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**TOWN OF SIMMESPORT, LOUISIANA
FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED
JUNE 30, 1999**

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

Release Date **NOV 24 1999**

Ducote & Company

Certified Public Accountants

P. O. Box 309

219 North Washington Street

Marksville, LA 71351

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INDEPENDENT AUDITORS' REPORT

The Honorable Craig V. Couvillion, Mayor
and the Board of Aldermen
Town of Simmesport, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Simmesport, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and 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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Simmesport, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types 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 September 20, 1999, on our consideration of the Town of Simmesport, Louisiana's internal control structure and a report dated September 20, 1999, on its compliance with laws and regulations.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Simmesport, 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 presented in all material respects in relation to the financial statements taken as a whole.

Ducote & Company

DUCOTE & COMPANY
Marksville, Louisiana
September 20, 1999

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

The Honorable Craig Couvillion, Mayor
and the Board of Aldermen
Town of Simmesport, Louisiana

We have audited the general purpose financial statements of the Town of Simmesport, Louisiana, for the year ended June 30, 1999, and have issued our report thereon dated September 20, 1999. 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 Town of Simmesport, 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 an instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying summary schedule of audit findings as item B-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Simmesport's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 operation 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 judgement, could adversely affect the Town of Simmesport'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 audit findings as item 99-1.

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 statement 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 over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might 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 to be a material weakness.

This report is intended for the information and use of the Board of Aldermen and management of the Town of Simmesport, Louisiana, and for filing with the Legislative Auditor of the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

Ducote & Company

DUCOTE & COMPANY
Marksville, Louisiana
September 20, 1999

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

TOWN OF SIMMESPORT, LOUISIANA
 COMBINED BALANCE SHEET
 ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1999

	General Fund	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Enterprise Funds
ASSETS					
Cash and cash equivalents	\$52,340	\$87,490	\$121,240	\$3	\$35,787
Investments	0	0	0	0	40,358
Receivables:					
Accrued interest	0	0	0	0	198
Utility and other receivables	14,750	20,741	0	0	49,267
Due from other governments	29,544	0	0	1	0
Due from other funds	0	0	0	0	62,166
Restricted assets:					
Cash and cash equivalents	0	0	0	0	24,977
Investments	0	0	0	0	30,238
Land	0	0	0	0	17,636
Building and other improvements	0	0	0	0	0
Streets and roads	0	0	0	0	0
Plant and equipment	0	0	0	0	3,776,190
Accumulated depreciation	0	0	0	0	(1,679,807)
Amt. available in debt service fund	0	0	0	0	0
Amount to be provided	0	0	0	0	0
TOTAL ASSETS	\$96,634	\$108,231	\$121,240	\$4	\$2,357,010
LIABILITIES AND FUND EQUITY					
LIABILITIES					
Accounts payable	\$7,334	\$241	\$0	\$0	\$13,223
Accrued expenses	18,435	0	0	0	0
Due to other funds	39,092	2,325	490	9	0
Payables from restricted assets:					
Utility deposits	0	0	0	0	55,215
General obligation bonds pay	0	0	0	0	0
Capital lease payable	0	0	0	0	16,591
TOTAL LIABILITIES	64,861	2,566	490	9	85,029
FUND EQUITY					
Retained Earnings					
Unreserved	0	0	0	0	619,880
Contributed capital					
(net of accumulated amortization)	0	0	0	0	1,652,101
Fund Balance					
Unreserved					
Undesignated	31,773	105,665	0	0	0
Designated	0	0	120,750	(5)	0
Investment in general fixed assets	0	0	0	0	0
TOTAL FUND EQUITY	31,773	105,665	120,750	(5)	2,271,981
TOTAL LIABILITIES AND FUND EQUITY	\$96,634	\$108,231	\$121,240	\$4	\$2,357,010

The accompanying notes are an integral part of this financial statement .

Trust and Agency Fund	General Fixed Asset Group	General Long-Term Debt	Memorandum Only Current Year
\$23,065	\$0	\$0	\$319,925
0	0	0	40,358
0	0	0	198
0	0	0	84,758
0	0	0	29,545
41,916	0	0	104,082
0	0	0	24,977
0	0	0	30,238
0	24,786	0	42,422
0	312,157	0	312,157
0	872,791	0	872,791
0	391,479	0	4,167,669
0	0	0	(1,679,807)
0	0	121,240	121,240
0	0	530,734	530,734
<u>\$64,981</u>	<u>\$1,601,213</u>	<u>\$651,974</u>	<u>\$5,001,287</u>
\$2,815	\$0	\$0	\$23,613
0	0	0	18,435
62,166	0	0	104,082
0	0	0	55,215
0	0	646,097	646,097
0	0	5,877	22,468
<u>64,981</u>	<u>0</u>	<u>651,974</u>	<u>869,910</u>
0	0	0	619,880
0	0	0	1,652,101
0	0	0	137,438
0	0	0	120,745
0	1,601,213	0	1,601,213
0	1,601,213	0	4,131,377
<u>\$64,981</u>	<u>\$1,601,213</u>	<u>\$651,974</u>	<u>\$5,001,287</u>

**TOWN OF SIMMESPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES
 YEAR ENDED JUNE 30, 1999**

	General Fund	Special Revenue Fund	Debt Service Funds	Capital Projects Funds	Memorandum Only Current Year
REVENUES					
Taxes	\$21,432	\$214,052	\$0	\$0	\$235,484
Licenses	37,366	0	0	0	37,366
Intergovernmental	97,891	0	0	125,388	223,279
Fines	39,699	0	0	0	39,699
Franchise fees	60,017	0	0	0	60,017
Interest income	0	2,084	3,458	0	5,542
Rental income	6,602	0	0	0	6,602
Miscellaneous	11,638	0	0	0	11,638
TOTAL REVENUES	274,645	216,136	3,458	125,388	619,627
EXPENDITURES					
General government	72,188	6,231	0	0	78,419
Streets and drainage	119,405	0	0	0	119,405
Public Safety					
Police	170,061	0	0	0	170,061
Fire	10,748	0	0	0	10,748
Capital outlay	8,435	0	0	125,388	133,823
Debt service	685	0	83,671	0	84,356
TOTAL EXPENDITURES	381,522	6,231	83,671	125,388	596,812
Excess (deficiency) of revenues over expenditures	(106,877)	209,905	(80,213)	0	22,815
OTHER FINANCING SOURCES (USES)					
Operating transfers in	123,221	0	78,617	0	201,838
Operating transfers out	(50)	(181,223)	(5,214)	0	(186,487)
TOTAL OTHER FINANCING SOURCES (USES)	123,171	(181,223)	73,403	0	15,351
Excess (deficiency) of revenues over expenditures and other sources (uses)	16,294	28,682	(6,810)	0	38,166
FUND BALANCES AT BEGINNING OF YEAR	15,479	76,983	127,560	(5)	220,017
FUND BALANCES AT END OF YEAR	\$31,773	\$105,665	\$120,750	\$(5)	\$258,183

The accompanying notes are an integral part of this financial statement.

