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Town of Livingston, Louisiana

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Annual Financial Report

December 31, 1999

Under provisions of state law, this report is a public document. A copy of the report besited submitted to the entity and other appropriate public officials. The report in wolfel to be pathic least ration at the Beton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 8-30-00

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Annual Financial Report Year Ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor Derral Jones and Members of the Board of Aldermen Town of Livingston, Louisiana

We have audited the accompanying primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These primary government financial statements are the responsibility of the Town of Livingston, Louisiana's, management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements referred to above present fairly, in all material respects, the financial position of the primary government of the Town of Livingston, Louisiana as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Livingston, Louisiana, do not purport to, and do not, present fairly the financial position of the Town of Livingston, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

BRUCE HARRELL & CO. CERTIFIED PUBLIC ACCOUNTANTS A Professional Accounting Corporation

The Honorable Mayor, Derral Jones and Members of the Board of Aldermen Town of Livingston, Louisiana

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Our audit was performed for the purpose of forming an opinion on the primary government financial statements of the Town of Livingston, Louisiana taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis. Also, the individual fund and account group financial statements, schedules, and supplementary information listed in the table of contents are presented for purposes of additional analysis. Neither are a required part of the primary government financial statements of the Town of Livingston, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.

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Bruce Harrell & Company, CPAs A Professional Accounting Corporation

May 15, 2000

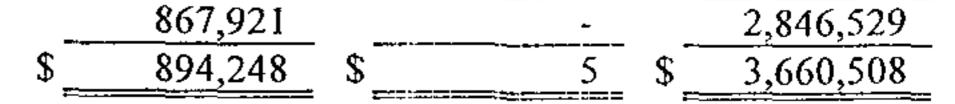
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Combined Balance Sheet All Fund Types and Account Groups December 31, 1999

			rnmental		Proprietary
		General	d Types Conital Draig		Fund Type
Assets		Fund	Capital Projec Fund	- L	Enterprise Fund
Cash and Cash Equivalents	\$	772,184	ф		566,930
Taxes Receivable	Φ	34,972	\$ 5	J	500,950
Accounts Receivable, Net		57,972			102 417
Prepaid Expenses		-	-		102,417 458
Royalties Receivable		152	-		420
Accrued Interest		528	-		2628
Due From Other Funds			-		2,638
Due From Other Governments		84,562	-		-
Restricted Cash and Cash Equivalents		1,850	-		-
		-	-		221,078
Amount to be Provided for Capital Lease Payments		-	-		-
Property, Plant, and Equipment, Net	e		<u></u>		2,766,987
Total Assets	ب =	894,248	\$5	= ^{\$} =	3,660,508
Liabilities and Equity					
Liabilities:					
Accounts Payable	\$	12,264	\$ -	\$	23,683
Other Accrued Expenses	-	13,711	•	*	4,756
Protested Taxes		352	- .		-
Current Portion of Long-Term Debt:					
Revenue Bonds Payable		-	÷-		38,622
Due To Other Funds		-	5		84,557
Payable From Restricted Assets:					01,001
Customer Deposits		-			64,126
Long-Term Debt:					01,720
Capital Leases Payable		-			-
Revenue Bonds Payable		_	_		598,235
Total Liabilities	B-8-4	26,327	5		<u> </u>
Equity:			┲╌┙╸╸╴ ╴ ╴╸╸╸╸╸╸╸╸╸╸		
Contributed Capital, Net		-	-		1,381,108
Investment in General Fixed Assets		-	_		1,501,100
Retained Earnings:			-		-
Reserved for Bond Retirement		_			69,588
Reserved for Bond Contingency			-		-
Unreserved		-	-		79,382
Fund Balance:		-	-		1,316,451
Unreserved & Undesignated		867,921			
Tetel Condesignated		007,921			

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Total Equity Total Liabilities & Equity



The accompanying notes are an integral part of these statements.

Statement A

	Ace	count	
_	Gr		
-	General	General	Total
	Fixed Assets	Long-Term Debt	(Memo Only)
\$	•	\$ -	\$ 1,339,119
	-	-	34,972
	-	-	102,417
	-	-	458
	-	-	152
	-	-	3,166
	-	-	84,562
	-	-	1,850
	-	-	221,078
	-	8,114	8,114
_	1,388,876		4,155,863
\$	1,388,876	\$ 8,114	\$ 5,951,751

\$

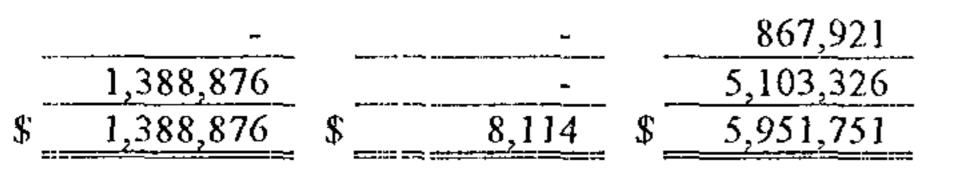
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5	-	\$		\$ 35,947	
	-		-	18,467	
	-		■.	352	
	-		■.	38,622	
	-		■.	84,562	
	-		-	64,126	
	-		8,114	8,114	
	-		-	 598,235	
••••••••••••••••••••••••••••••••••••••		, L	8,114	 848,425	
	-		-	1,381,108	
1,38	8,876		-	1,388,876	
	-		-	69,588	
	-		-	79,382	
	-		-	1,316,451	



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Statement B

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Governmental Fund Type Year Ended December 31, 1999

