, were \$1,797, \$2,103, and \$2,470, respectively, equal to the required contributions for each year.

9. Cash and Cash Equivalents:

For reporting purposes, cash equivalents include cash, demand deposits and certificates of deposit. Cash and cash equivalents are stated at cost, which approximates market. At December 31, 1999, the Town's cash deposits was \$1,170,988 and the bank balance was \$1,173,761. At December 31, 1999, all deposits were insured and collateralized by securities with market values exceeding the amount on deposit. Collateral securities were held in the Town's name by the Federal Reserve Bank and require the Town's approval in order to release the collateral. In accordance with GASB No. 3, all of the Town's bank balance is classified as Category 1.

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

9. Cash and Cash Equivalents (Continued):

<u>Certificates of Deposit</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	<u>Total Book Value</u>
General Fund	5.25%	09/27/00	\$ 59,757
General Fund -- Restricted	5.25%	07/18/00	11,581
<u>Proprietary Fund:</u>			
Water Department -- Restricted	5.25%	09/13/00	17,787
Water Department -- Restricted	5.25%	07/18/00	31,000
Sewer Department	5.25%	07/30/00	44,884
<u>Trust Funds:</u>			
Cemetery	5.00%	02/20/00	110,000
<u>Capital Project Funds:</u>			
Industrial Development	5.25%	09/26/00	75,787
Industrial Development	4.80%	04/03/00	319,590
Industrial Development	5.25%	09/18/00	63,073
Industrial Development	5.25%	09/18/00	46,583
Total all funds			<u>\$ 780,042</u>

Investments are under the custody of the Town Clerk. Investing is performed in accordance with investment policies complying with State Statutes and the City Charter. Pooled funds may be invested in: (1) direct obligations of the United States government to the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, and (3) savings accounts at savings and loan associations and banks, to the extent fully insured.

10. Compliance, Stewardship, and Accountability:

Excess of Expenditures Over Revenues. For those funds for which a budget to actual comparison was made, 1999 actual expenditures exceed budgeted expenditures on a departmental basis as follows:

<u>Fund</u>	<u>Expenditure</u>		<u>Unfavorable Variance</u>
	<u>Budget</u>	<u>Actual</u>	
<u>General Fund:</u>			
Public Safety	\$ 125,629	\$ 130,559	\$ 4,930
Street and Sanitation	\$ 92,346	\$ 92,821	\$ 475
Capital Outlays	\$ 70,594	\$ 71,717	\$ 1,123

TOWN OF PLAIN DEALING, LOUISIANA

Notes to Financial Statements
December 31, 1999

10. Compliance, Stewardship, and Accountability (Continued):

Explanation for the General Fund – Public Safety unfavorable budget variance is as follows:

In the Police Department, the Town did not include in their budget the required financial statement disclosure for police supplemental pay expense of \$3,543 and the revenue offset. Also, additional costs for repairs in the Fire Department were incurred.

Deficit Retained Earnings. The Sewer Department's deficit balance in retained earnings of \$107,399 as shown in the combining statements is the result of revenues inadequate to cover expenses including depreciation in prior years. This deficit is offset by the Water Department's retained earnings of \$391,476 netting to a total retained earnings of \$284,077 in the Enterprise Fund.

11. Commitments and Contingencies:

The Town is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is the defendant in various lawsuits arising principally in normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

12. On-Behalf Payments:

Two Town police employees received \$3,543 in police supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of supplemental pay received. The Town must recognize this supplemental pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund under intergovernmental revenues and the expenditure is reported in the Police Department.

SUPPLEMENTARY INFORMATION

**SCHEDULE OF MAYOR'S AND ALDERMEN'S
COMPENSATION AND REIMBURSED EXPENSES**

TOWN OF PLAIN DEALING, LOUISIANA

**Schedule of Mayor's and Aldermen's
Compensation and Reimbursed Expenses
For the Year Ended December 31, 1999**

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Smith	\$ 12,000	\$ 542	\$ 12,542
Alderman Hightower	1,250	-	1,250
Alderman Arnold	1,250	-	1,250
Alderman T. Boggs	1,250	-	1,250
Alderman P. Boggs	1,250	-	1,250
Alderman Anderson	1,250	-	1,250
Totals	<u>\$ 18,250</u>	<u>\$ 542</u>	<u>\$ 18,792</u>

**COMBINING AND INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES**

GOVERNMENTAL FUNDS

- **GENERAL FUND**
- **SPECIAL REVENUE FUNDS**
- **DEBT SERVICE FUND**
- **CAPITAL PROJECTS FUNDS**

GENERAL FUND

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

TOWN OF PLAIN DEALING, LOUISIANA

General Fund

Balance Sheet

December 31, 1999 and 1998
with Comparative Totals for December 31, 1998

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
Cash	\$ 99,075	\$ 92,346
Restricted assets - cash	9,627	6,913
Certificate of deposit	59,757	56,210
Restricted assets - certification of deposit	11,581	11,025
Accounts receivable, no allowance for uncollectible accounts	12,794	7,759
Accrued interest receivable	311	964
Due from other funds	-	27,412
Total assets	<u>193,145</u>	<u>202,629</u>
<u>Liabilities and Fund Balance</u>		
Liabilities:		
Accounts payable	8,766	8,108
Accrued expenses	3,146	501
Due to other funds	64,514	54,246
Total liabilities	<u>76,426</u>	<u>62,855</u>
Fund Balance:		
Unreserved	95,511	121,836
Reserved - restricted assets	21,208	17,938
Total fund balance	<u>116,719</u>	<u>139,774</u>
Total liabilities and fund balance	<u>\$ 193,145</u>	<u>\$ 202,629</u>

TOWN OF PLAIN DEALING, LOUISIANA

General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and ActualFor the Year Ended December 31, 1999
with Comparative Actual Amounts for the Year Ended December 31, 1998