**TOWN OF SIMMESPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
 GENERAL AND SPECIAL REVENUE FUND TYPES
 YEAR ENDED JUNE 30, 1999**

	General Fund			Special Revenue Fund		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES						
Taxes	\$24,000	\$21,432	\$(2,568)	\$175,000	\$214,052	\$39,052
Licenses	30,200	37,366	7,166	0	0	0
Intergovernmental	91,000	97,891	6,891	0	0	0
Fines	35,000	39,699	4,699	0	0	0
Franchise fees	54,000	60,017	6,017	0	0	0
Interest income	0	0	0	4,500	2,084	(2,416)
Rental income	6,000	6,602	602	0	0	0
Miscellaneous	6,400	11,638	5,238	0	0	0
TOTAL REVENUES	246,600	274,645	28,045	179,500	216,136	36,636
EXPENDITURES						
General government	68,850	72,188	(3,338)	13,325	6,231	7,094
Streets and drainage	109,100	119,405	(10,305)	0	0	0
Police	153,800	170,061	(16,261)	0	0	0
Fire	9,250	10,748	(1,498)	0	0	0
Debt service	0	685	(685)	0	0	0
Capital outlay	15,000	8,435	6,565	10,000	0	10,000
TOTAL EXPENDITURES	356,000	381,522	(25,522)	23,325	6,231	17,094
Excess (deficiency) of revenues over expenditures	(109,400)	(106,877)	2,523	156,175	209,905	53,730
OTHER FINANCING SOURCES (USES)						
Operating transfers in	125,000	123,221	(1,779)	0	0	0
Operating transfers out	0	(50)	(50)	(175,000)	(181,223)	(6,223)
TOTAL OTHER FINANCING SOURCES (USES)	125,000	123,171	(1,829)	(175,000)	(181,223)	(6,223)
Excess (deficiency) of revenues over expenditures and other sources (uses)	\$15,600	16,294	\$694	\$(18,825)	28,682	\$47,507
FUND BALANCES AT BEGINNING OF YEAR		15,479			76,983	
FUND BALANCES AT END OF YEAR		\$31,773			\$105,665	

The accompanying notes are an integral part of this financial statement.

**TOWN OF SIMMESPORT, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES
 AND CHANGES IN RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 1999**

	<u>Enterprise Funds</u>
<u>OPERATING REVENUES</u>	
Charges for services	
Water sales	\$107,541
Sewer user charges	118,740
Natural gas sales	216,743
Penalties and service charges	<u>21,376</u>
TOTAL OPERATING REVENUES	<u>464,400</u>
<u>OPERATING EXPENSES</u>	
General government	85,348
Water system	132,866
Sewer system	132,694
Natural gas system	<u>182,759</u>
TOTAL OPERATING EXPENSES	<u>533,667</u>
OPERATING INCOME (LOSS)	<u>(69,267)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>	
Interest income	
Water system	1,317
Sewer system	997
Natural Gas system	708
Gain on sale of assets	300
Miscellaneous Revenue	<u>2,600</u>
TOTAL NONOPERATING REVENUES (EXPENSES)	<u>5,922</u>
INCOME (LOSS) BEFORE OPERATING TRANSFERS	<u>(63,345)</u>
<u>OPERATING TRANSFERS IN (OUT)</u>	
Operating transfers in	4,600
Operating transfers out	<u>(19,951)</u>
TOTAL OPERATING TRANSFERS	<u>(15,351)</u>
NET INCOME (LOSS)	<u>(78,696)</u>
Add depreciation on fixed assets, acquired by grants, entitlements, and shared revenues externally restricted capital acquisition and construction that reduces contributed capital	<u>62,807</u>
Increase (decrease) in retained earnings	(15,889)
RETAINED EARNINGS BEGINNING OF YEAR	<u>635,769</u>
RETAINED EARNINGS END OF YEAR	<u>\$619,880</u>

The accompanying notes are an integral part of this financial statement.

**TOWN OF SIMMESPORT, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 ALL PROPRIETARY FUND TYPES
 YEAR ENDED JUNE 30, 1999**

	<u>Enterprise Funds</u>
Cash flows from operating activities:	
Net income (loss)	\$(15,889)
 Adjustment to reconcile net income to net cash provided by operating activities:	
Depreciation net of amortization on contributed capital	35,941
 Changes in assets and liabilities:	
(Increase) decrease in accounts receivable	(2,552)
(Increase) decrease in other receivables	(8,222)
(Increase) decrease in investments	(87)
Increase (decrease) in accounts payable	(1,730)
Increase (decrease) in customer deposits	3,811
Gain on sale of property and equipment	<u>(300)</u>
 Net cash provided by/(used) for operating activities	 <u>10,972</u>
 Cash flows from capital and related financing activities:	
Increase (decrease) in capital lease payable	<u>16,592</u>
 Net cash provided by/(used) for capital and related financing activities	 <u>16,592</u>
 Cash flows from Investing activities:	
Purchase of property and equipment	(23,839)
Sale of property and equipment	<u>300</u>
 Net cash provided by/(used) for investing activities	 <u>(23,539)</u>
 Net increase in cash and cash equivalents	4,025
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>56,739</u>
 CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	 <u>\$60,764</u>

The accompanying notes are an integral part of this financial statement.

NOTES TO FINANCIAL STATEMENTS

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1999**

INTRODUCTION

The Town of Simmesport, Louisiana was incorporated in 1925 under the provisions of the Lawrason Act. The Town operates under a Mayor-Board of Alderman form of government.

The accounting and reporting policies of the Town of Simmesport, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. The Basis of Presentation.

Accompanying financial statements of the Town of Simmesport, Louisiana have been prepared in conformity with generally accepted accounting principles (GAAP) applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

B. Financial Reporting Entity.

Government Accounting Standards Board Statement (GASB) 14 established criteria for determining which component units should be considered part of the Town of Simmesport, Louisiana for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

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

Based upon the application of the foregoing criteria, the volunteer fire department, as a governmental organization, is not part of the Town and is thus excluded from the accompanying financial statements. This organization is staffed by volunteers and although the Town does provide facilities and some of its financing, no control is exercised over its operations. These financial statements include only expenditures paid/incurred directly by the Town.

C. Fund Accounting.

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

**TOWN OF SIMMESPORT, LOUISIANA
NOTES OF FINANCIAL STATEMENTS, (Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

Funds of the municipality are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classification and a description of each existing fund type follow:

Governmental Funds

Governmental funds are used to account for all or most of the Town's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

General Fund-

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

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.

