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TOWN OF OLLA
LOUISIANA

*General Purpose Financial Statements Combining,
Individual Fund And Account Group
Statements, Schedules And Supplemental Data*

JUNE 30, 2001

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 11/28/01

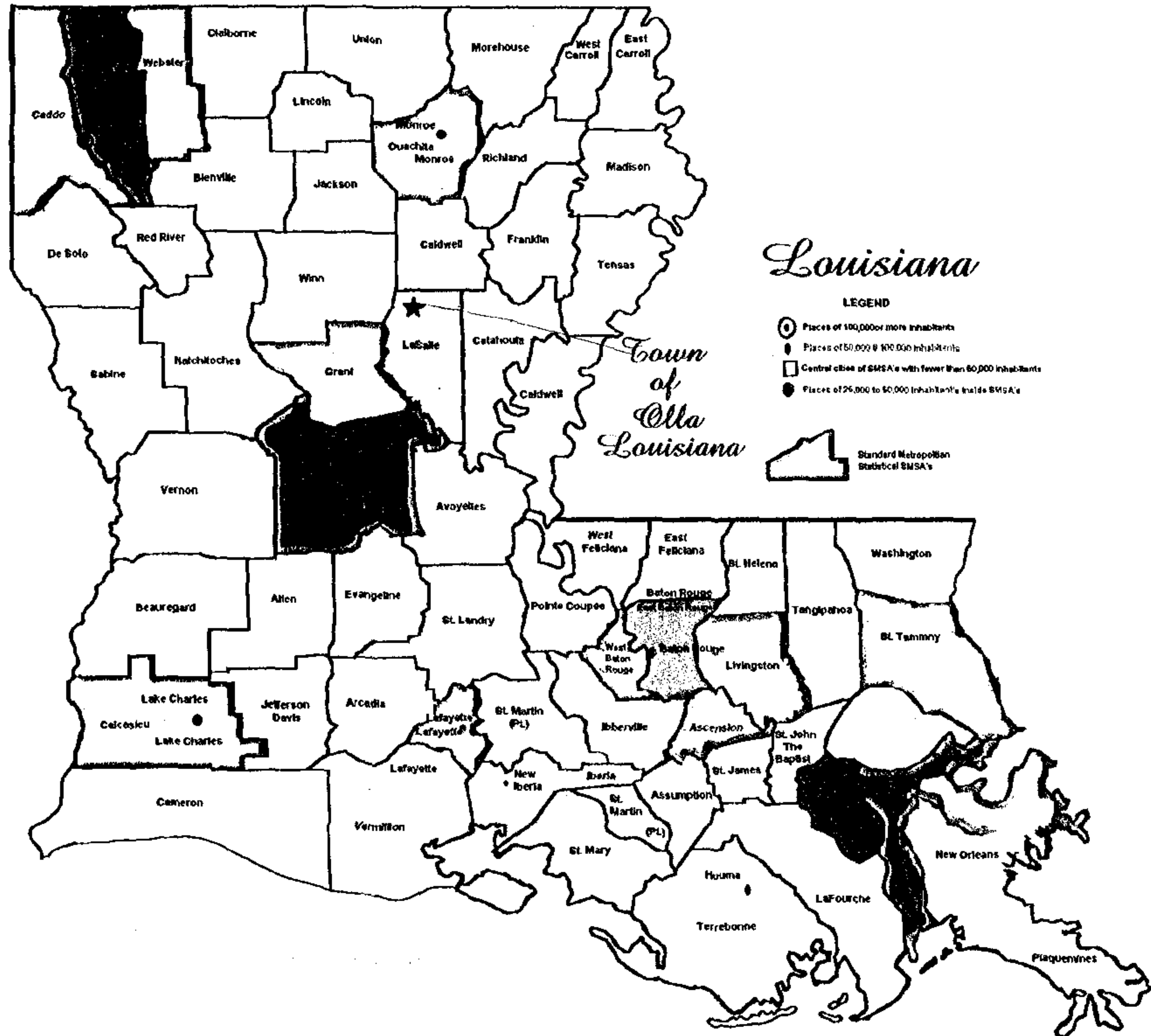
Town of Olla, Louisiana
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TOWN OF OLLA OLLA, LOUISIANA



✓ The Town of Olla was incorporated under the Lawrason Act in August of 182000. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, sanitation, utilities (water and sewer services)/ and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 20002-6348

Fax: (318) 20002-4374

INDEPENDENT AUDITOR'S REPORT ON GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Benard Miller, Mayor
and Members of the Board of Aldermen
Olla, Louisiana

I have audited the accompanying general-purpose financial statements of the Town of Olla, Louisiana, as of June 30, 2001, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Olla, Louisiana, management. My responsibility is to express an opinion on these general-purpose financial statements based on my audit.

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

In my opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Olla, Louisiana, as of June 30, 2001, and the results of its operations and the cash flow of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, I have also issued my report dated October 16, 2001, on my consideration of Town of Olla, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was conducted for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund group financial statements, schedules and graphs listed in the table of contents are presented for the purpose of additional analysis and are not a required part of the general-purpose financial statements of the Town of Olla, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements, and in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

John R. Vercher

October 16, 2001

Jena, Louisiana

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 20002-6348

INDEPENDENT AUDITOR'S 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 Benard Miller, Mayor
and Members of the Board of Aldermen
Olla, Louisiana

I have audited the general-purpose financial statements of the Town of Olla, Louisiana as of and for the year ended June 30, 2001 and have issued my report thereon dated October 16, 2001. I conducted my audit in accordance with generally accepted auditing standards in the United States 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 Town of Olla, Louisiana's general purpose financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards in the United States, except as follows and as discussed in summary of findings on page 43-44.

- 2001-C-1 Budgets

Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Olla, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses. However, I noted other matters involving internal control over financial reporting that I reported to management in management letter comments as 2001-M-1 on page 46.

This report is intended for the information of the Town of Olla's management and Legislative Auditor's Office. However, this report is a matter of public record and its distribution is not limited.

John R. Vercher

Jena, Louisiana

October 16, 2001

MEMBER
-----AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS-----
SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF OLLA, LOUISIANA
COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUP
JUNE 30, 2001

	Governmental Fund Types General Fund
ASSETS	
Cash	\$ 38,198
Investments (At Cost)	319,120
Receivables:	
Customer Accounts Receivable	7,519
Other Receivables	4,382
Restricted Assets:	
Cash	-0-
Investments	-0-
General Fixed Assets	-0-
Plant & Equipment	-0-
Accumulated Depreciation	-0-
TOTAL ASSETS	\$ 369,219
LIABILITIES & FUND EQUITY	
LIABILITIES	
Accounts Payable	\$ 9,315
Payable From Restricted Assets	-0-
Long-Term Payables:	
Revenue Bonds	-0-
TOTAL LIABILITIES	\$ 9,315
Fund Equity	
Contributed Capital	\$ -0-
Investment In General Fixed Assets	-0-
Retained Earnings:	
Reserved	-0-
Unreserved	-0-
Fund Balance	
Reserved For Unreserved/Undesignated	359,904
TOTAL FUND EQUITY	\$ 359,904
TOTAL LIABILITIES & FUND EQUITY	\$ 369,219

The accompanying notes are an integral part of this statement.