	1999		Variance- favorable (unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Property taxes	\$ 28,000	\$ 24,844	\$ (3,156)	\$ 27,616
Franchise taxes	22,000	26,848	4,848	24,332
Other taxes	42,300	40,851	(1,449)	39,101
Licenses and permits	18,310	15,716	(2,594)	17,814
Intergovernmental	23,200	22,545	(655)	20,639
Grant revenue	26,197	25,567	(630)	-
Interest income	6,000	6,166	166	3,200
Charges for services	52,000	48,663	(3,337)	48,311
Rental income	5,500	5,900	400	6,600
Fines and forfeits	8,000	8,285	285	10,634
Lake income	23,000	23,013	13	296
Other	-	3,718	3,718	2,492
Total revenues	<u>254,507</u>	<u>252,116</u>	<u>(2,391)</u>	<u>201,035</u>
Expenditures:				
General Government:				
Salaries and benefits	45,408	44,265	1,143	27,033
Office	7,200	8,135	(935)	13,905
Legal and audit	7,367	8,170	(803)	7,283
Insurance	6,472	5,392	1,080	6,466
Other	7,991	7,342	649	7,318
Total general government	<u>74,438</u>	<u>73,304</u>	<u>1,134</u>	<u>62,005</u>
Public Safety:				
Police department	110,390	113,266	(2,876)	114,865
Fire department	15,239	17,293	(2,054)	18,638
Total public safety	<u>125,629</u>	<u>130,559</u>	<u>(4,930)</u>	<u>133,503</u>
Street and Sanitation	92,346	92,821	(475)	80,724
Capital outlays	70,594	71,717	(1,123)	17,863
Total expenditures	<u>363,007</u>	<u>368,401</u>	<u>(5,394)</u>	<u>294,095</u>
Excess (deficiency) of revenues over expenditures	<u>(108,500)</u>	<u>(116,285)</u>	<u>(7,785)</u>	<u>(93,060)</u>
Other financing sources (uses):				
Transfers in	95,000	93,230	(1,770)	159,981
Transfers out	-	-	-	(1,482)
Net other financing sources (uses)	<u>95,000</u>	<u>93,230</u>	<u>(1,770)</u>	<u>158,499</u>
Excess (deficiency) of revenues and other sources over expenditures	<u>(13,500)</u>	<u>(23,055)</u>	<u>(9,555)</u>	<u>65,439</u>
Fund balance at beginning of year	<u>139,774</u>	<u>139,774</u>	<u>-</u>	<u>74,335</u>
Fund balance at end of year	<u>\$ 126,274</u>	<u>\$ 116,719</u>	<u>\$ (9,555)</u>	<u>\$ 139,774</u>

See accompanying notes to combined financial statements.

SPECIAL REVENUE FUNDS

Special Revenue Funds are used to account for the proceeds of specific revenue sources (*other than expendable trusts or major capital projects*) that are legally restricted to expenditures for specific purposes.

Sales Tax Fund – accounts for general operating and maintenance of streets, alleys, etc. Financing is provided by a 1% sales and use tax.

Louisiana Community Development Block Grant Fund – accounts for federal monies received by the Town.

TOWN OF PLAIN DEALING, LOUISIANA

Special Revenue Funds

Combining Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	<u>Sales Tax</u>	<u>Louisiana Community Development Block Grant</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<u>Assets</u>				
Cash	\$ 1,388	\$ -	\$ 1,388	\$ 25
Due from other funds	1,006	-	1,006	1,006
Total assets	<u>2,394</u>	<u>-</u>	<u>2,394</u>	<u>1,031</u>
<u>Liabilities and Fund Balances</u>				
Fund balances	<u>\$ 2,394</u>	<u>\$ -</u>	<u>\$ 2,394</u>	<u>\$ 1,031</u>

TOWN OF PLAIN DEALING, LOUISIANA

Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

For the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	<u>Sales Tax</u>	<u>Louisiana Community Development Block Grant</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Sales taxes	\$ 95,605	\$ -	\$ 95,605	\$ 90,831
Federal grants	-	-	-	33,522
Total revenues	<u>95,605</u>	<u>-</u>	<u>95,605</u>	<u>124,353</u>
Expenditures:				
Street department	-	-	-	33,522
Miscellaneous	<u>676</u>	<u>-</u>	<u>676</u>	<u>71</u>
Total expenditures	<u>676</u>	<u>-</u>	<u>676</u>	<u>33,593</u>
Excess (deficiency) of revenues over expenditures	94,929	-	94,929	90,760
Other Financing Uses:				
Operating transfers out	<u>(93,566)</u>	<u>-</u>	<u>(93,566)</u>	<u>(159,981)</u>
Excess (deficiency) of revenues over expenditures & other uses	1,363	-	1,363	(69,221)
Fund balance at beginning of year	<u>1,031</u>	<u>-</u>	<u>1,031</u>	<u>70,252</u>
Fund balance at end of year	<u>\$ 2,394</u>	<u>\$ -</u>	<u>\$ 2,394</u>	<u>\$ 1,031</u>

TOWN OF PLAIN DEALING, LOUISIANA

Sales Tax - Special Revenue Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (GAAP Basis) and ActualFor the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	1999		Variance- favorable (unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Sales taxes	\$ 95,000	\$ 95,605	\$ 605	\$ 90,831
Total revenues	95,000	95,605	605	90,831
Expenditures: General government	-	676	(676)	71
Total expenditures	-	676	(676)	71
Excess (deficiency) of revenues over expenditures	-	94,929	(71)	90,760
Other financing uses:				
Transfers out	(95,000)	(93,566)	1,434	(159,981)
Excess (deficiency) of revenues over expenditures and other uses	-	1,363	1,363	(69,221)
Fund balance at beginning of year	1,031	1,031	-	70,252
Fund balance at end of year	\$ 1,031	\$ 2,394	\$ 1,363	\$ 1,031

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The Debt Service Fund is funded by the proceeds of a dedicated ad valorem tax.

General Obligation Sewer Bond Fund – accumulates monies for payment of the \$185,000, 7% General Obligation Sewer Bonds which are serial bonds due in annual installments of \$5,000 through March 1, 1984, \$10,000 through March 1, 1993, and \$15,000 through March 31, 1998. Financing provided through unlimited ad valorem taxation. This fund was closed out in 1998.