		General Fund	Capital Project Fund	Total (Memo Only)
Revenues			•	
Taxes	\$	247,504	\$ -	\$ 247,504
Licenses and Permits		76,550	■*	76,550
Intergovernmental		16,308	-	16,308
Sanitation Fees		40,929	••	40,929
Fines		53,470	-	53,470
Interest Income		37,261	-	37,261
Oil, Gas, & Mineral Royalties		1,676	-	1,676
Rental Income		18,750	-	18,750
Grass Cutting		50	-	50
Fire Department		100	-	100
Parks and Recreation		18,227	-	18,227
Miscellaneous		4,479	-	4,479
Grants		71,289	9,400	80,689
Total Revenues		586,593	9,400	595,993
Expenditures				170.004
General and Administrative		170,324	-	170,324
Public Safety		155,716	<u>-</u>	155,716
Street Department		186,597	-	186,597
Sanitation Department		43,995		43,995
Health Department		3,485	-	3,485
Parks and Recreation		36,509	-	36,509
Capital Outlays		74,555	-	74,555
Fire Protection Improvement Project	_		9,400	9,400
Total Expenditures	_	671,181	9,400	680,581
Excess Revenues (Expenditures)	-	(84,588)		(84,588)
Other Financing Sources (Uses)				50.000
Operating Transfers In		50,000	-	50,000
Donation Revenue		56,000	-	56,000
Capital Lease Proceeds	-	8,562		8,562
Total Other Financing Sources (Uses)	-	114,562		114,562
Excess Revenues and Other Sources				00.074
(Expenditures and Other Uses)		29,974	-	29,974
Fund Balance, Beginning of Year		837,947		837,947
Fund Balance, End of Year	\$	867,921	\$ -	\$ <u>867,921</u>

Fund Balance, End of Year

867,921

867,921

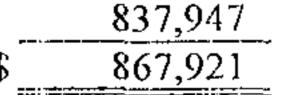
The accompanying notes are an integral part of these statements.

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Governmental Fund Type Year Ended December 31, 1999

			C	Seneral Fund		
Revenues		Budget		Actual	(Variance Favorable Unfavorable
Taxes	\$	243,000	\$	247,504	\$	4,504
Licenses and Permits	ч.	75,700	Ŷ	76,550	47	850
Intergovernmental		17,300		16,308		(992)
Sanitation Fees		41,000		40,929		(71)
Fines		50,000		53,470		3,470
Interest Income		34,000		37,261		3,261
Oil, Gas, & Mineral Royalties		1,600		1,676		76
Rental Income		18,750		18,750		-
Grass Cutting		-		50		50
Fire Department		100		100		
Parks and Recreation		18,200		18,227		27
Miscellaneous		2,375		4,479		2,104
Grants		71,285		71,289		-,4
Total Revenues		573,310		586,593	_	13,283
Expenditures						
General and Administrative		182,600		170,324		12,276
Public Safety		150,300		155,716		(5,416
Street Department		184,200		186,597		(2,397
Sanitation Department		45,000		43,995		1,005
Health Department		3,800		3,485		315
Parks and Recreation		37,000		36,509		491
Capital Outlays		78,850		74,555		4,295
Fire Protection Improvement Project		-		-		-
Total Expenditures		681,750		671,181		10,569
Excess Revenues (Expenditures)		(108,440)		(84,588)	_	23,852
Other Financing Sources (Uses)						
Operating Transfers In		50,000		50,000		~
Donation Revenue		56,000		56,000		-
Capital Lease Proceeds		7,500		8,562		1,062
Total Other Financing Sources (Uses)		113,500		114,562		1,062
Excess Revenues and Other Sources						
(Expenditures and Other Uses)	\$	5,060		29,974	\$_	24,914
Kund Ralanco Roginning of Vear				837 947		

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Fund Balance, Beginning of Year Fund Balance, End of Year



The accompanying notes are an integral part of these statements.

Statement C

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 B	udget	oital Project Fun Actual	d Variance Favorable (Unfavorable)
\$	- \$		\$
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	_	_	-

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	-	-	-
	9,400	9,400	-
	9,400 9,400	<u>9,400</u> 9,400	
••		**************************************	▙▃▝▝▀▖▖▖▖
	-	-	-
	-	-	-
	_	-	-
	-	-	-
	-	-	-
	-	-	-
	-	-	-
	<u>9,400</u> 9,400	<u>9,400</u> 9,400	
.	9,400	9,400	
	— ————————————————————————————————————		—
	-	-	-
	-	-	-

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\$ \$ --===

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Statement D

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Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings Proprietary Fund Type Year Ended December 31, 1999

	Enterprise
Operating Revenues	Fund
Gas Sales	\$ 201,438
Less Cost of Gas Sold	(76,146)
Gross Profit on Gas Sales	125,292
Water Sales	304,112
Sewer Service Charges	74,990
Service Connection Charges	25,607
Delinquent Charges	14,680
Other Operating Revenues	218
Total Operating Revenues	544,899
Operating Expenses	
Salaries	121,521
Contract Repairs	3,401

Operating Income	142,946
Total Operating Expenses	401,953
Other Operating Expenses	6,958
Bad Debt Expense	3,822
Insurance	5,301
Utilities	20,091
Depreciation	119,978
Professional Services	28,134
Payroll Taxes	9,156
Employee Retirement	2,325
Employee Insurance	4,524
Office Expense	10,305
Sewer Expense	11,036
Equipment Expense	667
Truck Expense	6,021
Uniform Rental	612
Materials and Supplies	48,101

(Continued)

The accompanying notes are an integral part of these statements.