Debt Service Funds-

Debt Service funds are used to account for the accumulation of resources retained and used for the payment of, principal, interest, and related costs on those long-term obligations recorded in the general long-term obligations account group.

Capital Projects Funds-

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

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from governmental funds in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator.

TOWN OF SIMMESPORT, LOUISIANA
NOTES OF FINANCIAL STATEMENTS, (Continued)

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds include:

Enterprise Funds-

Enterprise Funds are used to account for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of provided goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Funds

Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Town. Fiduciary funds include:

Agency Funds-

Agency funds account for assets held by the Town on behalf of others as its agent. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets and Long-Term Liabilities

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

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings including roads, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

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

Long-Term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

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.

**TOWN OF SIMMESPORT, LOUISIANA
NOTES OF FINANCIAL STATEMENTS, (Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The estimated useful lives, in years, are as follows:

	<u>Water and Sewer System</u>	<u>Natural Gas System</u>
Water wells	40	-
Lines and meters	40	33
Pumps, Motors and Compressors	40	33
Service Vehicles and Moveable Equip	5	5
Office Furniture & Fixtures	5	5

All fixed assets are stated at historical cost (cash plus trade-in allowances, if applicable). Donated fixed assets, if any, are stated at their estimated fair value on the date donated.

D. Basis of Accounting.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus.

All governmental funds are accounted for using the current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental fund and agency funds. Revenues are recognized when they become measurable and available as net current assets. Ad valorem taxes are recognized as revenue in the year for which such taxes are billed and collected. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, franchise fees, and interest on investments. Licenses and permits are recognized when received because they are not objectively measurable. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. These funds use the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time liabilities are incurred.

The Town follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use. For the fiscal year ended June 30, 1999, there were no interest charges capitalized on fixed assets acquired or constructed. Depreciation expense on fixed assets used by proprietary funds for the fiscal year ended June 30, 1999 was \$98,748.

TOWN OF SIMMESPORT, LOUISIANA
NOTES OF FINANCIAL STATEMENTS, (Continued)

NOTE 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 Mayor and Clerk prepare a proposed budget for submission to the Board of Aldermen no later than fifteen days prior to the beginning of the 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. 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 each fiscal year.
7. Budgets for General and Special Revenue funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the Board of Aldermen.
8. The Town integrates its budget into the accounting system and exercises budgetary control at the fund level.

F. Cash and Cash Equivalents Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the Town may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost, which approximates market.

G. Cash Flow Presentation For the purposes of the statement of cash flows, the Enterprise Funds (Water and Sewer System Fund and Natural Gas System) consider all highly liquid investments (including restricted assets) with a maturity of three months or less when purchased to be cash equivalents.

H. Bad Debts Uncollectible amounts due for ad valorem taxes and customers' utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Uncollectible amounts at June 30, 1999 were \$4,999.

I. Accumulated Unpaid Vacation and Other Employee Benefits Employees of the Town are not covered under any specific vacation or sick leave policy. Therefore there are no accumulations of such absences to be accrued as liability in these financial statements. It is the Town's policy to recognize the costs of compensated absences when actually paid to employees.

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

J. 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 does not present financial position in conformity with generally accepted accounting principles. Neither is such data comparable to consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 2. CASH AND CASH EQUIVALENTS

At June 30, 1999, the Town had cash and cash equivalents (book balances) totaling \$344,902 as follows:

Demand deposits	\$127,238
Time deposits	<u>217,664</u>
Total	<u>\$344,902</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999, the Town had \$424,504 in deposits (collected bank balances) including investments listed in note 3. These deposits (including investments) are secured from risk by \$270,596 of federal deposit insurance and \$153,908 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though pledged securities are considered uncollateralized (Category 3) under the provisions of GASB statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirements on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 3. INVESTMENTS

At June 30, 1999, the Town held investments totaling \$70,596 in 180 day certificates of deposit. These investments are stated at cost, which approximate market, and are secured from risk by federal deposit insurance (see note 2).

NOTE 4. RECEIVABLES

Receivables in the general fund consisted of the following at June 30, 1999:

Other Receivables	
Franchise fees	\$ 13,931
NSF Checks	<u>819</u>
Total	<u>\$ 14,750</u>
Due from other governments	
Video Poker Revenue	\$ 2,790
Casino Gaming Revenue	17,172
Tobacco Tax	2,721
Beer Tax	1,480
Housing Authority in lieu of taxes	<u>5,381</u>
Total	<u>\$ 29,544</u>

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 4. RECEIVABLES (Continued)

In the enterprise fund unbilled utility receivables were immaterial at June 30, 1999. Billed receivable balances at June 30, 1999 consisted of the following:

	<u>Water and Sewer System</u>	<u>Natural Gas System</u>	<u>Total</u>
<u>Utility Billings</u>			
Current billings	\$22,169	\$11,232	\$33,401
Over 30 days	<u>8,381</u>	<u>7,485</u>	<u>15,866</u>
	<u>\$30,550</u>	<u>\$18,717</u>	<u>\$49,267</u>

NOTE 5. INTERFUND RECEIVABLES, PAYABLES

The following is a summary of interfund receivable and payable balances at June 30, 1999:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 39,092
Special Revenue Fund	-	2,325
Debt Service Funds	-	490
Capital Projects Fund	-	9
Enterprise Funds	62,166	-
Agency Fund	<u>41,916</u>	<u>62,166</u>
Totals	<u>\$104,082</u>	<u>\$104,082</u>

NOTE 6. RESTRICTED ASSETS - PROPRIETARY FUND TYPE

Restricted assets were applicable to the following at June 30, 1999:

Customer Meter Deposits	<u>\$55,215</u>
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NOTE 7. CHANGES IN FIXED ASSETS

A summary in changes in general fixed assets as follows:

	<u>Balance 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land	\$ 24,786	\$ -	\$ -	\$ 24,786
Buildings & Improvements	312,157	-	-	312,157
Street & Roads	872,791	-	-	872,791
Plant & Equipment	<u>396,939</u>	<u>8,435</u>	<u>13,895</u>	<u>391,479</u>
	<u>\$1,606,673</u>	<u>\$ 8,435</u>	<u>\$ 13,895</u>	<u>\$1,601,213</u>

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 8. CHANGES IN LONG-TERM DEBT

The following is a summary of long-term debt transactions of the Town for the year ended June 30, 1999.