Proprietary Fund Type Enterprise Fund	Account Group General Fixed Assets	Total (Memorandum Only)	Component Unit Cemetery Board
\$ 19,210 170,000	\$ -0- -0-	\$ 57,408 489,120	\$ 173,069 2,495
20,070 12,127	-0- -0-	27,589 16,509	-0- -0-
23,675 302,578 -0- 3,242,610 (1,596,453)	-0- -0- 1,173,875 -0- -0-	23,675 302,578 1,173,875 3,242,610 (1,596,453)	-0- -0- -0- -0- -0-
<u>\$ 2,193,817</u>	<u>\$ 1,173,875</u>	<u>\$ 3,736,911</u>	<u>\$ 175,564</u>
\$ 10,427 105,628	\$ -0- -0-	\$ 19,742 105,628	\$ -0- -0-
700,637	-0-	700,637	-0-
<u>\$ 816,692</u>	<u>\$ -0-</u>	<u>\$ 826,007</u>	<u>\$ -0-</u>
\$ 1,527,312 -0-	\$ -0- 1,173,875	\$ 1,527,312 1,173,875	\$ -0- -0-
148,331 (298,518)	-0- -0-	148,331 (298,518)	-0- -0-
-0-	-0-	359,904	175,564
<u>\$ 1,377,125</u>	<u>\$ 1,173,875</u>	<u>\$ 2,910,904</u>	<u>\$ 175,564</u>
<u>\$ 2,193,817</u>	<u>\$ 1,173,875</u>	<u>\$ 3,736,911</u>	<u>\$ 175,564</u>

TOWN OF OLLA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL TYPES
YEAR ENDED JUNE 30, 2001

	<u>General Fund</u>	<u>Component Unit Cemetery Board</u>
REVENUES:		
Taxes	\$ 75,262	\$ -0-
Licenses & Permits	27,971	-0-
Intergovernmental	31,795	-0-
Charges For Services	91,933	-0-
Fines	157,490	-0-
Interest	-0-	9,232
Miscellaneous	100,687	-0-
Donations, Memorials, Etc.	-0-	2,371
Equity Income	-0-	3,200
TOTAL REVENUES	<u>\$ 485,138</u>	<u>\$ 14,803</u>
EXPENDITURES:		
Current -		
General Government	\$ 167,114	\$ -0-
Public Safety:		
Police	158,144	-0-
Fire	50,087	-0-
Streets And Sanitation	61,396	-0-
Cemetery	-0-	3,008
Capital Projects	-0-	-0-
TOTAL EXPENDITURES	<u>\$ 436,741</u>	<u>\$ 3,008</u>
EXCESS (DEFICIT) OF REVENUE OVER (UNDER) EXPENDITURES BEFORE OTHER FINANCING SOURCES (USES)	<u>\$ 48,397</u>	<u>\$ 11,795</u>
FUND BALANCES, BEGINNING OF YEAR	<u>311,507</u>	<u>163,769</u>
FUND BALANCES, END OF YEAR	<u>\$ 359,904</u>	<u>\$ 175,564</u>

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCES
 BUDGET AND ACTUAL
 GENERAL FUND
 JUNE 30, 2001

	GENERAL FUND		
	Budget	Actual GAAP Basis	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 70,083	\$ 75,262	\$ 5,179
Licenses And Permits	31,708	27,971	(3,737)
Intergovernmental	25,926	31,795	5,869
Charges For Services	86,180	91,933	5,753
Fines	141,823	157,490	15,667
Miscellaneous	84,982	100,687	15,705
Total Revenues	\$ 440,702	\$ 485,138	\$ 44,436
Expenditures:			
Current			
General Government	\$ 137,531	\$ 167,114	\$ (29,583)
Police	152,626	158,144	(5,518)
Fire	45,411	50,087	(4,676)
Street And Sanitation	61,548	61,396	152
Total Expenditures	\$ 397,116	\$ 436,741	\$ (39,625)
Excess (Deficit) Of Revenues Over (Under)			
Expenditures Before Other Financing Sources (Uses)	\$ 43,586	\$ 48,397	\$ 4,811
Fund Balance Beginning Of Year	311,507	311,507	-0-
Fund Balance End Of Year	\$ 355,093	\$ 359,904	\$ 4,811

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2001

OPERATING REVENUES:

Water Department	
Charges For Service	\$ 162,983
Other Charges	2,167
Total Water Department	<u>\$ 165,150</u>
Sewer Department	
Charges For Service	\$ 82,651
Sales Taxes	146,669
Other Charges	200
Total Sewer Department	<u>\$ 229,520</u>
TOTAL OERATING REVENUES	<u>\$ 394,670</u>

OPEARTING EXPENSES:

Water Department	
Salaries And Related Cost	\$ 72,587
Materials And Supplies	28,755
Depreciation	37,747
Repairs And Maintenance	29,227
Utilities	18,963
Insurance	5,066
Truck Expense	3,594
Miscellaneous	7,565
Office Expense	2,762
Contract Labor	8,132
Total Water Department	<u>\$ 214,398</u>
Sewer Department	
Salaries And Related Costs	\$ 73,226
Materials And Supplies	12,286
Depreciation	55,455
Repairs And Maintenance	56,188
Utilities	10,275
Sewer Analysis	3,824
Insurance	5,065
Truck Expense	3,745
Miscellaneous	1,249
Postage	766
Engineer Fees	13,629
Sales Tax Expense	3,250
Total Sewer Department	<u>\$ 238,958</u>
TOTAL OPEARTING EXPENSE	<u>\$ 453,356</u>

Operating Income (Loss)	<u>\$ (58,686)</u>
--------------------------------	--------------------

Non-Operating Revenues(Expenses):

Interest Income	\$ 25,329
Interest Expense	(39,839)
Intergovernmental – Grant Income	22,052
Grant Expense	(6,981)
Total Non-Operating Revenues (Expenses)	<u>\$ 561</u>

Net Income (Loss)	<u>\$ (58,125)</u>
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Retained Earnings (Deficit) Beginning Of Year	<u>(92,062)</u>
--	-----------------

Retained Earnings (Deficit) End Of Year	<u>\$ (150,187)</u>
--	---------------------

The accompanying notes are an integral part of this statement.

**TOWN OF OLLA, LOUISIANA
STATEMENT OF CASH FLOWS**

**ALL PROPRIETARY FUND TYPES
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2001**

Cash From Operations:		
Net Income (Loss)		\$ (58,125)
Adjustment To Net Income (Loss):		
Add – Depreciation	\$ 93,202	
Add – Allowance For Bad Debts	(126)	
(Decrease) Increase In Accrued Interest	(755)	
Decrease (Increase) In Accounts Receivable	(9,483)	
(Decrease) Increase in Accounts Payable	6,865	
Net Adjustments		89,703
Cash Provided By Operations		\$ 31,578
Cash From Customer Deposits		2,990
Cash From Investments		30,000
Total Cash Provided		\$ 64,568
Cash Was Applied To:		
Revenue Bonds	\$ 17,458	
Restricted Funds	17,749	
Total Cash Applied		35,207
Net Increase (Decrease) In Cash Flow		\$ 29,361
Cash Beginning Of Year		(10,151)
Cash End Of Year		\$ 19,210

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

Town of Olla, Louisiana
Notes to Financial Statements

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES-

The Town of Olla was incorporated under the Lawrason Act in August of 1899. The Town operates under the Mayor-Board of Alderman form of government. The Town provides the following significant services to its residents as provided by its charter: public safety (police and fire), highways and streets, sanitation, utilities (water and sewer services)/ and general administrative functions, including coordination of related services with Parish, State and Federal governing bodies.

The accounting policies of the Town of Olla conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

This report includes all funds, the account groups and component units (see notes to component unit financial statements at the end of these notes) which are controlled by or dependent on the Town's executive and legislative branches (the Mayor and Board of Alderman). Control by or dependence on the Town was determined on the basis of 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 of Olla are organized on the basis of funds and on account groups, each of which is considered a separate accounting entity. The various funds and account groups are reported by generic fund type in the financial statements. Each fund operates with a group 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 the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund categories, fund types and account groups are used by the Town:

GOVERNMENTAL FUND TYPES

General Fund

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

PROPRIETARY FUND TYPES

Enterprise Fund

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

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

B. Fund Accounting – (Continued)

other purposes. The Town's Enterprise Fund is comprised of its Utility Department's water and sewer systems.

ACCOUNTS GROUPS

General Fixed Assets Account Group

This account group is established to account for all fixed assets of the Town, except those accounted for in the Enterprise Fund.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of the Town, except those long-term obligations accounted for in the Enterprise Fund.

C. BASIS OF ACCOUNTING

Basis of accounting refers to the time at which revenues and expenditures or expenses are recognized in the accounts and reported in the financial statement. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

Governmental Funds

These 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. Ad Valorem taxes and charges for services are considered "measurable" at the time of billing. Licenses and permits, intergovernmental revenue, fines franchise taxes and miscellaneous other revenues are generally recorded as revenues when received in cash because they are generally not measurable until actually received.