Statement D

Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings Proprietary Fund Type Year Ended December 31, 1999

Nonoperating Revenues (Expenses)	Enterprise Fund
Interest Revenue	\$ 37,106
Interest Expense	(32,663)
Total Nonoperating Revenues (Expenses)	4,443
Operating Transfers In (Out)	(50,000)
Net Income	97,389
Unreserved Retained Earnings, Beginning	1,161,214
Amortization of Contributions	57,848
Unreserved Retained Earnings, Ending	\$ 1,316,451

(Concluded) The accompanying notes are an integral part of these statements.

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Statement of Cash F Proprietary Fund T Year Ended December J	pe
	Enterprise

	Fund
Cash Flows From Operating Activities	
Operating Income	\$ 142,946
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	119,978
Change in Inventory	7,005
Change in Accounts Receivable	(24,967)
Change in Accrued Interest	(2,638)
Change in Prepaid Expenses	236
Change in Accounts Payable	(14,093)
Change in Other Accrued Expenses	3,847
Change in Due to Other Funds	77,905
Change in Customer Deposits Payable	5,241
Net Cash Provided (Used) by Operating Activities	 315,460

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Cash Flows From Capital and Related Financing Activities

Capital Improvements	(76,908)
Principal Repayments, Revenue Bonds Payable	(36,924)
Operating Transfers Out	(50,000)
Interest Revenue	37,106
Interest Expense	(32,663)
Net Cash Provided (Used) by Capital and Related Financing Activities	(159,389)
Net Increase in Cash	156,071
Cash at Beginning of Year	631,937
Cash at End of Year	\$ 788,008

The accompanying notes are an integral part of these statements.

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As of and for the Year Ended December 31, 1999

Introduction

The Town of Livingston, Louisiana was incorporated November 4, 1955, under the provisions of the Lawrason Act. The Town operates under a Mayor - Board of Aldermen form of government. The accounting and reporting policies of the Town of Livingston, 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 24:513 and 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the AICPA Industry Audit Guide, *Audits of State*, *Local Governments, and Non-Profit Organizations*.

1. Summary of Significant Accounting Policies

A. Basis of Presentation

The accompanying primary government financial statements of the Town have been prepared in conformity with *Generally Accepted Accounting Principles* (GAAP) as applied to governmental units. The *Governmental Accounting Standards Board* (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

B. Reporting Entity

As the municipal governing authority, for reporting purpose, the Town of Livingston, Louisiana is considered a separate financial reporting entity. The financial reporting entity consists of (a) the primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Livingston 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 municipality 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 municipality.
- 2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
- 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.

As of and for the Year Ended December 31, 1999

Based on the previous criteria, the Town of Livingston, Louisiana has determined that the following component unit is part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Livingston Intergovernmental Commission	12/31/99	3

The Town of Livingston has chosen to issue financial statements of the primary government (Town) only; therefore the previously listed component unit is not included in the accompanying financial statements.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

Considered in the determination of component units of the reporting entity were the Livingston Parish Council, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 21st Judicial District. It was determined that these governmental entities are not component units of the Town of Livingston, Louisiana reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Livingston, Louisiana.

C. Fund Accounting

The Town of Livingston, Louisiana 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.

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 Town of Livingston are classified into two categories, Governmental and Proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each fund type follows:

Governmental Funds

Governmental Funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. Governmental Funds include:

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General Fund - the General Operating Fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

As of and for the Year Ended December 31, 1999

Capital Project Fund - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental 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 in that their focus is on income measurement, which, together with the maintenance of equity, is an important financial indicator. Proprietary Funds include:

Enterprise Fund - accounts for operations (a) that are financed and operated in a manner similar to private business enterprise where the intent of the governing body is that costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user fees, or (b) where the governing body has decided that periodic determination of revenues carned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

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 a 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 funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Governmental funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeitures, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when carned (when they are measurable and available).

Expenditures

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

As of and for the Year Ended December 31, 1999

The proprietary fund is 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 all liabilities associated with the operation of this fund are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time the liabilities are incurred.

E. Budgets

The Town uses the following budget practices:

- The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no 1. later than fifteen days prior to the beginning of each fiscal year.
- 2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
- 3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
- 4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
- Budgetary amendments involving the transfer of funds from one department, program or function to 5. another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
- All budgetary appropriations lapse at the end of each fiscal year. 6,
- Budgets for the General, Capital Projects, and Enterprise Funds are adopted on a basis consistent with 7. generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

F. Cash & Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. 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, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

G. Investments

Investments are limited by Louisiana RS 33:2955 and the Town's investment policy. If the original maturities of investments exceed ninety days, they are classified as investments; however, if the original maturities are ninety days or less, they are classified as cash equivalents.

As of and for the Year Ended December 31, 1999

The Town maintains investments in the Louisiana Asset Management Pool (LAMP), a non-profit corporation formed by an initiative of the state treasurer and organized under the laws of Louisiana to operate as a local government investment pool. LAMP invests its assets only in securities and other obligations permissible under Louisiana law for local governments.

LAMP is an external investment pool that is not registered with the SEC as an investment company, but nevertheless operates in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940. GASB-31, Accounting and Financial Reporting for Certain Investments and for External Investment Pools, requires the reporting of investment positions in 2a7-like pools (such as LAMP) be based on the pool's share price.

H. Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

I. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriations. The Town of Livingston does not have any of these advances.

J. Inventories

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

Inventory in the proprietary fund consists of natural gas reserves purchased and is recorded as an expense when consumed. The inventory is valued at the lower of cost (first-in, first-out) or market.

K. Prepaid Items

Prepaid expenses existing on the balance sheet date are presented as current assets on the balance sheet.

L. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. No depreciation has been provided on general fixed assets. All assets are valued at historical cost or estimated historical cost if historical cost is not available.

As of and for the Year Ended December 31, 1999

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by the proprietary fund operations is charged as an expense against operations. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method of depreciation.

M. Compensated Absences

All employees during their first and second year of service will receive one week paid vacation each year. One week of vacation can be taken after the first six months of the first year. Employees with two or more years service will receive two weeks paid vacation each year. Employees with 10 years or more will receive three weeks. Employees with 20 years or more will receive four weeks. Preference will be posted by January 15 of each year. Vacations will be approved by the department head and the Mayor. Vacation will be calculated on a calendar year. An employee hired after the first six months of a year will receive one week during the following calendar year. Vacation time accrued must be taken by the end of the fiscal year.

After six months employment, an employee may receive eight hours sick leave each month. After two years employment, the sick leave will increase to ten hours each month. All employees who have been employed by the Town five years or longer will receive twelve hours sick leave each month. An employee may accumulate a maximum of one thousand four hundred forty hours sick leave. No pay shall be granted for sick days if employee resigns or is terminated. No sick days shall be taken in lieu of vacations.

In accordance with GASB-16, Accounting for Compensated Absences, no liability has been accrued for unused employee sick leave.

N. Long-Term Obligations

For the primary government, long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

O. Fund Equity

Contributed Capital

Contributed capital is recorded in the Enterprise Fund for capital grants and contributions from developers, customers, or other funds restricted for the acquisition of or construction of capital assets. Contributed capital is amortized based on the depreciation recognized in that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

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As of and for the Year Ended December 31, 1999

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or non-routine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the Town of Livingston, Louisiana are reported as operating transfers.

Q. Use of Estimates

The preparation of financial statements in conformance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount 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 reported period. Actual results could differ from those estimates.

R. Total Columns on Combined Statements

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

2. Levied Taxes

On July 25, 1961, the Town was authorized to levy a one percent sales and use tax. The proceeds of this sales and use tax are dedicated to general corporate purposes. On August 20, 1992, the Town amended provisions of this one percent sales and use tax as to definitions, goods and services taxable, exemptions, penalties, interest, and fines.

On October 28, 1999, the Town approved an ordinance to assess a 5.19 mill ad valorem tax for 1999. The proceeds

of this ad valorem tax are dedicated to general corporate purposes. This is a permanent tax per constitutional authority, and is subject to annual renewal by the Town. These taxes are due upon taxpayers' receipt of their tax bill and become

As of and for the Year Ended December 31, 1999

delinquent January 1, 2000. Interest on unpaid Ad Valorem Taxes is added to the tax bill during March, 2000. Due to immateriality and cost factor of collections, no liens are put against assessed property upon uncollectibility of taxes.

On October 1, 1972, the Town approved the issuance of a public utilities franchise to provide electricity within the Town's corporate limits. For this franchise, Entergy Gulf States, Inc. remits 5% of its net taxable gross receipts from the sale of electricity within the corporate limits. On January 1, 1975, the Town approved the issuance of a public utilities franchise to provide electricity within the Town's corporate limits. For this franchise, Dixie Electric Membership Company, Inc. remits 5% of its net taxable gross receipts from the sale of electricity within the corporate limits. On September 10, 1981, the Town approved the issuance of a public utilities franchise to provide cable television and closed-circuit electronic services within the Town's corporate limits. For this franchise, Charter Communications, Inc. remits 4% of its net taxable gross receipts within the corporate limits.

Cash and Cash Equivalents 3.

At December 31, 1999, the Town has cash and cash equivalents (book balances) totaling \$1,560,197, as follows:

Demand Deposits Interest-Bearing Demand Deposit Louisiana Assets Management Pool Time Deposits

\$ 105478,661 21,716 1,059,715 1,560,197

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 December 31, 1999, the Town has \$1,565,091 in deposits (collected bank balances). These deposits are secured from risk by \$200,000 of federal deposit insurance and \$1,365,091 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement 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.

Investments 4.

Investments are categorized into these three categories of credit risk:

Insured or registered, or securities held by the municipality or its agent in the Town's name]

Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's

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name

As of and for the Year Ended December 31, 1999

3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Town's name

At December 31, 1999, all investments held by the Town are classified as cash equivalents.

5. Receivables

The General Fund receivables at December 31, 1999 consist of the following:

Taxes:		
Ad Valorem	\$	6,356
Public Utility Franchise		13,879
Sales and Use		14,737
Intergovernmental:		2
Louisiana Tobacco Tax Distribution		1,349
Louisiana Beer Tax Distribution		501
Accrued Interest:		
Hibernia National Bank		528
Royalties:		
Forcenergy, Inc.		152
	\$	37,502
The Enterprise Fund accounts receivable at December 31, 1999 consist of the following:		
Current	\$	81,299
31 - 60 Days		2,554
61 - 90 Days		1,448
Over 90 Days		5,642
Subtotal	<u> </u>	90,943
Allowance for Bad Debt		(1.000)
Accounts Receivables, Net		89,943
Accrued Billings		12,474
	\$	102,417

Fixed Assets 6.