	<u>General Obligation</u>	<u>Capital Leases</u>
Payable at 6/30/98	\$ 688,379	\$11,305
Add: New Debt Issued	-	18,400
Less: Payments Made	<u>(42,282)</u>	<u>(7,237)</u>
Payable at 6/30/99	<u>\$ 646,097</u>	<u>\$22,468</u>

Debt issues payable at June 30, 1999 are comprised of the following individual revenue bond issues:

<u>General Obligation Debt</u>	<u>Outstanding Balance</u>
A. \$580,000 - 1990 Sales Tax Bond dated March 13, 1990, due in annual installments of \$45,373 with interest of 6%; matures March 13, 2015	\$456,097
B. \$260,000 - 1992 Sales Tax Bonds dated December 1, 1992, due in annual installments of \$10,000 to \$30,000 with interest rates varying from 6.1% to 6.5%; matures December 1, 2007.	<u>190,000</u>
Total General Obligations Debt	<u>\$646,097</u>

All of the above Certificates of Indebtedness are secured by excess general fund revenues and proceeds of the 1% sales tax. \$121,240 is available in the Debt Service Funds to service the General Obligation Debts.

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$353,132 are as follows:

<u>Year Ending June 30</u>	
2000	\$71,593
2001	75,678
2002	74,611
2003	73,426
2004	72,261
2005-2015	<u>631,660</u>
Total	<u>\$999,229</u>

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 8. CHANGES IN LONG-TERM DEBT (Continued)

Capital Leases

The Town of Simmesport has entered into a lease agreement as lessee for financing the acquisition of a sewer jetta for the Water and Sewer Fund. The lease agreement qualifies as a capital lease for accounting purposes (lease contains an option to purchase the leased property) and therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The carrying value of the asset under capital lease is \$18,400 at June 30, 1999.

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 1999:

Year Ending <u>June 30</u>	General Long-Term Debt <u>Account Group</u>
2000	\$ 4,791
2001	4,791
2002	4,791
2003	4,791
2004	<u>1,997</u>
	21,161
Less: amount representing interest	<u>(4,570)</u>
Present value of future lease payments	<u>\$ 16,591</u>

The Town of Simmesport has entered into a lease agreement as lessee for financing the acquisition of a copy machine for its General Fund operations. The lease agreement qualifies as a capital lease for accounting purposes (lease contains an option to purchase the leased property) and therefore, has been recorded at the present value of the future minimum lease payments as of the date of its inception. The carrying value of the asset under capital lease is \$7,474 at June 30, 1999.

The following is a schedule of the future minimum lease payments under this capital lease, and the present value of the net minimum lease payments at June 30, 1999:

Year Ending <u>June 30</u>	General Long-Term Debt <u>Account Group</u>
2000	2,054
2001	2,054
2002	2,054
2003	<u>1,198</u>
	\$ 7,360
Less: amount representing interest	<u>(1,483)</u>
Present value of future lease payments	<u>\$ 5,877</u>

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 9. AD VALOREM TAXES

For the year ended June 30, 1999, taxes of 5.22 mills were levied on property with assessed valuations totaling \$3,890,690 and were dedicated as follows:

General Corporate	5.22
-------------------	------

Total taxes levied was \$20,311 for the tax year ended June 30th. Taxes receivable at June 30, 1999, were immaterial.

Property taxes attach as an enforceable lien on property as of March 2nd of each year. Taxes are levied in November of each year and payable by March 1st of the year following. The Town bills and collects its own property taxes and they are recognized as revenues when levied to the extent that they result in current receivables. Property assessments are based on valuations made by the tax assessor of Avoyelles Parish.

NOTE 10. GENERAL OBLIGATION SINKING FUND REQUIREMENTS

A. Under the terms of the \$580,000 - 1990 Sales Tax Bond dated March 13, 1990, the Town is required to establish and maintain the following accounts for payment principal and interest on the Bond:

1. "Sales Tax Bonds, Series 1990, Sinking Fund" and to transfer thereto, on a monthly basis, an amount constituting 1/12th of the next maturing installment of principal and interest on the Bond.
2. "Sales Tax Bond, Series 1990, Reserve Fund" and to transfer thereto, on a monthly basis, an amount equal to 5% of the payments into the "Sales Tax Bond, Series 1990, Sinking Fund" until there has been accumulated therein a sum equal to the highest combined principal and interest requirement for any future calendar year on the Bond. Such amounts may be used solely for the purpose of paying principal and interest on such bond as to which there would otherwise be a default. Payments shall be made until the sum of \$45,373 has been reached.

B. Under the terms of the \$260,000 - 1992 Sales Tax Bond dated December 1, 1992, the Town is required to establish and maintain the following accounts for payment of the principal and interest on the Bond:

1. "Sales Tax Bond Sinking Fund - 1992" and to transfer thereto, on a monthly basis, an amount constituting 1/12th of the next maturing installment of principal and 1/6th of the next maturing installment of interest on the Certificate.
2. "Sales Tax Bond Reserve Fund" and to transfer thereto, \$13,000 upon delivery of the Bonds from the proceeds thereof, and, on a monthly basis, an amount equal to \$360 until there has been accumulated therein a sum equal to the lesser of (a) 10% of the proceeds of the Bonds and any issue of additional pari passu bonds payable from the Tax or (b) the highest combined principal and interest requirements for any succeeding Bond year (ending December 1st) on the Bonds and any issue of pari passu bonds payable from the tax. Such amounts may be used solely for the purpose of paying the principal and interest on Bonds payable from the sinking fund as to which there would otherwise default.

For the period under audit, all required transfers to the appropriate funds were met in all material respects.

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 11. RETIREMENT COMMITMENTS

Police officers are eligible to participate in the Municipal and State Police Retirement System of Louisiana, a multiple-employer public employee retirement system. For the current year, however, no one in the police department chose to participate.

All employees of the Town are covered by the Social Security System.

NOTE 12. DEFERRED COMPENSATION PLAN

Beginning in January 1990 the Town elected to participate in the Louisiana Public Employees Deferred Compensation Plan State of Louisiana, a component unit of the State of Louisiana. The plan offers its participants (eligible public employees) a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death, or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State (without being restricted to the provisions of benefits under the plan), subject only to the claims of the State's general creditors. Participant's rights under the plan are equal to those of general creditors of the State in an amount equal to the fair market value of the deferred account for each participant.

It is the opinion of the State's legal counsel that the State has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The State believes that it is unlikely that it will use the assets to satisfy the claims of general creditors in the future.

NOTE 13. SALES TAX COLLECTION AGREEMENT

On June 5, 1992, the Town of Simmesport, Louisiana entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1992, whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Town of Simmesport, Louisiana under the Town's ordinances. The collection fee charged is a monthly fee of 1 1/2% of the gross tax revenues collections to the Town of Simmesport. Tax collections are remitted on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee. This agreement is renewed automatically each year.

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 14. FRANCHISE AGREEMENTS

The Town entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

1. Central Louisiana Telephone Company - Effective July 1, 1987 for a period of twenty-five (25) years. Franchise fee is based on four percent (4%) of gross revenues derived from exchange station services rendered within the city limits of the Town. Fees are payable quarterly within thirty (30) days following the expiration of the quarter. As additional consideration the Town is provided free of charge, four (4) local access lines.