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

Proprietary Fund

This fund is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Enterprise fund receivables are charged-off when collection efforts indicate that such account is doubtful of being collected.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. 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 are accounted for on a spending or "financial flow" measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (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. Public domain ("infrastructure") general fixed assets consisting of certain improvements, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized.

All fixed assets of the Proprietary Fund are valued at historical cost. The General fixed Asset Account Group property records are not sufficiently detailed to provide data with respect to whether the assets acquired prior to June 30, 1982, are recorded at historical cost, estimated historical cost, or at estimated fair value on date donated. General fixed assets acquired subsequent to June 30, 1982 are recorded at historical cost, with the exception of a \$5,000 building donated to the Town in 1993 and \$3,500 worth of land donated in 1996.

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. 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.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities (whether current or noncurrent) associated with its activity is included on its balance sheets. Its reported 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.

For the year ended June 30, 2001, no interest costs were capitalized for construction of fixed assets.

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

	<u>Life In Years</u>
Water System	40
Sewer System	40
Buildings	20
Trucks And Tractors	4-8
Equipment	10

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

E. BUDGETS AND BUDGETARY ACCOUNTING

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

1. The Town Clerk prepares a proposed budget, based on departmental group budget requests, and submits same to the Mayor and 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 adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of the fiscal year.
7. The budget was amended during the year.
8. Budgets for the capital projects fund are prepared on a project life basis rather than on an annual basis and therefore, have been omitted from the accompanying financial statements.

F. CASH AND INVESTMENTS

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are describes as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
- *Category 3* – Uncollateralized.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

F. CASH AND INVESTMENTS – (Continued)

	Bank Balance 06/30/2001
Southern Heritage Bank	\$ 866,052
Bank of Jena	15,264
Total	\$ 881,316
 Southern Heritage – Olla Cemetery Board	 \$ 173,069
 Secured as Follows:	
FDIC (Category 1)	\$ 115,264
Calcasieu SD # 30 (Category 2)	100,230
Allen Parish Fire District (Category 2)	55,911
Assumption Parish School District (Category 2)	101,369
Desoto Parish School District (Category 2)	98,228
St. Martins Parish (Category 2)	94,883
LaFourche Parish School District (Category 2)	257,392
Uncollateralized (Category 3)	58,039
Total	\$ 881,316
 Olla Cemetery Board	
FDIC (Category 1)	\$ 100,000
Uncollateralized (Category 3)	73,069
Total	\$ 173,069

G. INVENTORIES

Immaterial amounts of inventory are maintained for general fund and enterprise fund operations and, accordingly, supplies are expensed as purchased.

II. BAD DEBTS - GENERAL FUND AND ALLOWANCE FOR BAD DEBTS - ENTERPRISE FUND

Uncollectible amounts due for customers' garbage billings are charged to a reserve for bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. At June 30, 2001 no reserve for bad debts was required since the estimated uncollectible receivables outstanding were considered immaterial. The Enterprise Fund allowance for bad debts was established at 5% of total receivables. A summary of receivables by fund at June 30, 2001 are as follows:

	General Fund	Enterprise Fund
Sales Tax Receivable	\$ -0-	\$ 12,127
Accounts Receivable	7,519	21,073
Franchise Fees	4,382	-0-
Allowance for Bad Debts	-0-	(1,003)
Total Receivables	\$ 11,901	\$ 32,197

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

I. COMPENSATED ABSENCES

Vacation and sick leave are recorded as an expenditure or expense when paid. Vacation earned is based on the number of years of services as follows:

<u>Full-Time Employment</u>	<u>Days Earned Per Year</u>
One Year To Less Than Three Years	5
Three Or More Years	10

Vacation time is not cumulative and must be taken in 1/2 day or more increments. Sick leave is earned on the basis of one day per month of continuous employment. Unused accumulated sick leave from one year may be carried forward to the succeeding year. All sick leave is forfeited upon termination of employment with the Town.

Based on the above described compensated absences policy, no liability for compensated absences for the Town of Olla is required to be provided at June 30, 2001.

J. RESERVES

The Town records reserves to indicate that a portion of its retained earnings/fund balances are legally restricted for a specific future use. The following is a list of such reserves and a description of each:

Reserved for Depreciation and Contingencies

This amount represents monies reserved to make emergency repairs to the water and sewer systems.

Reserved - Revenue Bonds

This amount represents monies reserved as required by the revenue bond indentures.

Reserved for Debt Service

Certain assets have been reserved in the Debt Service Fund for future payment of long-term liabilities of the governmental funds.

K. TOTAL COLUMNS ON COMBINED STATEMENTS - OVERVIEW

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 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.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(2) AD VALOREM TAXES AND SALES TAXES

The Town levies taxes on real and business personal property located within its boundaries. The Town utilizes the services of the LaSalle Parish Tax Assessor to assess the property values and prepare the Town's property tax roll. The Town bills and collects its own property taxes.

Property Tax Calendar	
Assessment Date	January 1
Levy Date	No Later Than June 1
Tax Bills Mailed	On Or About October 15
Total Taxes Are Due	December 31
Penalties And Interest Are Added	January 1
Lien Date	January 1

For the year ended June 10, 2001, taxes of 8.31 mills were levied against property having a valuation of some \$3,609,402 which produced some \$29,994 in revenue. All taxes levied, 8.31 mills, were for general corporate purposes. Ad Valorem taxes receivable are net of allowance for uncollectible taxes of less than \$100 at June 30, 2001.

The Town began collecting a 1% Sales Tax on May 1, 1999 fund operation and maintenance of the Town's sewerage facilities.

(3) RESTRICTED ASSETS - PROPRIETARY FUND TYPES

At June 30, 2001, restricted assets of the Enterprise fund were invested in either interest bearing checking accounts or time deposits and were restricted for the following purposes:

Revenue Bonds Payable	\$ 125,632
Revenue Bond Reserve Fund	50,967
Depreciation And Contingency Fund	40,157
Customer's Deposit	109,497
Total	<u>\$ 326,253</u>

(4) CHANGES IN GENERAL FIXED ASSETS

	Balance 6-30-2000	Additions	Deletions	Balance 6-30-2001
Land	\$ 97,598	\$ 25,190	\$ -0-	\$ 122,788
Buildings	425,779	-0-	-0-	425,779
Improvements	56,463	-0-	-0-	56,463
Equipment	559,483	9,362	-0-	568,845
Total	<u>\$ 1,139,323</u>	<u>\$ 34,552</u>	<u>\$ -0-</u>	<u>\$ 1,173,875</u>

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(5) ENTERPRISE FUND PROPERTY PLANT AND EQUIPMENT

A summary of enterprise fund property, plant and equipment at June 30, 2001, is as follows:

	Balance 6-30-2000	Additions (Deletions)	Balance 6-30-2001	6-30-2001 Accumulated Depreciation
Buildings	\$ 26,418	\$ -0-	\$ 26,418	\$ 22,643
Water System	1,043,855	116,122	1,159,977	541,458
Sewer System	1,706,550	116,123	1,822,673	869,510
Trucks, Machinery & Equipment	233,542	-0-	233,542	162,842
Sub-Total	\$ 3,010,365	\$ 232,245	\$ 3,242,610	\$ 1,596,453
Accumulated Depreciation	(1,503,251)	-0-	(1,596,453)	-0-
Net	<u>\$ 1,507,114</u>	<u>\$ -0-</u>	<u>\$ 1,646,157</u>	<u>\$ 1,596,453</u>

(6) CHANGES IN LONG-TERM DEBT

The following is a summary of bond and installment notes payable transactions of the Town of Olla for the year ended June 30, 2001.