TOWN OF PLAIN DEALING, LOUISIANA

Debt Service Fund

Balance Sheet

December 31, 1999 and 1998
with Comparative Totals for December 31, 1998

	General Obligation Sewer Bonds	
	1999	1998
<u>Assets</u>		
Due from other funds	\$ -	\$ 138
Total assets	<u>-</u>	<u>138</u>
<u>Liabilities and Fund Balances</u>		
Fund Balance:		
Reserved for debt service	-	138
Total liabilities and fund balance	<u>\$ -</u>	<u>\$ 138</u>

TOWN OF PLAIN DEALING, LOUISIANA

Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	General Obligation Sewer Bonds	
	1999	1998
Revenues:		
Interest income	\$ -	\$ 142
Total revenues	-	142
Expenditures:		
Interest expense	-	457
Bond redemption	-	15,000
Other	138	-
Total expenditures	138	15,457
Excess (deficiency) of revenues over expenditures	(138)	(15,315)
Other Financing Sources (uses):		
Operating transfers out	-	(1,903)
Net other financing sources (uses)	-	(1,903)
Excess (deficiency) of revenues over expenditures	(138)	(17,218)
Fund balance at beginning of year	138	17,356
Fund balance at end of year	\$ -	\$ 138

TOWN OF PLAIN DEALING, LOUISIANA

General Obligation Sewer Bonds - Debt Service Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget and ActualFor the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	1999		Variance- favorable (unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Interest income	\$ -	\$ -	\$ -	\$ 142
Total revenues	-	-	-	142
Expenditures:				
Interest expense	-	-	-	457
Bond redemption	-	-	-	15,000
Other	-	138	(138)	-
Total expenditures	-	138	(138)	15,457
Excess (deficiency) of revenues over expenditures	-	(138)	(138)	(15,315)
Other Financing Sources (uses):				
Operating transfers out	-	-	-	(1,903)
Net other financing sources (uses)	-	-	-	(1,903)
Excess (deficiency) of revenues over expenditures	-	(138)	(138)	(17,218)
Fund balance at beginning of year	-	138	138	17,356
Fund balance at end of year	\$ -	\$ -	\$ -	\$ 138

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.

Sewer Project 414 Fund – Accounts for the costs of modification of existing treatment plant service rehabilitation and extension of sewer collection. This fund was closed out in 1999.

Street and Drainage Program – The Town has received grants from the State of Louisiana to make major improvements to its streets and drainage facilities. This fund was closed out in 1998.

Industrial Development – A special 1% tax increase was levied beginning April 1, 1993 to be used for the purpose of acquiring construction and improvement of industrial parks and buildings.

Special Projects Programs – The Town received monies from the State of Louisiana – Office of Rural Development for the short term repairs of its streets. This fund was closed out in 1998.

TOWN OF PLAIN DEALING, LOUISIANA

Capital Projects Funds

Combining Balance Sheet

December 31, 1999
with Comparative Totals for December 31, 1998

	Sewer Project 414 Fund	Street & Drainage Program	Industrial Development	Special Projects Programs	Totals	
					1999	1998
<u>Assets</u>						
Cash in bank	\$ -	\$ -	\$ 59,879	\$ -	\$ 59,879	\$ 59,916
Certificates of deposits	-	-	505,033	-	505,033	471,140
Accrued interest	-	-	2,887	-	2,887	2,823
Total assets	-	-	567,799	-	567,799	533,879
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Due to other funds	-	-	1,006	-	1,006	1,006
Accounts payable	-	-	137	-	137	1,495
Total liabilities	-	-	1,143	-	1,143	2,501
Fund balances	-	-	566,656	-	566,656	531,378
Total liabilities and fund balances	\$ -	\$ -	\$ 567,799	\$ -	\$ 567,799	\$ 533,879

See accompanying notes to combined financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Exhibit D-2

Capital Projects Funds

Combining Statement of Revenues, Expenditures, and
Changes in Fund Balances

for the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	Sewer Project 414 Fund	Street & Drainage Program	Industrial Development	Special Projects Programs	Totals	
					1999	1998
Revenues:						
Sales taxes	\$ -	\$ -	\$ 95,339	\$ -	\$ 95,339	\$ 90,831
Interest	1,692	-	24,954	-	26,646	25,536
Total revenues	1,692	-	120,293	-	121,985	116,367
Expenditures:						
General government	-	-	16,946	-	16,946	11,991
Capital outlays	-	-	5,375	-	5,375	102,088
Miscellaneous	-	-	-	-	-	200
Total expenditures	-	-	22,321	-	22,321	114,279
Excess of revenues over expenditures	1,692	-	97,972	-	99,664	2,088
Other financing sources (uses):						
Operating transfers in	-	-	336	-	336	-
Operating transfers out	(64,722)	-	-	-	(64,722)	(1,350)
Net other financing sources (uses)	(64,722)	-	336	-	(64,386)	(1,350)
Excess (deficiency) of revenues over expenditures	(63,030)	-	98,308	-	35,278	738
Fund balance at beginning of year	63,030	-	468,348	-	531,378	530,640
Fund balance at end of year	\$ -	\$ -	\$ 566,656	\$ -	\$ 566,656	\$ 531,378

See accompanying notes to combined financial statements.

ENTERPRISE FUND

Water and Sewer Fund – accounts for the provision of water and sewer services to the residents of the Town and some residents of the Parish. All activities necessary to provide such services are accounted for in the fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing and collection.

TOWN OF PLAIN DEALING, LOUISIANA

Water and Sewer Fund

Combining Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	1999			1998
	Water Department	Sewer Department	Combined	
Current Assets:				
Cash	\$ 135,736	\$ 39,103	\$ 174,839	\$ 109,291
Certificates of deposit	-	44,884	44,884	-
Accounts receivable	29,845	8,032	37,877	42,624
Accrued interest	1,022	-	1,022	1,122
Due from other funds	69,518	-	69,518	61,411
Total current assets	<u>236,121</u>	<u>92,019</u>	<u>328,140</u>	<u>214,448</u>
Restricted Assets, Cash:				
Customers' deposits	36,393	-	36,393	38,834
Water revenue bond fund	7,007	-	7,007	6,775
Water revenue bond reserve fund	17,787	-	17,787	21,014
Water replacement and extension fund	23,386	-	23,386	21,920
Total restricted assets	<u>84,573</u>	<u>-</u>	<u>84,573</u>	<u>88,543</u>
Property, Plant & Equipment:				
Improvements	859,454	1,216,691	2,076,145	2,071,247
Less accumulated depreciation	<u>(526,945)</u>	<u>(434,519)</u>	<u>(961,464)</u>	<u>(919,006)</u>
Net property, plant & equipment	<u>332,509</u>	<u>782,172</u>	<u>1,114,681</u>	<u>1,152,241</u>
Total assets	<u>\$ 653,203</u>	<u>\$ 874,191</u>	<u>\$ 1,527,394</u>	<u>\$ 1,455,232</u>

(Continued)