2. Central Louisiana Electric Company, Inc. - (CLECO) - Effective January 22, 1987 for a period of twenty-five (25) years. Franchise fee is based on four percent (4%) of the gross receipts from sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the Town. Fees are payable quarterly within thirty(30) days of the end of the quarter. Other franchise provisions are as follows:

1. Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).

2. CLECO will provide free electric service to the Town and reduced street light rates until February 1990. Thereafter, prevailing commercial rates shall apply and street lights rates will increase.

3. Friendship Cable - Effective May 11, 1981 for a period of fifteen (15) years. The franchise fee is based on four percent (4%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the Town city limits. Fees are payable to the Town quarterly, by the 10th of the following month. On June 13, 1994 the Town signed a consent to assignment of this agreement to Friendship Cable of Texas, Inc., and extended the agreement for an additional fifteen (15) years from that date.

NOTE 15. COMPENSATION TO ELECTED OFFICIALS

The compensation paid to the Mayor and Board of Alderman follows:

	<u>Title</u>	<u>Date Term Expires</u>	<u>Year Ended 6/30/99</u>
Craig V. Couvillion	Mayor	12/00	\$ 4,650
Walter Brown	Aldermen	12/00	1,700
Manuel Kirk	Aldermen	12/00	1,700
James Fontenot	Aldermen	12/00	1,700
Kenneth Marsh	Alderman	12/00	1,600
Houston Turner	Alderman	12/00	1,700

**TOWN OF SIMMESPORT, LOUISIANA
NOTES TO FINANCIAL STATEMENTS, (Continued)**

NOTE 16. FEDERAL FINANCIAL ASSISTANCE

The Town was awarded the following grants through the State of Louisiana Community Development Block Grant (LCDBG) Program:

- 1). \$736,361 Sewer Improvement Contract #101-6060 (old) and # 107-800294 (new) of which \$125,388 was expended in the current fiscal year.

NOTE 17. LITIGATION

At June 30, 1999, the Town of Simmesport, Louisiana was not involved in any litigation that in legal counsel's opinion, was not adequately covered by insurance and/or would materially affect the financial statements.

NOTE 18. YEAR 2000 RESOLUTION

The stages identified by the Governmental Accounting Standards Board as being necessary to implement a year 2000-compliant system are: Awareness Stage, Assessment Stage, Remediation Stage, and Validation/Testing Stage.

The Town is currently in the Validation/Testing Stage of the implementation of a Year 2000 compliant system.

This stage is likely to be completed in the fourth quarter of 1999.

SUPPLEMENTARY INFORMATION

**INDIVIDUAL, COMBINING,
AND ACCOUNT GROUP STATEMENTS**

GENERAL FUND

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

**TOWN OF SIMMESPORT, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998**

	<u>June 30, 1999</u>		Variance Favorable (Unfavorable)	June 30, 1998
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
REVENUES				
Taxes	\$24,000	\$21,432	\$(2,568)	\$23,520
Licenses	30,200	37,366	7,166	35,351
Intergovernmental	91,000	97,891	6,891	91,919
Fines	35,000	39,699	4,699	36,283
Franchise fees	54,000	60,017	6,017	56,437
Rental income	6,000	6,602	602	6,562
Miscellaneous	6,400	11,638	5,238	29,282
TOTAL REVENUES	<u>246,600</u>	<u>274,645</u>	<u>28,045</u>	<u>279,353</u>
EXPENDITURES				
General government	68,850	72,188	(3,338)	79,047
Streets and drainage	109,100	119,405	(10,305)	148,244
Police	153,800	170,061	(16,261)	151,685
Fire	9,250	10,748	(1,498)	11,757
Debt service	0	685	(685)	285
Capital outlay	15,000	8,435	6,565	13,830
TOTAL EXPENDITURES	<u>356,000</u>	<u>381,522</u>	<u>(25,522)</u>	<u>404,848</u>
Excess (deficiency) of revenues over expenditures	<u>(109,400)</u>	<u>(106,877)</u>	<u>2,523</u>	<u>(125,495)</u>
OTHER FINANCING SOURCES (USES)				
Lease proceeds	0	0	0	7,474
Operating transfers in	125,000	123,221	(1,779)	140,568
Operating transfers out	0	(50)	(50)	(11,000)
TOTAL OTHER FINANCING SOURCES (USES)	<u>125,000</u>	<u>123,171</u>	<u>(1,829)</u>	<u>137,042</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$15,600</u>	<u>16,294</u>	<u>\$694</u>	<u>11,547</u>
FUND BALANCES AT BEGINNING OF YEAR		<u>15,479</u>		<u>3,932</u>
FUND BALANCES AT END OF YEAR		<u>\$31,773</u>		<u>\$15,479</u>

**TOWN ON SIMMESPORT, LOUISIANA
GENERAL FUND
STATEMENT OF FUNCTIONAL EXPENDITURES DETAIL
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998**

	<u>June 30, 1999</u>			
	<u>Budget</u>	<u>Actual</u>	<u>Variance - Favorable (Unfavorable)</u>	<u>June 30, 1998 Actual</u>
<u>GENERAL GOVERNMENT</u>				
Salaries	\$21,500	\$20,622	\$878	\$29,800
Payroll taxes & benefits	2,500	5,464	(2,964)	4,963
Legal and auditing	3,700	5,866	(2,166)	3,953
Insurance	9,000	8,348	652	6,885
Assessor fees	900	742	158	738
Miscellaneous	4,100	5,518	(1,418)	5,226
Office supplies and postage	3,400	3,915	(515)	4,038
Publications and printing	1,800	2,234	(434)	2,147
Dues and subscriptions	1,200	990	210	1,119
Town hall expense	2,000	1,635	365	2,740
Telephone expense	0	3,543	(3,543)	2,844
Utilities	6,800	3,378	3,422	3,381
Drug testing expense	2,200	1,806	394	2,736
Travel	4,000	3,791	209	5,722
Bank service charges	50	52	(2)	29
Repairs and maintenance	200	0	200	0
Park expenses	500	174	326	610
Civic center expense	5,000	4,110	890	2,117
TOTAL GENERAL GOVERNMENT	68,850	72,188	(3,338)	79,047
<u>STREET AND DRAINAGE</u>				
Salaries	43,000	46,958	(3,958)	74,136
Payroll taxes and benefits	7,500	7,167	333	11,328
Insurance	5,000	6,239	(1,239)	7,258
Miscellaneous	100	190	(90)	40
Repairs and maintenance	3,500	3,124	376	2,983
Tractor expense	8,000	6,650	1,350	7,897
Vapor lights	24,000	27,269	(3,269)	25,424
Material and supplies	12,000	13,671	(1,671)	13,416
Truck expenses	6,000	8,137	(2,137)	5,763
TOTAL STREET AND DRAINAGE	109,100	119,405	(10,305)	148,244