	Balance 6-30-2000	Additions	Reductions	Balance 6-30-2001
Revenue Bonds & Notes	<u>\$ 739,291</u>	<u>\$ -0-</u>	<u>\$ (21,195)</u>	<u>\$ 718,096</u>

Bonds and installment notes payable at June 30, 2001 are comprised of the following individual issues:

Revenue Bonds (Enterprise Fund)

\$275,000 Water Revenue Bonds dated 12-4-79; due in annual installments of \$5,000 to \$5,000 through December 4, 2019; interest at 5 percent. \$ 157,000

\$200,000 Sewer Revenue Bonds dated 8-14-81; due in annual installments of \$2,000 to \$9,000 through August 14, 2021; interest at 5 percent. 146,066

\$500,000 Sewer Revenue Bonds dated 9-6-89; due in annual installments of \$33,450 through August 14, 2029; interest at 6 percent. 415,030

Total \$ 718,096

The annual requirements to amortize all debt outstanding as of June 30, 2001, including interest payments of \$677,504 are as follows:

Year Ending June 30,	Water Revenue Bonds	Sewer Revenue Bonds	Total
2002	\$ 15,000	\$ 42,450	\$ 57,450
2003 - 2007	75,000	212,250	287,250
2008 - 2012	75,000	212,250	287,250
2013 - 2029	105,000	658,650	763,650
Total	<u>\$ 270,000</u>	<u>\$ 1,125,600</u>	<u>\$ 1,395,600</u>

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(6) CHANGES IN LONG-TERM DEBT - (Continued)

Under the terms of the bond indenture on outstanding Water Revenue Bonds dated December 4, 1979, earnings of the waterworks system are to be maintained separately and used for the following purposes:

- (a) Payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Each month there will be set aside into a fund called the "Waterworks Revenue Bond and Interest Sinking Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) Each month, there will be set aside into a "Waterworks Reserve Fund" 5% of the amount paid into the Sinking Fund until such time as there has been accumulated there in the sum of \$18,750. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund. As of June 30, 2001 the Town of Olla had set aside the maximum required amount into this "Waterworks Reserve Fund".
- (d) There will also be set aside into a "Waterworks Depreciation and Contingency Fund" \$63 per month. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Fund.
- (e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

Under the terms of the bond indenture on outstanding Sewer Revenue Bonds dated August 14, 1981, and those dated September 6, 1989, earnings of the Sewer system are to be maintained separately and used for the following purposes:

- (a) Payment of all reasonable and necessary expenses of operating and maintaining the system.
- (b) Each month, there will be set aside into a fund called the "Sinking Fund" an amount constituting 1/12 of the next principal and interest payment.
- (c) Each month, there will be set aside into a "Sewer Reserve Fund" 5% of the amount paid into the Sinking Fund until such time as there has been accumulated there in the sum of \$45,900. These funds may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not available in the Sinking Fund. As of June 30, 2001 the Town of Olla had set aside the amount of \$45,216 into this "Sewer Reserve Fund".
- (d) There will also be set aside into a "Sewer Depreciation and Contingency Fund" \$188 per month. These funds will be used to care for depreciation, extensions, additions, improvements and replacements necessary to operate the system properly, and to pay interest and principal on bonds when there is not sufficient money in the Sinking or Reserve Funds. When the Revenue Bonds dated August 14, 1991 are paid in full the monthly payment may be reduced to \$144.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(6) CHANGES IN LONG-TERM DEBT - (Continued)

(e) All of the revenues received in any fiscal year and not required to be paid in such fiscal year into any of the above noted funds shall be regarded as surplus and may be used for any lawful purpose.

At June 30, 2001 the Enterprise Fund Retained Earnings were reserved for the purposes noted above as follows:

Revenue Bond Reserve Fund	\$ 108,174
Depreciation And Contingencies Fund	40,157
Total	<u>\$ 148,331</u>

(7) PENSION PLAN

Substantially all employees of the Town of Olla are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustee. Pertinent information relative to each plan follows:

A. Municipal Employees Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. [All employees of the municipality are members of (Plan A) (Plan B)]. [or Some employees of the municipality are members of Plan A and some are members of Plan B.]

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. [Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or after any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. [Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 62, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary.] 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 Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504)925-4810.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(7) PENSION PLAN – (Continued)

Funding Policy. [Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and the Town of Olla is required to contribute at an actuarially determined rate. The current rate is 4.5 percent of annual covered payroll]. [Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of Olla is required to contribute at an actuarially determined rate. The current rate is 3.75 percent of annual covered payroll.] Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of Olla 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 Olla's contributions to the System under Plan A for the years ending June 30, 2001, 2000, and 1997 were \$7,348, \$5,587, and \$4,770, respectively, equal to the required contributions for each year.

B. Municipal Police Employees Retirement System of Louisiana

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 are 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 (504)929-7411.

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Olla is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Olla 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 Olla's contributions to the System under Plan B for the years ending June 30, 2001, 2000 and 1999 were \$4,450, \$2,719, and \$2,678, respectively, equal to the required contributions for each year.

(8) FUND DEFICITS

The Enterprise Fund ended the year with a retained earnings deficit of \$150,187 that resulted from depreciation expense taken on that portion of the plant built with contributed capital. To date \$1,596,453 in depreciation expenses has been taken on that portion of the plant funded with contributed capital.

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(9) LITIGATION

The Town of Olla is involved in no litigation at June 30, 2001, which is not covered by the Town's applicable insurance policies or is considered to be significant to the Town's financial statements.

(10) USE OF ESTIMATES

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

(11) ENCUMBRANCES

The Town does not utilize encumbrance accounting.

(12) ELECTED OFFICIALS SALARIES

<u>Name</u>	<u>Title</u>	<u>Annual Salary</u>	<u>Date Of Service</u>
Benard Miller	Mayor	\$ 16,300	7/1/2000 – 06/30/2001
D. L. Mc Dougald	Alderman	900	7/1/2000 – 06/30/2001
John Green	Alderman	-0-	7/1/2000 – 06/30/2001
Lee Breithaupt	Alderman	900	7/1/2000 – 06/30/2001
Wanda Love	Alderman	600	7/1/2000 – 06/30/2001
Paul Cornwell	Alderman	900	7/1/2000 – 06/30/2001
Gary Taylor	Police Chief	28,199	7/1/2000 – 06/30/2001

(13) CONTINGENCIES

The Town was informed by letter on September 15, 1997 by the Louisiana Department of Environmental Quality that the Town is in violation of portions of the Louisiana Environmental Quality Act (La. R.S. 30:2001) as it related to the operation and maintenance of the Town's sewer system.

(14) INSURANCE EXPIRATION DATES

<u>Type</u>	<u>Company</u>	<u>Date Of Expiration</u>
Property	St. Paul Companies	7/1/2001
General Liability	St. Paul Companies	7/1/2001
Business Auto	St. Paul Companies	7/1/2001
Fidelity Bond	St. Paul Companies	7/1/2001
Workers Compensation	La Municipal Risk Mgt. Agency	1/1/2002

Town of Olla, Louisiana
Notes to Financial Statements
(Continued)

(15) RATES

The Town of Olla Enterprise Fund has 812 customers. There are 136 renters, 605 homeowners, 71 business owners business renter. The deposit amounts are listed below:

Renter	\$	75.00
Owner		50.00

Rate Schedule::

Water	ICL - \$4.50 for the 1 st 2,000 gal., 1.75 per 1,000 thereafter OCL - \$5.50 for the 1 st 2,000 gal., 1.75 per 1,000 thereafter
Urania	\$1.75 per 1,000 gal., minimum of \$300.00 or 200,000
Pleasant Ridge	\$1.75 per 1,000 gal., no minimum
Bulk Water Rates	\$5.00 per 1,000 gal.
Sewer	Residential \$7.50 for 1 st 3,000 gal., \$.75 per 1,000 thereafter Commercial \$15.00 for 1 st 10,000 gal., \$.75 per 1,000 thereafter
Fire	Residential & Commercial - \$2.50 per location,
Garbage	Residential \$7.00 Commercial \$15.00 & up based on the amount of garbage
Water & Sewer Taps ICL	\$100.00
Water & Sewer Taps OCL	\$350.00

(16) EXPENDITURES IN EXCESS OF APPROPRIATIONS

The Town overspent its general fund budget by \$39,625 or 9.98% during the year.