TOWN OF PLAIN DEALING, LOUISIANA

Water and Sewer Fund

Combining Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

LIABILITIES AND FUND EQUITY

	1999			1998
	Water Department	Sewer Department	Combined	
Liabilities:				
Current liabilities (payable from current assets):				
Accounts payable	\$ 2,373	\$ 1,888	\$ 4,261	\$ 6,600
Due to other funds	-	5,004	5,004	7,165
Other	2,815	-	2,815	1,008
Total current liabilities (payable from current assets)	5,188	6,892	12,080	14,773
Current liabilities (payable from restricted assets):				
Water revenue bond	6,588	-	6,588	6,257
Accrued interest	4,002	-	4,002	8,848
Customer deposits	32,874	-	32,874	32,124
Total current liabilities (payable from restricted assets)	43,464	-	43,464	47,229
Long-Term Liabilities (payable from restricted assets):				
Water revenue bond	213,075	-	213,075	219,886
Total liabilities (payable from restricted assets)	256,539	-	256,539	267,115
Fund Equity:				
Contributed Capital:				
Municipality	-	219,673	219,673	219,673
Federal grants	-	755,025	755,025	755,025
Total contributed capital	-	974,698	974,698	974,698
Retained Earnings:				
Unreserved	391,476	(107,399)	284,077	198,646
Total fund equity	391,476	867,299	1,258,775	1,173,344
Total liabilities and fund equity	\$ 653,203	\$ 874,191	\$ 1,527,394	\$ 1,455,232

See accompanying notes to combined financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Water and Sewer Fund

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings

For the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	1999			1998
	Water Department	Sewer Department	Combined	
Operating Revenues:				
Charges for services	\$ 203,772	\$ 63,314	\$ 267,086	\$ 269,158
Other	1,181	-	1,181	5,306
Total operating revenues	204,953	63,314	268,267	274,464
Operating Expenses:				
Personal services	56,773	30,019	86,792	82,949
Contractual services	4,070	4,034	8,104	7,366
Supplies and materials	17,935	5,147	23,082	26,023
Heat, light and power	14,139	10,885	25,024	25,846
Depreciation	20,028	25,355	45,383	43,831
Other	22,714	41,166	63,880	75,693
Total operating expenses	135,659	116,606	252,265	261,708
Operating income (loss)	69,294	(53,292)	16,002	12,756
Non-Operating Revenues (Expenses):				
Interest income	8,641	2,528	11,169	3,588
Interest expense	(6,461)	-	(6,461)	(12,080)
Transfers in	-	64,721	64,721	49,233
Transfers out	-	-	-	(44,498)
Net non-operating revenues (expenses)	2,180	67,249	69,429	(3,757)
Net income (loss)	71,474	13,957	85,431	8,999
Retained earnings, beginning	320,002	(121,356)	198,646	189,647
Retained earnings, ending	\$ 391,476	\$ (107,399)	\$ 284,077	\$ 198,646

See accompanying notes to combined financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Water and Sewer Fund

Combining Statement of Cash Flows

For the Year Ended December 31, 1999
with Comparative Totals for the Year Ended December 31, 1998

	1999			1998
	Water Department	Sewer Department	Combined	
Cash flows from operating activities:				
Net income (loss)	\$ 69,294	\$ (53,292)	\$ 16,002	\$ 12,756
Adjustments to reconcile net income to net cash provided by operating activities:				
Depreciation	20,028	25,355	45,383	43,830
Change in assets and liabilities:				
Increase (decrease) in accounts receivable	3,741	1,006	4,747	(7,578)
Decrease (increase) in due from other fund	(15,272)	7,165	(8,107)	29,818
Increase (decrease) in accounts payable	(1,819)	(520)	(2,339)	(14,499)
Increase (decrease) in due to other funds	(7,165)	5,004	(2,161)	(49,117)
Increase (decrease) in other liabilities	1,807	-	1,807	(1,167)
Total adjustments	1,320	38,010	39,330	1,287
Net cash provided by operating activities	70,614	(15,282)	55,332	14,043
Cash flows from investing activities:				
Purchase of fixed assets	(7,019)	(1,465)	(8,484)	(3,575)
Disposals of fixed assets	659	-	659	-
Purchase of investments	(48,786)	(44,884)	(93,670)	(55,192)
Proceeds from investments	55,191	-	55,191	52,515
Interest on investments	8,741	2,528	11,269	3,534
Net cash used in investing activities	8,786	(43,821)	(35,035)	(2,718)
Cash flows from financing activities:				
Increase in restricted assets	(2,435)	-	(2,435)	(5,203)
Increase in restricted liabilities	750	-	750	(304)
Principal payments of long-term debt	(6,480)	-	(6,480)	(5,959)
Net cash provided by financing activities	(8,165)	-	(8,165)	(11,466)
Cash flows from noncapital financing activities:				
Interest expense	(11,305)	-	(11,305)	(11,828)
Operating transfers in (out), net	-	64,721	64,721	4,735
Net cash provided by noncapital financing activities	(11,305)	64,721	53,416	(7,093)
Net increase in cash and cash equivalents	59,930	5,618	65,548	(7,234)
Cash and cash equivalents at beginning of year	75,806	33,485	109,291	116,525
Cash and cash equivalents at end of year	\$ 135,736	\$ 39,103	\$ 174,839	\$ 109,291

See accompanying notes to combined financial statements.

TOWN OF PLAIN DEALING, LOUISIANA

Water and Sewer Fund

Statement of Revenues, Expenditures, and Changes in Retained Earnings -
Budget (GAAP Basis) and ActualFor the Year Ended December 31, 1999
with Comparative Actual Amounts for the Year Ended December 31, 1998

	1999		Variance- favorable (unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Charges for services	\$ 230,472	\$ 267,086	\$ 36,614	\$ 269,158
Interest	-	11,169	11,169	3,588
Other	5,400	1,181	(4,219)	5,306
Total revenues	235,872	279,436	43,564	278,052
Expenditures:				
Other operating expenses	50,803	120,090	(69,287)	134,928
Personal services	167,282	86,792	80,490	82,949
Depreciation	-	45,383	(45,383)	43,831
Interest	-	10,850	(10,850)	12,080
Total expenditures	218,085	263,115	(45,030)	273,788
Excess (deficiency) of revenues over expenditures	17,787	16,321	(1,466)	4,264
Other financing sources (uses):				
Transfers in	-	64,721	64,721	49,233
Transfers out	-	-	-	(44,498)
Excess (deficiency) of revenues and other sources over expenditures	17,787	81,042	63,255	8,999
Retained earnings, beginning	198,646	198,646	-	189,647
Retained earnings, ending	\$ 216,433	\$ 279,688	\$ 63,255	\$ 198,646

TOWN OF PLAIN DEALING, LOUISIANA

Water Department

Schedule of Changes in Assets Restricted Under Revenue Bond Debt

For the Year Ended December 31, 1999

	Bond Fund	Bond Reserve Fund	Water Replacement and Extension Fund	Total
Cash - January 1, 1999	\$ 6,775	\$ 21,014	\$ 21,920	\$ 49,709
Cash receipts:				
Transferred from operating activities	17,787	-	900	18,687
Interest credited	232	1,115	566	1,913
Total cash receipts	18,019	1,115	1,466	20,600
Total cash available	24,794	22,129	23,386	70,309
Cash disbursements:				
Transferred to operating activities	-	4,342	-	4,342
Principal payment	6,480	-	-	6,480
Interest payment	11,307	-	-	11,307
Total disbursements	17,787	4,342	-	22,129
Cash - December 31, 1999	\$ 7,007	\$ 17,787	\$ 23,386	\$ 48,180

**TRUST AND AGENCY
FUNDS**

Cemetery Fund – Accounts for the monies received from the sale of lots, the issuance of permits, and the service of maintenance of the cemetery.