**TOWN ON SIMMESPORT, LOUISIANA
GENERAL FUND
STATEMENT OF FUNCTIONAL EXPENDITURES DETAIL - CONTINUED
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 1998**

	<u>June 30, 1999</u>		Variance - Favorable Unfavorable	June 30, 1998 Actual
	Budget	Actual		
<u>PUBLIC SAFETY</u>				
POLICE				
Salaries	\$101,000	\$100,581	\$419	\$91,050
Payroll taxes	16,000	11,352	4,648	9,455
Employee benefits	0	4,643	(4,643)	6,261
Insurance	8,000	15,241	(7,241)	16,484
Miscellaneous	750	2,993	(2,243)	756
Telephone expense	1,750	1,475	275	1,712
City court	600	600	0	600
Prisoner rations	1,000	1,134	(134)	912
Uniforms	1,000	2,148	(1,148)	746
Material and supplies	4,000	8,804	(4,804)	3,632
Police supplemental pay	7,000	8,169	(1,169)	7,139
Patrol car expenses	12,700	12,921	(221)	12,938
TOTAL POLICE	153,800	170,061	(16,261)	151,685
FIRE				
Insurance	6,000	4,355	1,645	8,141
Telephone expense	600	842	(242)	531
Material and supplies	750	2,150	(1,400)	1,120
Truck expenses	1,500	1,953	(453)	1,600
Miscellaneous	400	1,448	(1,048)	365
TOTAL FIRE	9,250	10,748	(1,498)	11,757
<u>DEBT SERVICE</u>				
Lease payments	0	685	(685)	285
TOTAL DEBT SERVICE	0	685	(685)	285
<u>CAPITAL OUTLAY</u>				
Police	0	1,642	(1642)	0
Streets and sanitation	7,000	6,054	946	3,587
General Government	8,000	739	7,261	10,243
TOTAL CAPITAL OUTLAY	15,000	8,435	6,565	13,830
TOTAL EXPENDITURES	\$356,000	\$381,522	\$(25,522)	\$404,848

SPECIAL REVENUE FUND

SALES TAX FUND - To account for the proceeds of the 2% sales tax dedicated as follows:

- 1. Paying all necessary and reasonable expenses of collecting and administering the tax.**
- 2. Streets and street improvements.**
- 3. Equipment repair, maintenance and replacement.**
- 4. Sewer System Improvements.**

**TOWN OF SIMMESPORT, LOUISIANA
SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 1998**

	<u>June 30, 1999</u>		Variance Favorable (Unfavorable)	<u>June 30, 1998</u>
	<u>Budget</u>	<u>Actual</u>		<u>Actual</u>
<u>REVENUES</u>				
Taxes	\$175,000	\$214,052	\$39,052	\$184,664
Interest income	4,500	2,084	(2,416)	1,998
TOTAL REVENUES	<u>179,500</u>	<u>216,136</u>	<u>36,636</u>	<u>186,662</u>
<u>EXPENDITURES</u>				
General government				
Legal and auditing	3,200	3,444	(244)	3,281
Office supplies and postage	250	0	250	132
Bank service charge	0	47	(47)	10
Collection fee	2,625	2,740	(115)	3,507
Fiscal charges	6,700	0	6,700	0
Miscellaneous	550	0	550	536
Capital outlay	10,000	0	10,000	9,066
TOTAL EXPENDITURES	<u>23,325</u>	<u>6,231</u>	<u>17,094</u>	<u>16,531</u>
Excess (deficiency) of revenues over expenditures	<u>156,175</u>	<u>209,905</u>	<u>53,730</u>	<u>170,131</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	<u>(175,000)</u>	<u>(181,223)</u>	<u>(6,223)</u>	<u>(169,285)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(175,000)</u>	<u>(181,223)</u>	<u>(6,223)</u>	<u>(169,285)</u>
Excess (deficiency) of revenues over expenditures and other sources (uses)	<u>\$ (18,825)</u>	<u>28,682</u>	<u>\$47,507</u>	<u>846</u>
FUND BALANCES AT BEGINNING OF YEAR		<u>76,983</u>		<u>76,138</u>
FUND BALANCES AT END OF YEAR		<u>\$105,665</u>		<u>\$76,983</u>

DEBT SERVICE FUNDS

1990 CERTIFICATE OF INDEBTEDNESS- To accumulate monies for repayment of the \$580,000 certificates of indebtedness issued for the purpose of constructing a new Sewerage Treatment plant.

1992 SALES TAX BONDS- To accumulate monies for repayment of the \$260,000 Sales Tax Bonds issued for the purpose of constructing, resurfacing and/or improving public streets and roads of the Town, and other expenses in connection therewith.

1994 CERTIFICATE OF INDEBTEDNESS - To accumulate monies for repayment of the \$35,000 Certificate of Indebtedness issued for the purpose of paying the costs resurfacing and improving public streets. This issue was paid in full by June 30, 1999.

**TOWN OF SIMMESPORT, LOUISIANA
COMBINING BALANCE SHEET
DEBT SERVICE FUNDS
JUNE 30, 1999**

	1990 Certificate of Indebtedness	1992 Certificate of Indebtedness	Memorandum Only Current Year	Memorandum Only Prior Year
ASSETS				
Cash and Cash Equivalents	\$65,590	\$55,650	\$121,240	\$128,050
TOTAL ASSETS	\$65,590	\$55,650	\$121,240	\$128,050
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Due to other funds	\$0	\$490	\$490	\$489
TOTAL LIABILITIES	\$0	\$490	\$490	489
FUND BALANCE				
Fund equity				
Designated for debt service	65,590	55,160	120,750	127,561
TOTAL FUND BALANCE	65,590	55,160	120,750	127,561
TOTAL LIABILITIES AND FUND BALANCE	\$65,590	\$55,650	\$121,240	\$128,050

**TOWN OF SIMMESPORT, LOUISIANA
DEBT SERVICE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
YEAR ENDED JUNE 30, 1999**

	1990 Certificate of Indebtedness	1992 Certificate of Indebtedness	1994 Certificate of Indebtedness	Memorandum Only Current Year	Memorandum Only Prior Year
REVENUES					
Interest income	\$1,884	\$1,497	\$77	\$3,458	\$3,634
TOTAL REVENUES	1,884	1,497	77	3,458	3,634
EXPENDITURES					
Debt service					
Principal retirement	15,479	15,000	10,015	40,494	39,479
Interest	29,894	12,135	600	42,629	43,514
Fiscal charges	0	548	0	548	1,712
TOTAL EXPENDITURES	45,373	27,683	10,615	83,671	84,705
Excess (deficiency) of revenues over expenditures	(43,490)	(26,186)	(10,538)	(80,213)	(81,071)
OTHER FINANCING SOURCES (USES)					
Operating transfers in Sales tax fund	47,642	30,975	0	78,617	89,285
Operating transfers out Sales tax fund	0	0	(5,214)	(5,214)	0
TOTAL OTHER FINANCING SOURCES	47,642	30,975	(5,214)	73,403	89,285
Excess (deficiency) of revenues over expenditures and other sources (uses)	4,153	4,789	(15,752)	(6,810)	8,215
FUND BALANCES AT BEGIN OF YEAR	61,437	50,371	15,752	127,560	119,345
FUND BALANCES AT END OF YEAR	\$65,590	\$55,160	\$0	\$120,750	\$127,560

ENTERPRISE FUNDS

WATER AND SEWER SYSTEM FUND- To account for the provision of the water and sewer services to the residents of the Town of Simmesport, Louisiana, and some residents of the Parish of Avoyelles. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, billing, and collections.