The changes in general fixed assets follow:

	В	eginning		Asset	As	set	Ending
]	Balance	A	dditions	Dele	tions	 Balance
Land	\$	54,000	\$	56,000	\$	-	\$ 110,000
Buildings & Improvements		701 490		_		-	701 490

ormangs comproventents. Equipment **Construction In Progress**

.01,120

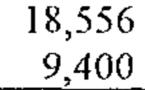
1,304,920

\$

549,430



\$

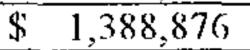


83,956

9,400

701,120

567,986



As of and for the Year Ended December 31, 1999

The Town was awarded a \$329,305 Louisiana Community Development Block Grant for improvements to the Town's fire station and the purchase of a fire truck. Of the total grant amount awarded, \$9,400 was received and spent by the Town during the year ended December 31, 1999, and is classified as construction in progress in the General Fixed Asset Account Group.

A summary of fixed assets used in the Proprietary Fund follows:

		Ace	cumulated			Cu	rrent-Year
<u>. </u>	Cost	De	preciation		Net	Dc	preciation
\$	11,229	\$	4,884	\$	6,345	\$	223
	615,883		432,042		183,841		7,554
	1,476,200		470,110		1,006,090		37,781
	2,682,745		1,148,423		1,534,322		66,504
	87,060		50,671		36,389		7,916
\$	4,873,117	\$	2,106,130	\$	2,766,987	\$	119,978
		\$ 11,229 615,883 1,476,200 2,682,745	Cost De \$ 11,229 \$ 615,883 1,476,200 2,682,745 87,060	\$ 11,229 \$ 4,884 615,883 432,042 1,476,200 470,110 2,682,745 1,148,423 87,060 50,671	Cost Depreciation \$ 11,229 \$ 4,884 \$ 615,883 432,042 \$ 1,476,200 470,110 \$ 2,682,745 1,148,423 \$ 87,060 50,671 \$	$\begin{array}{c c c c c c c c c c c c c c c c c c c $	$\begin{array}{c c c c c c c c c c c c c c c c c c c $

7. Pension Plans

The Town of Livingston, Louisiana entered the Municipal Police Employees Retirement System of Louisiana, a costsharing, multiple-employer defined benefit plan administered by a separate board of trustees, in 1993. A description of the Municipal Police Employees Retirement System is as follows:

Plan Description: All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously 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 Livingston 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 Livingston 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 Livingston's contributions to the Police Retirement System for the years ending December 31, 1999, 1998, and 1997, were \$6,820, \$6,449, and \$6,037 respectively, equal to the required contributions for each year.

As of and for the Year Ended December 31, 1999

The Town of Livingston, Louisiana adopted a Savings Incentive Match Plan for Employees (SIMPLE) IRA retirement plan, a defined contribution plan administered by Fidelity Trust Company, in 1998. A description of the Town's SIMPLE IRA plan is as follows:

Plan Description: Any Town employee who is not covered under the Municipal Police Employees Retirement System of Louisiana and who is reasonably expected to receive at least \$5,000 in compensation during the current calendar year is eligible to participate in the plan.

Funding Policy: Plan members elect to defer a percentage of their compensation to the plan each year, up to a maximum of \$6,000 each year. Salary reduction election amounts may be changed at any time during the sixty-day period before the beginning of each plan year, and salary reduction elections may be terminated at any time during the plan year. If a plan member's salary reduction election is terminated during the plan year, that plan member may not resume salary reduction contributions until the next plan year. The Town makes a dollar-for-dollar match of each plan members salary reduction contributions each year, up to a maximum of 3% or \$6,000, whichever is less. All funds are fully vested, and the Town has no further liability in the plan.

8. Other Post-Retirement Benefits

All of the Town of Livingston's employees participate in the Federal Social Security Program. The Town's contributions for the year ended December 31, 1999, were \$14,711 for General Fund employees and \$7,284 for the Enterprise Fund employees. Future deficits in the system will be financed by the United States Government, and the Town has no further liability in the system. Data concerning the actuarial status of the system is not available.

9. Interfund Assets/Liabilities

Due from/to others at December 31, 1999:

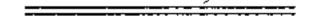
	ceivables		ayables
General Fund	\$ 84,562	\$	-
Capital Projects Fund	-		5
Enterprise Fund		-	84,557
	\$ 84,562	\$	84,562

10. Restricted Assets - Proprietary Fund Type

Restricted assets were applicable to the following at December 31, 1999:

Sewer Bond Reserve Account	\$	69,588
Bond Depreciation & Contingency Account		79,382
Customers' Deposits	·	72,108
	\$	221,078

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As of and for the Year Ended December 31, 1999

11. Changes in Long-Term Debt

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

	Proprietary Fund Bonds/Notes
Bonds Payable, January 1, 1999 Bonds/Notes Retired	\$ 673,781 (36,924)
Bonds/Notes Issued Bonds Payable, December 31, 1999	\$ 636,857

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

Proprietary	Current	Long-term	Total
Fund Bonds	Amount	Amount	Principal
\$1,100,000 Utility Revenue Bonds numbers 1 and 2,			

- dated 2/25/75, due in monthly installments of
 \$5,386 through 2015, interest at 5% (these issues are secured by the income and revenues derived from the operation of the Town's Utility System).
 \$56,000 General Obligation Ad Valorem Tax Bonds,
- dated 2/20/75, due in monthly installments of \$275 through 2015, interest at 5% (these issues are secured by a dedication of a permanent Ad Valorem Tax of the Town).
- \$28,000 General Obligation Ad Valorem Tax Bonds, of Sewer District No. 1 of the Town, dated 2/20/75, due in monthly installments of \$138 through 2015, interest at 5% (these issues are secured by a dedication of a permanent Ad Valorem Tax of the District).