Ad Valorem Tax Fund – Accounts for the collection of property taxes by the Town. This fund was closed out in 1999.

TOWN OF PLAIN DEALING, LOUISIANA

Trust and Agency

Combining Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	<u>Cemetery</u>	<u>Tax Clearing- Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
<u>Assets</u>				
Cash	\$ 10,352	\$ -	\$ 10,352	\$ 20,322
Certificates of deposit	110,000	-	110,000	109,954
Accounts receivable, net of allowance for uncollectible taxes	-	-	-	11,129
Accrued interest receivable	151	-	151	2,084
Total assets	<u>120,503</u>	<u>-</u>	<u>120,503</u>	<u>143,489</u>
<u>Liabilities and Fund Balance</u>				
Liabilities:				
Due to other funds	-	-	-	27,550
Total liabilities	-	-	-	27,550
Fund Balance	120,503	-	120,503	115,939
Total liabilities and fund balance	<u>\$ 120,503</u>	<u>\$ -</u>	<u>\$ 120,503</u>	<u>\$ 143,489</u>

TOWN OF PLAIN DEALING, LOUISIANA

Cemetery Trust and Agency

Statement of Revenues, Expenditures, and Changes in Fund Balance

For the Year Ended December 31, 1999
with Comparative Totals for December 31, 1998

	1999	1998
Revenues:		
Charges for services	\$ 1,655	\$ 3,166
Interest	5,681	5,607
Other	5,657	100
Total revenues	12,993	8,873
Expenditures:		
Labor	5,636	2,510
Supplies and materials	2,093	2,055
Capital outlay	700	1,099
Total expenditures	8,429	5,664
Excess of revenues over expenditures	4,564	3,209
Fund balance at beginning of year	115,939	112,730
Fund balance at end of year	\$ 120,503	\$ 115,939

TOWN OF PLAIN DEALING, LOUISIANA

Tax Clearing Agency Fund

Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	<u>1999</u>	<u>1998</u>
<u>Assets</u>		
Cash	\$ -	\$ 16,421
Accounts receivable, net of allowance for uncollectible taxes of \$0	-	11,129
Total assets	<u>-</u>	<u>27,550</u>
<u>Liabilities</u>		
Due to other funds	-	27,550
Total liabilities	<u>\$ -</u>	<u>\$ 27,550</u>

Statement of Changes in Assets and Liabilities
For the Year Ended December 31, 1999

	<u>Balance January 1, 1999</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance December 31, 1999</u>
<u>Assets</u>				
Cash	\$ 16,421	\$ 10,328	\$ 26,749	\$ -
Accounts receivable, net of allowance for uncollectible taxes of \$0	11,129	-	11,129	-
Total assets	<u>27,550</u>	<u>10,328</u>	<u>37,878</u>	<u>-</u>
<u>Liabilities</u>				
Due to other funds	27,550	-	27,550	-
Total liabilities	<u>\$ 27,550</u>	<u>\$ -</u>	<u>\$ 27,550</u>	<u>\$ -</u>

**GENERAL
FIXED ASSETS
ACCOUNT GROUP**

This account group is established to account for all fixed assets of the Town other than those used in proprietary fund operations or accounted for in Trust funds. Capital expenditures in all funds are recorded as expenditures of those funds at the time of purchase and are subsequently recorded, at cost, for central purposes in the General Fixed Assets Account Group. In accordance with generally accepted accounting principles for governmental entities, depreciation is not recorded in general fixed assets.

TOWN OF PLAIN DEALING, LOUISIANA

Schedule of General Fixed Assets - By Sources

December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets:		
General fund	\$ 328,644	\$ 315,032
Fire department	183,525	141,534
Cemetery	8,401	8,401
Dam and reservoirs	294,580	294,580
Buildings	306,539	303,039
Machinery and equipment	42,325	42,325
Industrial park	538,148	532,773
Street improvements	440,777	440,777
Lake Plain Dealing	<u>9,270</u>	<u>-</u>
Total general fixed assets	<u>2,152,209</u>	<u>2,078,461</u>
Investment in general fixed assets from:		
General fund revenues	610,482	567,109
Federal grants	1,044,758	1,019,758
General obligation bonds	52,500	52,500
Sales tax fund revenues	339,703	339,703
Water and sewer fund	25,000	25,000
Louisiana Highway Safety Commission	15,000	15,000
Other sources	<u>64,766</u>	<u>59,391</u>
Total investment in general fixed assets	<u>\$ 2,152,209</u>	<u>\$ 2,078,461</u>

See accompanying notes to combined financial statements.

TOWN OF PLAIN DEALING, LOUISIANASchedule of Changes in General Fixed Assets -
By Function and Activity

For the Year Ended December 31, 1999

	General Fixed Assets January 1, 1999	Additions	Deductions	General Fixed Assets December 31, 1999
General Government:				
General fund	\$ 315,032	\$ 16,955	\$ 3,343	\$ 328,644
Street improvements	440,777	-	-	440,777
Municipal buildings	303,039	3,500	-	306,539
Machinery and equipment	42,325	-	-	42,325
Industrial park	532,773	5,375	-	538,148
Lake Plain Dealing	-	9,270	-	9,270
Total general government	<u>1,633,946</u>	<u>35,100</u>	<u>3,343</u>	<u>1,665,703</u>
Fire Department	141,534	41,991	-	183,525
Cemetery	8,401	-	-	8,401
Dam and reservoirs	294,580	-	-	294,580
	<u>444,515</u>	<u>41,991</u>	<u>-</u>	<u>486,506</u>
Total general fixed assets	<u>\$ 2,078,461</u>	<u>\$ 77,091</u>	<u>\$ 3,343</u>	<u>\$ 2,152,209</u>

**GENERAL LONG-TERM
DEBT ACCOUNT GROUP**

Accounts for the general long-term liabilities of governmental units other than proprietary fund.