NATURAL GAS FUND- To account for the provision of natural gas services to the residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, distribution, administration, operations, maintenance, financing, billing and collections.

TOWN OF SIMMESPORT, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 JUNE 30, 1999

	Water & Sewer System	Natural Gas System	Memorandum Only Current Year	Memorandum Only Prior Year
ASSETS				
Current assets:				
Cash and cash equivalents	\$9,582	\$26,205	\$35,787	\$25,915
Investments	40,358	0	40,358	40,271
Accrued interest	111	87	198	209
Utility and other receivables	30,550	18,717	49,267	46,717
Due from other funds	50,895	11,271	62,166	53,932
Restricted assets:				
Cash and cash equivalents	8,934	16,043	24,977	30,825
Investments	6,700	23,538	30,238	30,238
Fixed assets				
Land	17,636	0	17,636	17,136
Plant and equipment	2,779,673	996,517	3,776,190	3,760,874
Accumulated depreciation	(1,186,487)	(493,320)	(1,679,807)	(1,589,082)
TOTAL ASSETS	\$1,757,952	\$599,058	\$2,357,010	\$2,417,035
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$9,831	\$3,392	\$13,223	\$14,952
Current liabilities payable (from restricted assets)				
Utility deposit	15,634	39,581	55,215	51,406
Capital lease payable	8,295	8,296	16,591	0
TOTAL LIABILITIES	33,760	51,269	85,029	66,358
FUND EQUITY				
Contributed capital (net of accumulated amortization)	1,181,730	470,371	1,652,101	1,714,908
Retained earnings Unreserved	542,462	77,418	619,880	635,769
TOTAL FUND EQUITY	1,724,192	547,789	2,271,981	2,350,677
TOTAL LIABILITIES AND FUND EQUITY	\$1,757,952	\$599,058	\$2,357,010	\$2,417,035

**TOWN OF SIMMESPORT, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS
YEAR ENDED JUNE 30, 1999**

	Water & Sewer System	Natural Gas System	Memorandum Only Current Year	Memorandum Only Prior Year
<u>OPERATING REVENUES</u>				
Water sales	\$107,541	\$0	\$107,541	\$83,508
Sewer user charges	118,740	0	118,740	117,224
Natural gas sales	0	216,743	216,743	248,748
Penalties and service charges	16,164	5,212	21,376	8,405
TOTAL OPERATING REVENUES	242,445	221,955	464,400	457,885
<u>OPERATING EXPENSES</u>				
General government	39,782	45,566	85,348	75,036
Water system	132,866	0	132,866	95,423
Sewer system	132,694	0	132,694	113,124
Natural gas system	0	182,759	182,759	263,184
TOTAL OPERATING EXPENSES	305,342	228,325	533,667	546,768
OPERATING INCOME (LOSS)	(62,897)	(6,370)	(69,267)	(88,883)
<u>NONOPERATING REVENUES (EXPENSES)</u>				
Interest income				
Water system	1,317	0	1,317	1,074
Sewer system	997	0	997	1,356
Natural gas	0	708	708	796
Gain on sale of assets	150	150	300	0
Miscellaneous income	0	2,600	2,600	11,803
TOTAL NONOPERATING REVENUES/(EXP)	2,464	3,458	5,922	15,030
Income (loss) before operating transfers	(60,433)	(2,912)	(63,345)	(73,853)
<u>OPERATING TRANSFERS IN (OUT)</u>				
Operating transfers in	4,550	50	4,600	21,076
Operating transfers out	(19,950)	0	(19,950)	(70,645)
TOTAL OPERATING TRANSFERS	(15,400)	50	(15,351)	(49,568)
NET INCOME (LOSS)	(75,834)	(2,862)	(78,696)	(123,422)
Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisition and construction that reduces contributed capital	40,759	22,048	62,807	62,807
Increase (decrease) in Retained Earnings	(35,075)	19,186	(15,889)	(60,614)
RETAINED EARNINGS BEGINNING OF YEAR	577,537	58,232	635,769	696,383
RETAINED EARNINGS END OF YEAR	\$542,462	\$77,418	\$619,880	\$635,769

**TOWN OF SIMMESPORT, LOUISIANA
ENTERPRISE FUNDS
STATEMENT OF OPERATING EXPENSES DETAIL
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999**

	June 30, 1999			
	Budget	Actual	Variance- Favorable (Unfavorable)	Memorandum Only Prior Year
<u>WATER SYSTEM</u>				
Salaries, payroll taxes & benefits	\$59,000	\$67,557	\$(8,557)	\$28,958
Insurance	4,000	7,052	(3,052)	5,282
Miscellaneous	300	347	(47)	539
Telephone	100	61	39	165
Utilities	8,000	9,834	(1,834)	9,501
Repairs and maintenance	4,000	1,747	2,254	2,223
Material and supplies	10,000	10,351	(351)	11,638
Truck expenses	200	273	(73)	105
Chemicals	4,000	2,484	1,516	414
Water tank maintenance	0	50	(50)	2,830
Depreciation	30,000	31,537	(1,537)	31,134
Bad debt expense	0	500	(500)	782
Interest expense	0	247	(247)	0
Lease payments	2,100	829	1,271	1,852
TOTAL WATER SYSTEM	\$121,700	\$132,866	\$(11,166)	\$95,423
<u>SEWER SYSTEM</u>				
Salaries, payroll taxes & benefits	\$35,500	\$40,939	\$(5,439)	\$25,327
Insurance	1,500	3,126	(1,626)	2,264
Miscellaneous	250	19	231	167
Utilities	18,500	18,278	222	21,837
Repairs and maintenance	8,000	14,261	(6,261)	8,560
Material and supplies	8,500	10,133	(1,633)	8,324
Truck expenses	1,500	1,573	(73)	1,377
Chemicals	4,000	3,084	916	4,248
Depreciation	40,000	39,604	396	38,386
Bad debt expense	0	500	(500)	782
Interest expense	0	247	(247)	0
Lease payments	2,100	929	1,171	1,852
TOTAL SEWER SYSTEM	\$119,850	\$132,694	\$(12,844)	\$113,124
<u>GENERAL AND ADMINISTRATIVE</u>				
WATER AND SEWER				
Salaries	\$50,000	\$31,160	\$18,840	\$14,745
Legal and auditing	4,000	3,632	368	3,348
Insurance	750	1,229	(479)	779
Miscellaneous	500	82	418	482
Office supplies and postage	2,500	2,880	(380)	2,512
Bank service charges	50	115	(65)	19
Lease payments	0	685	(685)	285
TOTAL GENERAL AND ADMINISTRATIVE WATER AND SEWER	\$57,800	\$39,782	\$18,018	\$22,171