General Obligation Bonds Payable Total Proprietary Fund Bonds

\$ 35,919	\$ 554,769	\$ 590,688
1,807	28,747	30,554
 896	14,719	15,615
 2,703	43,466	46,169
\$ 38,622	\$ 598,235	\$ 636,857

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As of and for the Year Ended December 31, 1999

The annual requirements to amortize all debt outstanding at December 31, 1999, including interest payments of \$418,561 are as follows:

Year Ending	Proprietary
December 31	_ Fund Bonds
2000	\$ 69,588
2001	69,588
2002	69,588
2003	69,588
2004	69,588
2005 - 2009	347,940
2010 - 2014	347,940
2015	11,598
	\$ 1,055,418

12. Flow of Funds and Restrictions on Use - Utilities Revenues

The voters of the Town of Livingston, Louisiana approved the issuance of \$1,100,000 Utility Revenue Bonds, \$56,000 General Obligation Ad Valorem Tax Bonds of the Town and \$28,000 General Obligation Ad Valorem Tax Bonds of Sewer District No. 1 of the Town in an election held August 24, 1974. The governing authority of the Town adopted a resolution on January 13, 1975, authorizing issuance of the above utility bonds. On February 20, 1975, the Town sold \$1,184,000 of the authorized bonds to United States Department of Agriculture, Rural Utility Service (RUS). The bonds were issued for forty (40) years payable with interest at the rate of 5% per annum. The bonds and any installments may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The proceeds of the bonds are restricted to use for redeeming \$198,640 of "1958 Water and Gas Revenue Bonds" of the Town and construction and improvements to the combined utility system and are subject to the provisions of the above resolution adopted January 13, 1975.

Under the terms of the bond proceeds to the Town, the revenue bonds are payable as to principal and interest solely from the income and revenue derived from the operation of the combined utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system. The Ad-Valorem Tax Bonds of the Town are secured by a dedication of a permanent Ad Valorem tax of the Town. These bonds do not constitute an indebtedness or pledge of the general credit of the Town within the meaning of any constitutional or statutory limitation of indebtedness.

The Town is to maintain its present gas rates and increase these rates when the wholesale price of natural gas increases by adding a fuel adjustment cost equal to the difference per 1,000 cubic feet. The Town has minimum water rates it must charge under this agreement.

Each month the Town will reserve into a "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest and principal due on the next bond payment due date, and a proportionate sum as may be required as the bonds respectfully become due. Money in the sinking funds shall be deposited as trust funds and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may be used only

As of and for the Year Ended December 31, 1999

for such payments. Alternately, RUS has set up a payment schedule whereby the Town can make such payments directly to its office, thus eliminating the need for the "Bond and Interest Sinking Fund."

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to 5% of the monthly bond payment, or \$290, after the construction becomes revenue-producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default. The balance in the fund at December 31, 1999 is \$69,588.

Funds will also be reserved into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$275 per month. Money in this fund will be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds. The balance in the fund at December 31, 1999 is \$79,382.

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

As of December 31, 1999, the Town has not assessed any Ad Valorem Taxes to be used for payment of the Ad Valorem tax bond issues. The Town has elected to make the payments out of current utility revenues.

13. Contributions - Proprietary Fund Type

Contributions toward the cost of the utility plant and engineering services have been received as follows:

Municipality - General Fund	\$ 82,334
Special Revenue Fund - Federal Revenue Sharing	4,740
U.S. Government - Environmental Protection Agency	1,497,908
State of Louisiana	160,000
Louisiana Community Development Block Grant 1996	519,503
Louisiana Rural Development Grant	25,000
Livingston Parish School Board	32,235
Private Sources	4,922
Subtotal	2,326,642
Accumulated Amortization	(945,534)
Net Contributed Capital	\$ 1,381,108

14. 2% Fire Insurance Rebate

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 22:1580 and is eligible for and receives a proviata share of the fire insurance tax collected by the State. The amounts received by the fire department are based on the population in the Town and unincorporated areas that it serves. In accordance with the

Town of Livingston, Louisiana Notes to the Financial Statements

As of and for the Year Ended December 31, 1999

Revised Statutes, such money shall be used only for the purpose of "rendering more efficient and efficacious" the active volunteer fire department as the Town shall direct.

15. Oil, Gas, and Mineral Lease

On January 4, 1983, the Town leased all of its lands, streets, alleys, public ways and places containing 141.60 acres, more or less to Callon Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations of structures and prospecting and drilling for, mining, and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

The rights herein granted are limited as to depth and said rights extend only from the surface of the earth to 100 feet below the base of the Wilcox formation, or its stratigraphic equivalent. All rights for minerals lying below said depth to the center of the earth are expressly reserved to the lessor.

The Town's 25% royalty rights under the above lease are currently assigned to Forcenergy Gas Exploration, Inc. During the fiscal year ending December 31, 1999, the Town of Livingston recorded \$1,676 in royalty income.

The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

16. Industrial Building Lease

The Town renewed a 2-year lease as lessor of the Town's industrial building on September 15, 1999. This lease on the industrial building owned by the Town requires the lessee to pay a monthly rental of \$1,750 (refer to Note 20, Subsequent Events, for information about this lease received subsequent to fiscal year end).

17. Leases

The Town records items under capital leases as assets and obligations in the accompanying financial statements. The following is an analysis of the original recorded amounts of capital leases at December 31, 1999:

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Equipment

\$ 8,562
\$ 8,562

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As of and for the Year Ended December 31, 1999

The following is a schedule of future minimum lease payments under capital leases and the present value of the net minimum lease payments as of December 31, 1999:

	Eq	uipment
2000	\$	2,449
2001		2,449
2002		2,449
2003		2,449
2004		1,980
Total Minimum Lease Payments		11,776
Less Amount Representing Interest		(3,662)
Present Value of Minimum Lease Payments	\$	8,114

The Town had no operating lease commitments at December 31, 1999.