TOWN OF PLAIN DEALING, LOUISIANA

General Long-Term Debt Group of Accounts

Schedule of General Long-Term Debt

For the Year Ended December 31, 1999

	<u>Balance</u> December 31, <u>1998</u>	<u>General</u> <u>Obligation</u> <u>Sewer Bonds</u> <u>Retired</u>	<u>Operations</u>	<u>Balance</u> December 31, <u>1999</u>
Amount available in Debt Service Fund	\$ 138	\$ -	\$ (138)	\$ -
Amount to be provided for retirement of long-term debt	<u>(138)</u>	<u>\$ -</u>	<u>\$ 138</u>	<u>-</u>
Total available and to be provided	<u>-</u>	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>
General obligation debt payable	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**ADDITIONAL
REPORT REQUIRED BY
GOVERNMENT AUDITING
STANDARDS**

- Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*



SMITH PUGH RABINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable David Smith, Mayor,
and the members of the Board of Aldermen of
The Town of Plain Dealing, Louisiana

We have audited the general purpose financial statements of the Town of Plain Dealing, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 15, 2000, which was qualified because insufficient audit evidence exists to support the Town of Plain Dealing, Louisiana's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

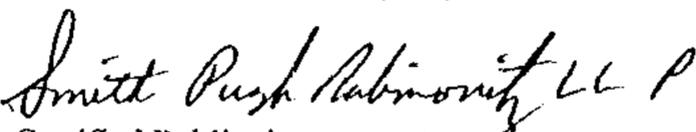
As part of obtaining reasonable assurance about whether the Town of Plain Dealing, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed five (5) instances of noncompliance that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 99-1, 99-2, 99-3, 99-4, and 99-5.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Plain Dealing, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operations that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Plain Dealing, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings as items 99-6, 99-7, and 99-8.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and Board of Aldermen, and is not intended to be and should not be used by anyone other than these specified parties.


Certified Public Accountants

February 15, 2000

AUDIT FINDINGS

- **Schedule of Audit Findings**
- **Corrective Action Plan**
- **Summary of Schedule of Prior Audit Findings**

TOWN OF PLAIN DEALING, LOUISIANA

SCHEDULE OF AUDIT FINDINGS

December 31, 1999

FINDINGS RELATED TO COMPLIANCE

Finding 99-1:

Criteria: Louisiana R.S. 24:515 requires that the Town maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable.

Condition: The Town has not adequately complied with this statute.

Recommendation: The Town needs to maintain adequate records of these assets. The records should include information as to the date of purchase of such property or equipment, the initial cost, the disposition, the purpose of such disposition, and the recipient of the property or equipment disposed of. When determining the exact cost, exact selling price, or any other relevant information of property or equipment obtained prior to January 1, 1980, the Town may provide estimates of the information.

Finding 99-2:

Criteria: Louisiana Constitution Article 7, Section 14, prohibits the funds, credit, property, or things of value of any political subdivision to be loaned to any person, association, or corporation, public or private.

Condition: The accounts receivable of the Town of Plain Dealing, Louisiana, lists customers with past due accounts greater than thirty (30) days old for whom utility services are ongoing. In essence, continuing to provide utility services to past due accounts results in a loan to the customers.

Recommendation: The Town should abide by their current Ordinance Number 2 of 1998 where the Town has given the Utilities Superintendent specific instruction to disconnect service to customers who have not paid their bill on or before the 25th of the same month. The Town also should determine if this Ordinance conforms to the legal requirements of Louisiana Constitution Article 7, Section 14.

Finding 99-3:

Criteria: Louisiana R.S. 38:2212 requires all purchases for materials or supplies exceeding fifteen thousand (\$15,000) to be advertised and let by contract to the lowest responsible bidder.

Condition: The Town did not abide by the Public Bid Law when they purchased a 1979 fire truck on August 3, 1999, in the amount of \$41,991 from Ferrara Fire Apparatus, Inc. without advertising for bids. The Town inappropriately declared this purchase as an emergency.

Recommendation: The Town should strictly comply with the competitive bidding requirements of the Louisiana Public Bid Law. The Town should also review the specific requirements for determining a purchase an emergency.

TOWN OF PLAIN DEALING, LOUISIANA

SCHEDULE OF AUDIT FINDINGS

December 31, 1999

FINDINGS RELATED TO COMPLIANCE (CONTINUED)

Finding 99-4:

Criteria: Louisiana R.S. 42:1113 states that no public servant or member of such a public servant's immediate family shall bid on or enter into any contract, subcontract, or other transaction that is under the supervision or jurisdiction of the agency of such public servant.

Condition: The Town purchased a tract of land from an Alderman in the amount of \$1,100 on April 14, 1999.

Recommendation: Whenever the Town is involved in a transaction with the appearance of a conflict of interest, the Town should consult with their attorney to determine if there could be a possible violation of any laws, regulations, or ordinances.

Finding 99-5:

Criteria: Louisiana R.S. 33:4712 requires that an ordinance must be introduced, giving the reasons for the action on the part of the governing authority, and fixing the minimum price and terms of the sale to be made with reference to the property.

Condition: The Town sold timber for a total of \$22,579 to Anthony Forest Products in May, 1999, at Lake Plain Dealing without following the above statute guidelines.

Recommendation: The Town should abide completely with this statute.

FINDINGS RELATED TO INTERNAL CONTROL

Finding 99-6:

Condition: The Town does not currently have specific policies and procedures for controlling the issuing of police tickets and collecting unpaid tickets. Multiple ticket books are being used in no specific sequence.

Recommendation: The Town should develop written documentation for policies and procedures for the issuing of police tickets and collections of unpaid tickets.

Finding 99-7:

Condition: During our testing of sixty (60) disbursements for goods and services, we noted eight (8) disbursements without purchase orders and all except two (2) had proper approval on the invoice.

Recommendation: The Town should enforce the requirement for purchase orders and proper approval of invoices.