*NOTES
TO
OLLA CEMETERY BOARD

(A COMPONENT UNIT OF
TOWN OF OLLA, LOUISIANA)*

*Olla Cemetery Board
Town of Olla, Louisiana
Notes To Financial Statements*

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Cemetery Board

The Cemetery Board was created to manage and maintain the Olla Cemetery. The board members are appointed by the Town of Olla, Louisiana and utilizes the Town's facilities and assets. Therefore, the Cemetery Fund is considered a component unit of the Town of Olla, Louisiana.

ACCOUNTING POLICIES

The accounting policies of the Olla Cemetery Board conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant accounting policies:

A. REPORTING ENTITY

This report includes all funds which are controlled by or dependent on the Board. Control by or dependence on the Town was determined on the basis of appointment of governing body and other general oversight responsibility.

B. FUND ACCOUNTING

The accounts of the Board are organized on the basis of funds, each of which is considered a separate accounting entity. The various funds are reported by generic fund type in the financial statements. Each fund operates with a group of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Governmental resources are allocated to and accounted for in the individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types are used by the Board.

GOVERNMENTAL FUND TYPES

General Fund

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

Special Revenue Fund

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are restricted to expenditures for specific purposes. The Board's only Special Revenue Fund is the Perpetual Care Fund.

C. BASIS OF ACCOUNTING

Basis of accounting refers to the time at which revenue 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.

*Olla Cemetery Board
Town of Olla, Louisiana
Notes To Financial Statements
(Continued)*

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. BASIS OF ACCOUNTING – (Continued)

Governmental Funds - These 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.

D. CASH AND INVESTMENTS

At June 30, 2001, the carrying amount (book balance) and the bank balance of the Board's deposits with financial institutions was \$173,069. All of the bank balance was covered by federal deposit insurance and securities pledged to cover the Town's deposits. Investments represent 60 shares of Pacific Gas and Electric valued at \$12.00 per share or \$720 and 50 shares of General Public Utility valued at \$35.50 per share or \$1,775 as of June 30, 2001.

Deposits

It is the Town's policy for deposits to be 100% secured by collateral at market or par, whichever is lower, less the amount of the Federal Deposit Insurance Corporation insurance. The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. The categories are describes as follows:

- *Category 1* – Insured or collateralized with securities held by the Town or by its agent in the Town's name.
- *Category 2* – Collateralized with securities held by the pledging financial institution's trust department or agent in the Town's name.
- *Category 3* – Uncollateralized.

	Bank Balance 06/30/2001
Southern Heritage Bank	\$ 866,052
Bank of Jena	15,264
Total	<u>\$ 881,316</u>
 <i>Southern Heritage – Olla Cemetery Board</i>	 <u>\$ 173,069</u>
 Secured as Follows:	
FDIC (Category 1)	\$ 115,264
Securities (Category 2)	766,052
Total	<u>\$ 881,316</u>
 Olla Cemetery Board	
FDIC (Category 1)	\$ 100,000
Uncollateralized (Category 3)	73,069
Total	<u>\$ 173,069</u>

*FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS*

GENERAL FUND

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

TOWN OF OLLA, LOUISIANA
GENERAL FUND

BALANCE SHEET
JUNE 30, 2001

ASSETS

Cash	\$ 38,198
Investments	319,120
Receivables:	
Customers Accounts Receivable	7,519
Franchise Receivables	<u>4,382</u>
Total Assets	<u>\$ 369,219</u>

LIABILITIES AND FUND BALANCE

Liabilities	
Accounts Payable	<u>\$ 9,315</u>
Total Liabilities	<u>\$ 9,315</u>
Fund Balance	
Unreserved/Undesignated	<u>\$ 359,904</u>
Total Liabilities And Fund Balance	<u>\$ 369,219</u>

The accompanying notes are an integral part of this statement.

**TOWN OF OLLA, LOUISIANA
GENERAL FUND**

**STATEMENT OF REVENUES AND EXPENDITURES
AND CHANGES IN FUND BALANCES
BUDGET (GAAP BASIS) VS. ACTUAL
YEAR ENDED JUNE 30, 2001**

	GENERAL FUND		
	Budget	Actual GAAP Basis	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$ 70,083	\$ 75,262	\$ 5,179
Licenses And Permits	31,708	27,971	(3,737)
Intergovernmental	25,926	31,795	5,869
Charges For Services	86,180	91,933	5,753
Fines	141,823	157,490	15,667
Miscellaneous	84,982	100,687	15,705
Total Revenues	\$ 440,702	\$ 485,138	\$ 44,436
Expenditures:			
Current			
General Government	\$ 137,531	\$ 167,114	\$ (29,583)
Police	152,626	158,144	(5,518)
Fire	45,411	50,087	(4,676)
Street And Sanitation	61,548	61,396	152
Total Expenditures	\$ 397,116	\$ 436,741	\$ (39,625)
Excess (Deficit) Of Revenues Over (Under) Expenditures Before Other Financing Sources (Uses)	\$ 43,586	\$ 48,397	\$ 4,811
Fund Balance Beginning Of Year	311,507	311,507	-0-
Fund Balance End Of Year	\$ 355,093	\$ 359,904	\$ 4,811

The accompanying notes are an integral part of this statement.

**TOWN OF OLLA, LOUISIANA
GENERAL FUND**

**SCHEDULE OF REVENUES
BUDGET (GAAP BASIS) VS. ACTUAL
YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
REVENUES:			
Taxes			
Payment In Lieu Of Taxes	\$ 4,089	\$ 4,089	\$ -0-
Ad Valorem	29,994	30,637	643
Franchise	36,000	40,536	4,536
Total	\$ 70,083	\$ 75,262	\$ 5,179
Licenses & Permits	\$ 31,708	\$ 27,971	\$ (3,737)
Intergovernmental Revenue -			
Tobacco Tax	\$ 1,834	\$ 1,834	\$ -0-
Insurance Premiums	23,000	27,994	4,994
Beer Tax	1,092	1,967	875
Total	\$ 25,926	\$ 31,795	\$ 5,869
Charges for Services -			
Garbage Fees	\$ 58,213	\$ 62,811	\$ 4,598
Fire Protection Charge	27,907	28,882	975
Dog Fines & Registration	60	240	180
Total	\$ 86,180	\$ 91,933	\$ 5,753
Fines -			
Traffic Citation	\$ 141,823	\$ 157,490	\$ 15,667
Miscellaneous --			
Interest	\$ 14,155	\$ 14,473	\$ 318
Penalties	937	1,233	296
Cost Of Court	28,621	31,120	2,499
Garbage Bag Sales	2,611	2,513	(98)
Xerox Charges	515	502	(13)
Police Reports	223	180	(43)
Reconnect Fees	4,660	4,665	5
Police Grants	6,000	13,796	7,796
Mowing, Etc.	6,000	6,186	186
Charges For Tax Notices	125	339	214
Reimbursements	3,800	3,259	(541)
Fire Insurance Grant	1,307	6,207	4,900
Donations	15,079	15,280	201
NSF Checks	949	934	(15)
Total	\$ 84,982	\$ 100,687	\$ 15,705
TOTAL REVENUE	\$ 440,702	\$ 485,138	\$ 44,436

The accompanying notes are an integral part of this statement.