18. Changes in General Long-Term Obligations

The following is a summary of the long-term obligation transactions for the year ended December 31, 1999:

	Long-Term			Long-Term	
	Obligations			Obligations	
	Payable			Payable	
	12/31/98	<u>Additions</u>	Deductions	12/31/99	
Capital Leases		\$ 8,562	\$ (448)	\$ 8,114	
		\$ 8,562	\$ (448)	\$ 8,114	

19. Related Party Transactions

On December 13, 1999, Livingston Intergovernmental Commission, a component unit of the Town of Livingston, Louisiana, transferred 3.38 acres of land to the Town for the development of a public park for the Town's residents.

The land transferred had a fair market value of \$56,000 at the time of the transfer, and the Town recorded this amount as donation revenue and capital outlay expense in the General Fund, and as land asset and gift investment in the General Fixed Assets Account Group.

20. Subsequent Events

On January 25, 2000, the Board of Aldermen adopted a resolution to approve a municipal lease agreement with Hibernia National Bank. On February 10, 2000, the Mayor, acting as the Town's representative, executed the municipal lease agreement with the Bank. Under the terms of this agreement, the Town is granted a \$200,000 lease line towards the lease-purchase of equipment at an annual interest rate of 5.79%. At the end of the four-year lease term,

the Town will purchase the equipment from the Bank for \$100.

As of May 15, 2000, the Town had leased two police cars, a backhoe, and a dump truck totaling \$127,493 under the terms of this agreement, and \$72,507 of the \$200,000 lease line remained unused by the Town.

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As of and for the Year Ended December 31, 1999

On February 22, 2000, the Town received written request from the lessee of the Town's industrial building to terminate its lease agreement with the Town. At this time, the lessee had ceased its operations at the industrial building and had ceased its monthly lease payments to the Town.

As of May 15, 2000, the lessee had not removed its furniture, fixtures, and machinery from the premises and the Town was undecided as to how to proceed in the matter.

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General Fund

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

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Schedule 1

Comparative Balance Sheet Governmental Fund Type December 31, 1999 and 1998

	General Fund		
	 1999		1998
Assets		-	
Cash & Cash Equivalents	\$ 772,184	\$	763,042
Taxes Receivable:			
Ad Valorem Taxes	6,356		3,534
Public Utility Franchise Taxes	13,879		12,310
Sales and Use Taxes	14,737		13,451
Royalties Receivable	152		168
Accrued Interest	528		-
Due From Other Funds:			
Capital Project Fund	5		5
Enterprise Fund	84,557		6,652
Due From Other Governments:			
Louisiana Tobacco Tax Distribution	1,349		1,349
Louisiana Beer Tax Distribution	501		710
Louisiana Video Poker Tax Distribution	-		514
Louisiana DOTD Sidewalk Project Grant	-		48,160
Total Assets	\$ 894,248	\$	849,895
Liabilities and Fund Balance			
Liabilities:			
Accounts Payable	\$ 12,264	\$	9,656
Other Accrued Expenses	13,711		2,292
Protested Taxes	352		
Total Liabilities	 26,327	•	11,948
Fund Balance:			
Unreserved & Undesignated	867,921		837,947
Total Fund Balance	867,921		837,947
Total Liabilities and Fund Balance	\$ 894,248	\$	849,895

The accompanying notes are an integral part of these statements.

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Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Governmental Fund Type

Year Ended December 31, 1999 With Comparative Actual Amounts For Year Ended December 31, 1998

		General Fund							
		·····		1998					
Revenues	1999 Variance Favorable Budget Actual (Unfavorable)			Actual	Actual				
Taxes:									
Sales and Use Taxes	\$	165,000	\$	168,794	\$	3,794 \$	\$	136,242	
Ad Valorem Taxes		18,000		19,298		1,298		17,284	
Public Utility Franchise Taxes		60,000		59,412		(588)		58,632	
Licenses and Permits:									
Business Licenses		72,500		73,057		557		69,251	
Beer Permits		200		199		(1)		286	
Building Permits		3,000		3,294		294		1,059	
Intergovernmental:									
Louisiana Tobacco Tax Distribution		5,300		5,395		95		5,395	
Louisiana Beer Tax Distribution		3,000		2,364		(636)		3,041	
Louisiana Fire Insurance Rebate		2,700		2,767		67		2,712	
Louisiana Road Maintenance		4,200		4,191		(9)		4,191	
Louisiana Vidco Poker Tax Distribution	1	2,100		1,591		(509)		1,834	
Sanitation Fees		41,000		40,929		(71)		36,795	
Fines		50,000		53,470		3,470		48,086	
Interest Income		34,000		37,261		3,261		40,335	
Oil, Gas, & Mineral Royalties		1,600		1,676		76		3,590	
Rental Income		18,750		18,750		-		18,000	
Grass Cutting		-		50		50		1,110	
Fire Department		100		100		-		3,035	
Parks and Recreation		18,200		18,227		2.7		25,282	
Miscellaneous		2,375		4,479		2,104		4,399	
Louisiana DOTD Sidewalk Project Grant		70,185		70,186		1		48,160	
Louisiana Law Enforcement Grant	_	1,100	. <u>.</u>	1,103		3		3,399	
Total Revenues		573,310	·	586,593	_	13,283	_	532,118	

(Continued)

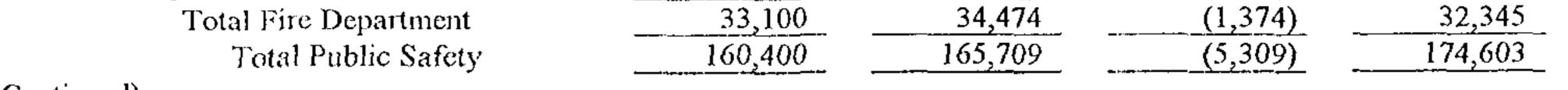
The accompanying notes are an integral part of these statements.