TOWN OF PLAIN DEALING, LOUISIANA

SCHEDULE OF AUDIT FINDINGS

December 31, 1999

FINDINGS RELATED TO INTERNAL CONTROL (CONTINUED)

Finding 99-8:

Condition: The Louisiana Legislative Auditor's Audit Resolution Report dated November 10, 1999, further recommended the following improvements to the Town's internal control:

- Recommendations:*
- a. The supply of traffic ticket books should be locked, ticket books should be issued only when police officers return those tickets as issued citations, and those citations have been recorded. Records should be maintained that account for all issued citations and their final disposition.
 - b. The utilities accounts receivable in the general ledger should be reconciled monthly with the detailed accounts receivable trial balance listing.
 - c. Fixed assets should be tagged and physical inventories to be conducted annually.
 - d. Cash receipts records should always include a traffic ticket citation number.
 - e. Incoming checks at Town Hall should be restrictively endorsed upon receipt.
 - f. The cash drawers at Town Hall should be balanced daily to establish cash balances as reflected in the Town's Personnel Procedures policy.
 - g. The supply of blank checks should be kept locked at all times and under control of the town clerk.
 - h. Checks should only be signed when the authorized signer reviews the supporting documentation (invoices, purchase orders, and receiving reports).
 - i. Bank statements should be reviewed by the Mayor or designated Alderman before the envelope is opened by the clerk.
 - j. The Town needs to improve payroll procedures:
All employees should complete simple time reports to document hours worked, require that overtime forms reflect specific dates and times overtime is worked, and maintain the completed Form 1-9 "Employment Eligibility Verification" for all employees hired after November 6, 1986.
 - k. Formal policies and procedures should be completed by the Town to provide guidance so that consistency can be maintained in the following areas: procurement (purchase order) policy, investment (excess cash) policy, payroll/personnel policy, delinquent utility account (cut-off) policy, fixed asset policy, traffic ticket policy, and confiscated weapon and drug policy.
 - l. Financial statements should be presented at monthly council meetings.
 - m. The Town should amend its budget as required by Louisiana law.
 - n. The Town should maintain the following financial records at Town Hall: General ledger data, cash receipts and disbursement transaction listings, and quarterly and annual payroll tax returns filed with the IRS and State of Louisiana.

TOWN OF PLAIN DEALING, LOUISIANA

SCHEDULE OF AUDIT FINDINGS

December 31, 1999

FINDINGS RELATED TO INTERNAL CONTROL (CONTINUED)

Finding 99-8 (Continued):

- o. The daily computer backup diskette containing the Town's financial records should be maintained off-site.
- p. The Town needs to improve the following controls over confiscated weapons and drugs: Policies and procedures for recording, maintaining, and disposing of confiscated weapons or drugs; complete inventory records of confiscated weapons or drugs; and securing the access to the police department storage room.

TOWN OF PLAIN DEALING

"Only Town in the World With Golden Rule Name"

P.O.Box 426

PLAIN DEALING, LOUISIANA 71064

318-326-4234

OFFICIALS

DAVID SMITH, MAYOR
JOY PIKE, CLERK
BILLY T. WEEKS, WATER SUPT.
JAMES D. SOUTHERLAND, ATTORNEY
RICHARD STANFORD, MARSHALL
TERRY SULLIVAN, FIRE CHIEF

COUNCILMEN

PATRICK L. BOGGS
THOMAS A. BOGGS
LUTHER C. HIGHTOWER
DAVID K. ANDERSON
JOE D. ARNOLD

CORRECTIVE ACTION PLAN

April 4, 2000

Mr. Daniel G. Kyle, CPA
Legislative Auditor, State of Louisiana
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Mr. Kyle:

The Town of Plain Dealing, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 1999, for the Schedule of Findings. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS RELATED TO COMPLIANCE

Finding 99-1:

Recommendation: The Town needs to maintain adequate records of all land, buildings, improvements, equipment, and any other general fixed assets which were purchased or otherwise acquired. The records should include information as to the date of purchase of such property or equipment, the initial cost, the disposition, the purpose of such disposition, and the recipient of the property or equipment disposed of. When determining the exact cost, exact selling price, or any other relevant information of property or equipment obtained prior to January 1, 1980, the Town may provide estimates of the information.

Action Taken: The Town of Plain Dealing is continuing to work on this. I hope to have this completed in the next three months.

Finding 99-2:

Recommendation: The Town should abide by their current Ordinance Number 2 of 1998 where the Town has given the Utilities Superintendent specific instruction to disconnect service to customers who have not paid their bill on or before the 25th of the same month. The Town also should determine if this Ordinance conforms to the legal requirements of Louisiana Constitution Article 7, Section 14.

Action Taken: Due to circumstances beyond our control, no cutoffs were done for two months. We had a major sewer breakdown, then major damage due to an ice storm. Cutoffs are not done on Friday or Monday; therefore, this limits the days this can be done. The council instructed Mr. Weeks to provide them with a list of any customers not cut off as scheduled at the meeting on March 14, 2000. All cutoffs were performed.

Finding 99-3:

Recommendation: The Town should strictly comply with the competitive bidding requirements of the Louisiana Public Bid Law concerning the purchase of a 1979 fire truck on August 3, 1999 in the amount of \$41,991. The Town should also review the specific requirements for determining a purchase an emergency.

Action Taken: See our response to the Legislative Auditor findings in your report dated December 22, 1999, for your findings at November 30, 1999.

Finding 99-4:

Recommendation: Whenever the Town is involved in a transaction with the appearance of a conflict of interest such as the transaction between the Town and an Alderman for a tract of land in the amount of \$1,100 on April 14, 1999, the Town should consult with their attorney to determine if there could be a possible violation of any laws, regulations, or ordinances.

Action Taken: See L.A.R.S. 38:2213 – Purchase and sale of land by public bodies from members of the elected body may be done under certain rules. Seven days prior to the purchase of any land by a public body the name of the person selling the land must be entered into the official record of proceedings of the body. On July 9, 1996, at the regular town council meeting, a motion was made and seconded to purchase this piece of land from Patrick L. Boggs for \$1,100.00. It was never done. At the council meeting on January 12, 1999, I brought to the attention of the council that this piece of property, which contains one of the town's three functioning wells, had never been purchased as approved. Another motion was made and seconded to have the land containing this water well surveyed and to purchase it for the price of \$1,100.00. The sale was finalized in April 1999.

Finding 99-5:

Recommendation: The Town should abide completely with R.S. 33:4712 concerning the sale of the Town's timber for the sum of \$22,579 in May, 1999.

Action Taken: The money received from Anthony Forest Products was proceeds for salvaged timber at the Plain Dealing Lake. This was a clean up project to remove downed and damaged timber caused by a tornado which struck this area. None of this was standing timber, all of it was damaged by the storm. I had received one additional price quote from another logger in the amount of \$10,000.00. He also said that the cost of the clean up would be around \$10,000.00 and offered to perform the clean up for the timber he could salvage. The Town of Plain Dealing has used Anthony Forest Products in the past to manage the timber around the lake area and they have performed selective cutting in the past. They did not give us a definite price quote due to the uncertainty of the condition of the timber to be salvaged, whether the trees were in good enough shape to be sold as logs or it would be pulpwood only. Mr. Robert Garland, Anthony Forest Products, has sent me a letter stating that this was for salvaged timber and that we received the going market price.