**TOWN OF OLLA, LOUISIANA
GENERAL FUND**

**SCHEDULE OF EXPENDITURES
BUDGET (GAAP BASIS) VS. ACTUAL
YEAR ENDED JUNE 30, 2001**

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES			
General Government -			
Salaries & Related Costs	\$ 25,822	\$ 23,888	\$ 1,934
Insurance	4,310	4,310	-0-
Repairs & Maintenance – Equipment	251	2,940	(2,689)
Repairs & Maintenance – Facilities	1,000	1,309	(309)
Official Printing	3,500	4,119	(619)
Utilities & Telephone	32,015	28,764	3,251
Advertising, Donations & Dues	2,406	2,585	(179)
Postage & Freight	669	706	(37)
Office Expense	4,276	4,788	(512)
Special Schools	2,000	2,412	(412)
Travel & Auto Expense	4,000	4,172	(172)
Legal	4,000	4,315	(315)
Auditing	4,537	4,537	-0-
Cemetery	800	800	-0-
Aldermen Fees	3,230	3,050	180
Garbage Bags	2,712	2,712	-0-
Other	1,530	1,265	265
Tax Roll	480	480	-0-
Senior Citizens & Dixie Center	18,963	17,961	1,002
Contract Cleaning	2,080	2,239	(159)
Coroners Fees	500	500	-0-
Capital Outlay	4,000	28,936	(24,936)
Homecoming Expense	9,750	9,703	47
Concordia Collection Fees	2,500	2,813	(313)
Engineer Expense	2,200	7,810	(5,610)
Total	<u>\$ 137,531</u>	<u>\$ 167,114</u>	<u>\$ (29,583)</u>
Police			
Salaries & Related Costs	\$ 107,918	\$ 105,762	\$ 2,156
Insurance	11,417	11,709	(292)
Supplies	2,200	4,013	(1,813)
Animal Control Office & Expense	130	138	(8)
Auto Expense	6,915	14,656	(7,741)
Repairs & Maintenance	972	793	179
Travel Expense	250	382	(132)
State Assessment	3,046	2,643	403
Other	5,677	4,410	1,267
Postage & Dues	1,107	1,292	(185)
Juvenile Assessment Fee	8,200	7,523	677
Special Schools	100	258	(158)
Utilities & Telephone	4,694	4,565	129
Total	<u>\$ 152,626</u>	<u>\$ 158,144</u>	<u>\$ (5,518)</u>

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
GENERAL FUND

SCHEDULE OF EXPENDITURE - (Continued)
BUDGET (GAAP BASIS) VS. ACTUAL
YEAR ENDED JUNE 30, 2001

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
EXPENDITURES – (Cont.)			
Fire -			
Salaries & Related Costs	\$ 6,941	\$ 13,215	\$ (6,274)
Utilities & Telephone	7,824	6,921	903
Truck Expense	3,456	2,980	476
Insurance	6,076	6,076	-0-
Supplies	3,026	-0-	3,026
Repairs & Maintenance – Equipment	2,500	3,122	(622)
Repairs & Maintenance – Facilities	834	983	(149)
Postage	253	248	5
Fees	7,205	7,840	(635)
Other	1,692	1,878	(186)
Tape & Film	469	352	117
Capital Outlay	4,735	6,172	(1,437)
Special Schools	400	300	100
Total	<u>\$ 45,411</u>	<u>\$ 50,087</u>	<u>\$ (4,676)</u>
Street & Sanitation			
Salaries & Related Costs	\$ 32,646	\$ 32,274	\$ 372
Truck Expense	8,473	8,214	259
Insurance	4,620	4,620	-0-
Supplies & Materials	6,000	5,939	61
Repairs & Maintenance – Equipment	2,700	3,172	(472)
Other	1,187	1,190	(3)
Uniforms Repair & Maintenance	772	800	(28)
Mowing	1,436	1,473	(37)
Garbage Truck Note	3,714	3,714	-0-
Total	<u>\$ 61,548</u>	<u>\$ 61,396</u>	<u>\$ 152</u>
TOTAL EXPENDITURES	<u>\$ 397,116</u>	<u>\$ 436,741</u>	<u>\$ (39,625)</u>

(CONCLUDED)

The accompanying notes are an integral part of this statement.

PROPRIETARY FUND TYPE - ENTERPRISE FUNDS

The Town's Enterprise Fund accounts for the provision of water and sewer services to the residents of the Town. All in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collections.

TOWN OF OLLA, LOUISIANA
ENTERPRISE FUND - BALANCE SHEET
JUNE 30, 2001

ASSETS

CURRENT ASSETS:

Cash	\$ 19,210
Investments	170,000
Receivables:	
Utility Bills (Net)	20,070
Due From Other Governmental Units	12,127
TOTAL CURRENT ASSETS	\$ 221,407

RESTRICTED ASSETS:

Bond And Interest Sinking Fund	\$ 125,632
Revenue Bond Reserve Fund:	
Certificates Of Deposit (At Cost)	47,600
Passbook Savings	3,367
Depreciation And Contingencies Fund:	
Checking-Interest Bearing	6,580
Certificate Of Deposit	33,577
Customers' Deposit:	
Checking-Interest Bearing	2,497
Certificates of Deposit (At Cost)	107,000
TOTAL RESTRICTED ASSETS	\$ 326,253

PROPERTY, PLANT AND EQUIPMENT

Property, Plant And Equipment	\$ 3,242,610
Less Accumulated Depreciation	(1,596,453)
NET PROPERTY, PLANT, AND EQUIPMENT	\$ 1,646,157
TOTAL ASSETS	\$ 2,193,817

LIABILITIES & FUND EQUITY

LIABILITIES:

CURRENT LIABILITIES (Payable From Current Assets)

Accounts Payable	\$ 10,427
TOTAL CURRENT LIABILITIES (Payable From Current Assets)	\$ 10,427

CURRENT LIABILITIES (Payable From Restricted Assets)

Revenue Bonds Payable	\$ 17,458
Interest Payable	32,391
Customer's Deposits	55,779
TOTAL CURRENT LIABILITIES (Payable From Restricted Assets)	\$ 105,628

LONG-TERM LIABILITIES:

Revenue Bonds Payable	\$ 700,637
TOTAL LONG-TERM LIABILITIES	\$ 700,637
TOTAL LIABILITIES	\$ 816,692

FUND EQUITY:

CONTRIBUTED CAPITAL:

Municipality	\$ 184,518
State	576,981
Federal	765,813
TOTAL CONTRIBUTED CAPITAL	\$ 1,527,312

RETAINED EARNINGS:

Reserved For Depreciation & Contingencies	\$ 40,157
Reserved For Revenue Bonds	108,174
Unreserved (Deficit)	(298,518)
TOTAL RETAINED EARNINGS	\$ (150,187)
TOTAL FUND EQUITY	\$ 1,377,125
TOTAL LIABILITIES & FUND EQUITY	\$ 2,193,817

The accompanying notes are an integral part of this statement.

TOWN OF OLLA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
ENTERPRISE FUNDS
YEAR ENDED JUNE 30, 2001

OPERATING REVENUES:

Water Department	
Charges For Service	\$ 162,983
Other Charges	2,167
Total Water Department	<u>\$ 165,150</u>
Sewer Department	
Charges For Service	\$ 82,651
Sales Taxes	146,669
Other Charges	200
Total Sewer Department	<u>\$ 229,520</u>
TOTAL OERATING REVENUES	<u>\$ 394,670</u>

OPEARTING EXPENSES:

Water Department	
Salaries And Related Cost	\$ 72,587
Materials And Supplies	28,755
Depreciation	37,747
Repairs And Maintenance	29,227
Utilities	18,963
Insurance	5,066
Truck Expense	3,594
Miscellaneous	7,565
Office Expense	2,762
Contract Labor	8,132
Total Water Department	<u>\$ 214,398</u>
Sewer Department	
Salaries And Related Costs	\$ 73,226
Materials And Supplies	12,286
Depreciation	55,455
Repairs And Maintenance	56,188
Utilities	10,275
Sewer Analysis	3,824
Insurance	5,065
Truck Expense	3,745
Miscellaneous	1,249
Postage	766
Engineer Fees	13,629
Sales Tax Expense	3,250
Total Sewer Department	<u>\$ 238,958</u>
TOTAL OPEARTING EXPENSE	<u>\$ 453,356</u>

Operating Income (Loss)	<u>\$ (58,686)</u>
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Non-Operating Revenues(Expenses):

Interest Income	\$ 25,329
Interest Expense	(39,839)
Intergovernmental – Grant Income	22,052
Grant Expense	(6,981)
Total Non-Operating Revenues (Expenses)	<u>\$ 561</u>

Net Income (Loss)	<u>\$ (58,125)</u>
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Retained Earnings (Deficit) Beginning Of Year	<u>(92,062)</u>
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Retained Earnings (Deficit) End Of Year	<u>\$ (150,187)</u>
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The accompanying notes are an integral part of this statement.