**TOWN OF SIMMESPORT, LOUISIANA
ENTERPRISE FUNDS
STATEMENT OF OPERATING EXPENSES DETAIL - CONTINUED
BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED JUNE 30, 1999**

	<u>June 30, 1999</u>		Variance - Favorable (Unfavorable)	Memorandum Only Prior Year
	<u>Budget</u>	<u>Actual</u>		
<u>NATURAL GAS SYSTEM</u>				
Salaries, payroll taxes and benefits	\$42,000	\$32,342	\$9,658	\$54,635
Insurance	15,000	19,094	(4,094)	24,264
Miscellaneous	500	136	364	582
Bank service charges	100	11	89	106
Repairs and maintenance	15,000	610	14,390	0
Material and supplies	0	17,025	(17,025)	12,795
Depreciation	27,000	27,607	(607)	26,757
Gas purchase	135,000	75,938	59,062	128,172
Bad debt expense	0	3,999	(3,999)	6,253
Lease payments	3,700	1,857	1,843	3,704
Meters, registers, and lines	4,500	1,654	2,846	3,335
Truck expense	3,000	1,993	1,007	2,583
Interest expense	0	493	(493)	0
TOTAL NATURAL GAS SYSTEM	\$245,800	\$182,759	\$63,041	\$263,184
<u>GENERAL AND ADMINISTRATIVE</u>				
NATURAL GAS				
Salaries	38,000	35,452	2,548	43,340
Legal and auditing	4,000	3,444	556	3,598
Insurance	6,500	2,985	3,515	2,359
Miscellaneous	1,000	120	880	771
Office supplies and postage	2,500	2,880	(380)	2,513
Lease payments	0	685	(685)	285
TOTAL GENERAL AND ADMINISTRATIVE NATURAL GAS	\$52,000	\$45,566	\$6,434	\$52,866
TOTAL EXPENSES	\$597,150	\$533,667	\$63,483	\$546,768

**TOWN OF SIMMESPORT, LOUISIANA
COMBINING STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
YEAR ENDED JUNE 30, 1999**

	Water & Sewer System	Natural Gas System	Memorandum Only Current Year	Memorandum Only Prior Year
Cash flows from operating activities:				
Net income (loss)	\$(35,075)	\$19,186	\$(15,889)	\$(60,614)
Adjustment to reconcile net income to net cash provided by operating activities:				
Depreciation net of amortization on contributed capital	30,382	5,559	35,941	33,470
Changes in assets and liabilities:				
(Increase) decrease in accounts receivable	(5,157)	2,605	(2,552)	1,975
(Increase) decrease in other receivables	(2,396)	(5,826)	(8,222)	30,883
(Increase) decrease in investments	(87)	0	(87)	0
Increase (decrease) in accounts payable	5,046	(6,776)	(1,730)	6,704
Increase (decrease) in customer deposits	1,223	2,588	3,811	615
Increase (decrease) in other payables	0	0	0	(10,797)
Gain on sale of property and equipment	(150)	(150)	(300)	0
Net cash provided by/(used) for operating activities	<u>(6,214)</u>	<u>17,186</u>	<u>10,972</u>	<u>2,236</u>
Cash flows from capital and related financing activities:				
Increase (decrease) in capital lease payable	8,296	8,296	16,592	0
Net cash provided by/(used) for capital and related financing activities	<u>8,296</u>	<u>8,296</u>	<u>16,592</u>	<u>0</u>
Cash flows from investing activities:				
Purchase of property and equipment	(14,250)	(9,589)	(23,839)	(889)
Sale of property and equipment	150	150	300	0
Net cash provided by/(used) for investing activities	<u>(14,100)</u>	<u>(9,439)</u>	<u>(23,539)</u>	<u>(889)</u>
Net increase in cash and cash equivalents	(12,018)	16,043	4,025	1,347
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>30,533</u>	<u>26,206</u>	<u>56,739</u>	<u>55,392</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$18,515</u>	<u>\$42,249</u>	<u>\$60,764</u>	<u>\$56,739</u>

**TOWN OF SIMMESPORT
SIMMESPORT, LOUISIANA
Schedule of Audit Findings
For the Year Ended June 30, 1999**

Financial Statements

Type of auditors' report issued:

Unqualified

Internal control over financial reporting:

Material weakness(es) identified?

_____yes x no

Reportable condition(s) identified not

Considered to be material weakness(es)

 x yes _____no

Noncompliance material to financial statements noted?

_____yes x no

Compliance

There were no current year findings applicable to noncompliance with laws and regulations. Prior year finding B-1, however, remains unresolved as indicated in the Summary Schedule of Prior Audit Findings.

Internal Control Over Financial Reporting

99-1: Certain transactions for the months of January and June 1999 did not post to the general ledger. A routine reconciliation of the cash balances to the general ledger balances would have detected the omission timely and avoided manual posting of the activity at year-end.

**TOWN OF SIMMESPORT
SIMMESPORT, LOUISIANA
Summary Schedule of Prior Audit Findings
For the Year Ended June 30, 1999**

<u>Ref No.</u>	<u>Fiscal Year Finding Initially Occurred</u>	<u>Description of Finding</u>	<u>Corrective Action Taken (Yes, No, Partially)</u>	<u>Planned Corrective Action/ Partial Corrective Action Taken</u>
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Section I – Internal Control and Compliance Material to the Financial Statements

B-1	June 30, 1998	Failure to obtain State Bond Commission approved for a lease purchase obligation	No	
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Section II – Reportable Conditions

None

Section III – Management Letter Comments

None

**TOWN OF SIMMESPORT
SIMMESPORT, LOUISIANA
Corrective Action Plan for Current Year Audit Findings
For the Year Ended June 30, 1999**

<u>Ref No.</u>	<u>Description of Finding</u>	<u>Corrective Action Planned</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
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Section I – Internal Control and Compliance Material to the Financial Statements .

None

Section II- Reportable Conditions.

99-1:	Omission of postings to the general ledger.	The Town has upgraded its General ledger software and believes the error to have occurred due to computer problems with outdated hardware and software. In addition, reconciliations are being routinely performed to avoid this problem in the future	Craig V. Couvillion, Mayor	October 99
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Section II – Management Letter Comments

None