FINDINGS RELATED TO INTERNAL CONTROL

Finding 99-6:

Recommendation: The Town should develop written documentation for policies and procedures for the issuing of police tickets and collections of unpaid tickets.

Action Taken: After meeting with the legislative auditor's office staff in November 1999, many changes related to the issuing and follow-up of tickets were made. These are in place now but may not have been when this audit was performed.

Finding 99-7:

Recommendation: The Town should enforce the requirement for purchase orders and proper approval of invoices.

Action Taken: This was also one of the recommendations made by the legislative auditor in November 1999. Department heads approve all invoices and I review them again before payment is issued. Purchase orders will be issued for all non-recurring expenses each month.

Finding 99-8:

Recommendations: The Town should implement the Legislative Auditor's suggested improvements to the Town's internal control.

Action Taken: See our response to the Legislative Auditor suggestions in your report dated December 22, 1999. A policy and procedures manual will be prepared.

Sincerely,



David Smith, Mayor

TOWN OF PLAIN DEALING, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 1999

Finding 98-1:

Condition: The Town does not currently have specific policies and procedures for controlling the issuing of police tickets and collecting unpaid tickets. Multiple ticket books are being used in no specific sequence.

Recommendation: The Town should develop written documentation for policies and procedures for the issuing of police tickets and collections of unpaid tickets.

Current status: Policies and procedures were not changed until January 1, 2000. Therefore, a similar finding for the year ended December 31, 1999, is noted on the Schedule of Findings under Finding 99-6.

Finding 98-2:

Condition: The Town does not reimburse expenditures paid out of one fund for another fund timely.

Recommendation: The Town should reconcile these expenditures monthly and reimburse these funds accordingly.

Current Status: The Town is currently reimbursing payroll expenditures paid out of one fund for another fund on a monthly basis. No similar audit findings were noted in the audit for the year ended December 31, 1999.

Finding 98-3:

Condition: The Town has not adequately accounted for customer deposits.

Recommendation: The Town should reconstruct their records as far back as reasonably possible to determine the proper meter deposit liability. The Town should keep an updated list of all customer deposits.

Current Status: As of October 31, 1999, the Town has been reconciling utility deposit detail to the related general ledger cash and liability accounts. The Town is currently entering deposit information on their new computer software program to permit the ability to print deposit liability lists by customer. No similar audit findings were noted in the audit for the year ended December 31, 1999.

TOWN OF PLAIN DEALING, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 1999

Finding 98-4:

Condition: The Town has a Capital Projects Fund (Sewer Project 414) which was closed out several years ago and has remained on the books. The only activity is the accumulation of interest income from a certificate of deposit.

Recommendation: The Town should contact the proper grant agency for this project to either get approval and spend the remaining monies for similar expenditures as the original grant or return the money to the grant agency.

Current status: The Town passed a motion and excess monies remaining in the Capital Project Fund was transferred to the sewer fund checking account to be used for the normal operations of the sewer fund. No similar audit findings were noted in the audit for the year ended December 31, 1999.

Finding 98-5:

Condition: The Town Council approved the increase of sewer rates during their May 12, 1998, regular meeting without mention of the date the new rates were in effect. During our audit and in testing a random sample of customer sewer billings in July, we noted that the old sewer rate was still being used.

Recommendation: The Town should determine the effective date of the sewer rate change and research customer accounts to determine if they were properly billed.

Current status: The sewer rate increase was approved in May 1998, and the increase was reflected in customer bills beginning in September 1998. No similar audit findings were noted in the audit for the year ended December 31, 1999.

Finding 98-6:

Condition: Louisiana R.S. 24:515 requires that the Town maintain records of all land, buildings, improvements other than buildings, equipment, and any other general fixed assets which were purchased or otherwise acquired, and for which such entity is accountable.

Recommendation: The Town needs to maintain adequate records of these assets. The records should include information as to the date of purchase of such property or equipment, the initial cost, the disposition, the purpose of such disposition, and the recipient of the property or equipment disposed of. When determining the exact cost, exact selling price, or any other relevant information of property or equipment obtained prior to January 1, 1980, the Town may provide estimates of the information.

TOWN OF PLAIN DEALING, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 1999

Finding 98-6 (Continued):

Current status: The Town is currently preparing a list of fixed assets; however, this list is not complete. Therefore, a similar finding for the year ended December 31, 1999, is noted on the Schedule of Findings under Finding 99-1.

Finding 98-7:

Condition: The Town has not adequately complied with the budget preparation statute.

Recommendation: The Town should revise their budget preparations to comply completely with this statute.

Current status: The Mayor prepared the 2000 budget which did include a signed budget message and sufficient revenue and expenditure details for the general fund and special revenue funds in addition to showing the estimated fund balances at the beginning and end of the fiscal year. No similar audit findings were noted in the audit for the year ended December 31, 1999.

Finding 98-8:

Condition: The accounts receivable of the Town of Plain Dealing, Louisiana, lists customers with past due accounts greater than ninety (90) days old for whom utility services are ongoing.

Recommendation: The Town should abide by their current Ordinance Number 2 of 1998 where the Town has given the utilities superintendent specific instruction to disconnect service to customers who have not paid their bill on or before the 25th of the same month.

Current status: The utility clerk and utilities superintendent informed us that the Town has been disconnecting utility service to customers with utility bills delinquent more than 25 days; however, this procedure has not been followed since November 1999. A similar finding for the year ended December 31, 1999, is noted on the Schedule of Findings under Finding 99-2.

Finding 98-9:

Condition: The Town has omitted the resolution from their minutes to levy the assessed valuation of all property subject to ad valorem taxation for the year 1998. The Town also omitted to declare in their minutes two emergency water system repairs by Hamblin Well Services, Inc.

TOWN OF PLAIN DEALING, LOUISIANA
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

December 31, 1999

Finding 98-9 (Continued):

Recommendation: The Town should amend their minutes to include these items that were previously omitted.

Current status: The Town amended their minutes to include previously omitted declarations regarding two emergency water system repairs and an omitted resolution involving the levying of 1998 ad valorem taxes. No similar audit findings were noted in the audit for the year ended December 31, 1999.