**TOWN OF OLLA, LOUISIANA
STATEMENT OF CASH FLOWS**

**ALL PROPRIETARY FUND TYPES
ENTERPRISE FUND
YEAR ENDED JUNE 30, 2001**

Cash From Operations:		
Net Income (Loss)		\$ (58,125)
Adjustment To Net Income (Loss):		
Add – Depreciation	\$ 93,202	
Add – Allowance For Bad Debts	(126)	
(Decrease) Increase In Accrued Interest	(755)	
Decrease (Increase) In Accounts Receivable	(9,483)	
(Decrease) Increase in Accounts Payable	6,865	

Net Adjustments		89,703

Cash Provided By Operations		\$ 31,578
Cash From Customer Deposits		2,990
Cash From Investments		30,000

Total Cash Provided		\$ 64,568

Cash Was Applied To:		
Revenue Bonds	\$ 17,458	
Restricted Funds	17,749	

Total Cash Applied		35,207

Net Increase (Decrease) In Cash Flow		\$ 29,361

Cash Beginning Of Year		(10,151)

Cash End Of Year		\$ 19,210

The accompanying notes are an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operations.

TOWN OF OLLA, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 2001

GENERAL FIXED ASSETS

Land	\$ 122,788
Buildings	425,779
Improvements Other Than buildings	56,463
Equipment	568,845
	<hr/>
TOTAL GENERAL FIXED ASSETS	<u>\$ 1,173,875</u>

TOTAL INVESTMENTS IN GENERAL FIXED ASSETS	<u>\$ 1,173,875</u>
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The accompanying notes are an integral part of this statement.

**COMPONENT UNIT FINANCIAL
STATEMENTS**

OLLA CEMETERY BOARD

**OLLA CEMETERY BOARD
TOWN OF OLLA, LOUISIANA
(COMPONENT UNIT)**

**COMBINING BALANCE SHEETS
JUNE 30, 2001**

	<u>General Fund</u>	<u>Perpetual Care Fund</u>	<u>Total</u>
ASSETS			
Cash	\$ 108,833	\$ 64,236	\$ 173,069
Investments	2,495	-0-	2,495
TOTAL ASSETS	<u>\$ 111,328</u>	<u>\$ 64,236</u>	<u>\$ 175,564</u>
LIABILITIES AND EQUITY			
Fund Balance	<u>\$ 111,328</u>	<u>\$ 64,239</u>	<u>\$ 175,564</u>

The accompanying notes are an integral part of this statement.

**OLLA CEMETERY BOARD
TOWN OF OLLA, LOUISIANA
(COMPONENT UNIT)**

**COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
ALL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 2001**

	General Fund	Perpetual Care Fund	Total
REVENUE			
Interest And Dividends	\$ 9,205	\$ 27	\$ 9,232
Donations, Memorials, Etc.	2,241	130	2,371
Investments	-0-	3,200	3,200
TOTAL REVENUES	\$ 11,446	\$ 3,357	\$ 14,803
EXPENDITURES			
Utilities	\$ 387	\$ -0-	\$ 387
Maintenance	2,289	-0-	2,289
Stock Loss	332	-0-	332
TOTAL EXPENDITURES	\$ 3,008	\$ -0-	\$ 3,008
EXCESS REVENUES OVER EXPENDITURES	\$ 8,438	\$ 3,357	\$ 11,795
FUND BALANCE BEGINNING	102,890	60,879	163,769
FUND BALANCE ENDING	\$ 111,328	\$ 64,236	\$ 175,564

The accompanying notes are an integral part of this statement.

TOWN OF OLLA
OLLA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST
For the Year Ended June 30, 2001

I have audited the financial statement of the Town of Olla, LaSalle Parish, Louisiana, as of and for the year ended June 30, 2001 and have issued my report thereon dated October 16, 2001. I conducted my audit in accordance with generally accepted auditing standards in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. My audit of the financial statements as of June 30, 2001 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

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

Internal Control

Material Weaknesses ☐ Yes ☒ No Reportable Conditions ☐ Yes ☒ No

Compliance

Compliance Material to Financial Statements ☒ Yes ☐ No

b. Federal Awards (Not Applicable)

Internal Control

Material Weaknesses ☐ Yes ☐ No Reportable Conditions ☐ Yes ☐ No

Type of Opinion On Compliance Unqualified ☐ Qualified ☐
For Major Programs Disclaimer ☐ Adverse ☐

Are the findings required to be reported in accordance with Circular A-133, Section .510(a)?

☐ Yes ☐ No

c. Identification Of Major Programs:

CFDA Number (s)

Name Of Federal Program (or Cluster)

Dollar threshold used to distinguish between Type A and Type B Programs:

\$

Is the auditee a 'low-risk' auditee, as defined by OMB Circular A-133?

☐ Yes ☐ No

TOWN OF OLLA
OLLA, LOUISIANA

SCHEDULE OF FINDINGS AND QUESTIONED COST – (CONT.)
For the Year Ended June 30, 2001

Section II Financial Statement Findings Required To Be Reported In Accordance With GAGAS

Reference	Description of Finding	Recommendation
2001-C-1	<u>Budgets</u> The Town overspent its general fund budget for the fiscal year ended June 30, 2001 by \$39,625 or 9.98%. The Town's budget was amended during the year.	When revenues fail to meet budgeted revenues or expenditures by more than 5%, the budget should be amended.

Section III – Internal Control

No items to report.

Section IV Federal Awards Findings and Questioned Costs.

Not applicable.

TOWN OF OLLA
OLLA, LOUISIANA

MANAGEMENT'S CORRECTIVE ACTION FOR CURRENT YEAR AUDIT FINDINGS

REFERENCE	DESCRIPTION OF FINDING	CORRECTIVE ACTION PLANNED	CONTACT PERSON	ANTICIPATED COMPLETION DATE
2001-C-1	Budgets	The Town will begin monitoring its budget more closely and amend that budget when an unfavorable variance of more than 5% occurs.	R.B. Miller	June 30, 2002
2001-M-1	Cash on Deposit	The Town will check with its banks periodically to insure that the bank has securities pledged to secure all cash on deposit.	R. B. Miller	June 30, 2002

JOHN R. VERCHER PC

Certified Public Accountant

P.O.Box 1608

Jena, Louisiana 71342

Tel: (318) 992-6348

Fax: (318) 992-4374

MANAGEMENT LETTER COMMENTS

Honorable R.B. Miller, Mayor
Town of Olla
P. O. Box 223
Olla, Louisiana 71465

I was engaged to audit the general purpose financial statements of the Town of Olla, Louisiana and the combining individual fund and account group of the Town of Olla as of and for the year ended June 30, 2001, and have issued my report thereon dated October 16, 2001.

In planning and performing my audit, I considered the Town of Olla's compliance with laws and regulations and internal control over financial reporting in order to determine my procedures for the purpose of expressing an opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting or compliance with laws and regulations.

During performance of my audit procedures, I observed conditions and circumstances that may be improved. Below are situations that may be improved and my recommendations for improvement.

2001-M-1 Finding: Uncollateralized Cash

During the course of my audit, a bank confirmation revealed the Town of Olla's cash was not 100% collateralized. At June 30, 2001 the Town of Olla had bank balances of \$881,316 of which \$115,264 was covered with FDIC insurance, \$708,013 with pledged securities and \$58,039 uncollateralized.

Recommendation: The Town of Olla should check with its banks periodically to insure that the bank has securities pledged to secure all cash on deposit.

**TOWN OF OLLA
OLLA, LOUISIANA**

**MANAGEMENT'S SUMMARY
OF PRIOR YEAR FINDINGS**

Legislative Auditor
State of Louisiana
Baton Rouge, Louisiana 70804-9397

The management of the Town of Olla, LaSalle Parish, Olla, Louisiana has provided the following action summaries relating to audit findings brought to their attention as a result of their financial audit for the year ended June 30, 2000.

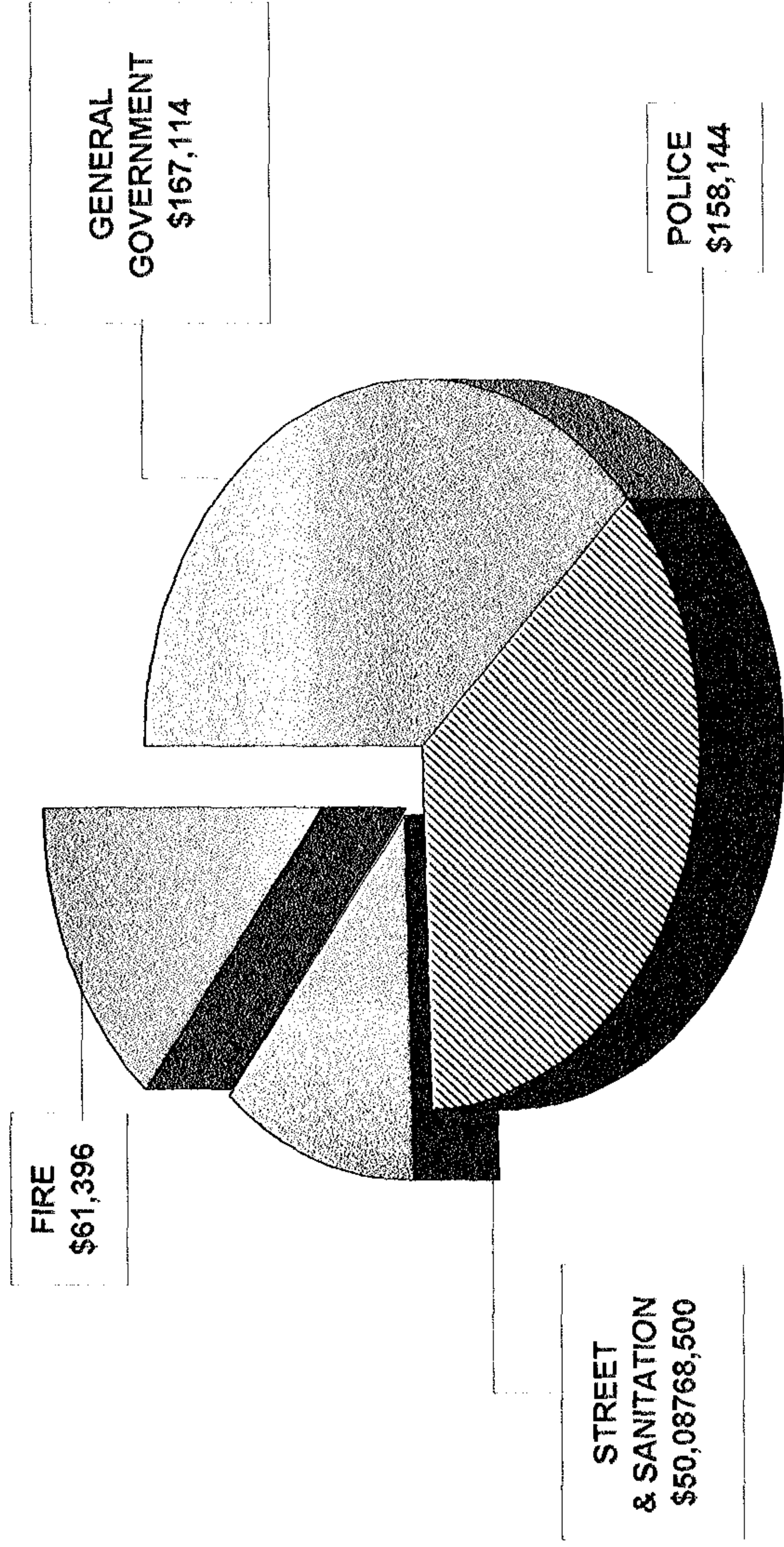
A) Prior Year Management Letter Comments or Findings

- 1) There were no prior year management letter comments or findings.

Graphs

TOWN OF OLLA, LOUISIANA

GENERAL FUND EXPENDITURES 6-30-2001



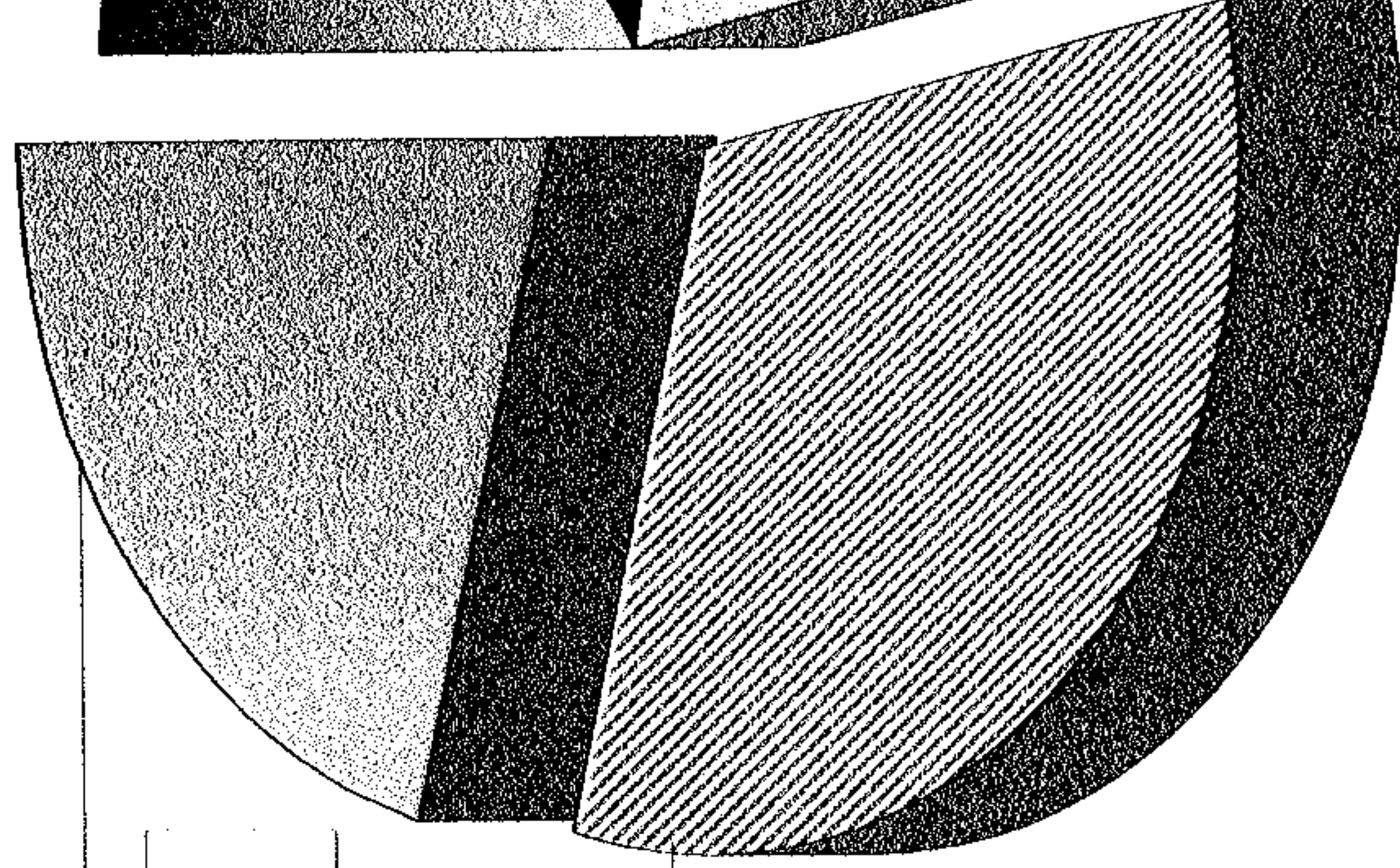
TOWN OF OLLA, LOUISIANA

GENERAL FUND REVENUES JUNE 30, 2001

TAXES
\$75,262

MISCELLANEOUS
\$100,687

LICENSES &
PERMITS
\$27,971



FINES
\$157,490

INTERGOVERNMENTAL
\$31,793

CHARGES FOR SERVICES
\$91,933

TOWN OF OLLA, LOUISIANA

ENTERPRISE FUND EXPENSES 6-30-2001