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Governmental Fund Type Delay December 31, 1000 With Commentative Actual Amounts For Vear Ended December 31, 199

Year Ended December 31, 1999 With Comparative Actual Amounts For Year Ended December 31, 1998

	General Fund						
	<u> </u>	1999					1998
Expenditures	Budget		Actual	F	Variance avorable nfavorable)		Actual
General and Administrative:				A		•	
Salaries, Mayor and Aldermen \$		\$	24,771	\$		\$	25,300
Salaries, Town Clerk	26,800		27,565		(765)		23,842
Salaries, Court Clerk	1,000		900		100		900
Office Expenses	5,000		4,171		829		3,344
Office Telephone	2,600		2,497		103		2,515
Advertising and Printing	3,000		1,966		1,034		2,347
Professional Services	20,500		18,591		1,909		20,088
Ducs, Subscriptions, and Meetings	4,000		3,755		245		7,549
Insurance (All Departments)	53,000		49,361		3,639		51,037
Employee Insurance (All Departments)	10,600		11,105		(505)		7,287
Employee Retirement (All Departments)	2,100		2,067		33		990
Payroll Taxes (All Departments)	21,000		18,594		2,406		16,534
Beautification	1,500		1,049		451		881
Building and Grounds Maintenance	100		69		31		8,964
Industrial Building Repairs	1,000		680		320		2,295
Capital Lease Principal Payments	500		448		52		-
Capital Lease Interest Payments	900		573		327		-
Miscellaneous	3,500		2,162		1,338		7,476
Capital Outlay	63,500		64,562		(1,062)		1,442
Total General and Administrative	246,100	<u> </u>	234,886		11,214	•	182,791
Public Safety:		• -					
Police Department:							
Salaries	96,000		100,164		(4,164)		92,651
Supplies	1,500		1,752		(252)		2,029
Automobile Expense	11,000		11,057		(57)		8,974
Automobile Fuel	6,500		6,387		113		6,098
Retirement	7,300		6,820		480		6,449
Miscellancous	3,500		3,599		(99)		1,578
Capital Outlay	1,500		1,456		44		24,479
Total Police Department	127,300		131,235	┙	(3,935)		142,258
Fire Department:							
Salaries	20,000		20,865		(865)		19,393
Miscellaneous	4,500		5,072		(572)		8,152
Capital Outlay	8,600		8,537		63		4,800
				·			



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(Continued)

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The accompanying notes are an integral part of these statements.

Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Governmental Fund Type

Year Ended December 31, 1999 With Comparative Actual Amounts For Year Ended December 31, 1998

		General Fund						
				1999		·····		1998
	-					Variance		
						Favorable		
Street Department:		Budget		Actual	_	(Unfavorable)		Actual
Salaries	\$	50,000	\$	52,993	\$	(2,993)	\$	43,656
Utilities, Street Lights		13,000		12,746		254		13,171
Repairs and Maintenance		3,000		3,294		(294)		4,626
Equipment Operation		11,000		10,517		483		11,953
Sidewalk Project		83,500		88,546		(5,046)		48,160
Miscellaneous		23,700		18,501		5,199		24,218
Capital Outlay		5,250		-		5,250		5,795
Total Street Department		189,450	· •	186,597	-	2,853		151,579
Sanitation Department:				<u></u>	-	·-··		
Collection Fees		45,000		43,995		1,005		45,859
Total Sanitation Department		45,000		43,995	-	1,005		45,859
Health Department:			<u> </u>		-	·-··		*_ <u></u>
Salaries		2,400		2,400		-		2,400
Miscellancous		1,400		1,085		315		590
Total Health Department		3,800		3,485	-	315		2,990
Parks and Recreation:			_		-	·		
Salaries		2,500		2,500		~		2,500
Supplies		6,500		6,256		244		1,252
Program		24,000		23,897		103		18,513
Miscellaneous		4,000		3,856		144		2,389
Total Parks and Recreation:		37,000		36,509	_	491		24,654
Total Expenditures		681,750		671,181	-	10,569		582,476
Excess Revenues (Expenditures)	•	(108,440)		(84,588)		23,852		(50,358)
Other Financing Sources (Uses)								
Sale of Fixed Assets		÷		-		-		955
Operating Transfers In		50,000		50,000		-		91,471
Donation Revenue		56,000		56,000		-		
Capital Lease Proceeds		7,500		8,562		1.062		_
Total Other Financing Sources (Uses)		113,500		114,562	_ 	1,062		92,426
Excess Revenues and Other Sources	\$	5,060		29,974	\$	24,914		42,068
Fund Balance, Beginning of Year				837,947	2			795,879
Fund Balance, End of Year			\$	867,921			\$	837.947



\$ 867,921

\$<u>83</u>7,947

(Concluded)

The accompanying notes are an integral part of these statements.

Proprietary Fund Enterprise Fund

To account for the provision of natural gas, water and sewer service to customers and residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operation, maintenance, financing and related debt service and billing and collection.

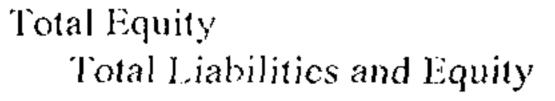
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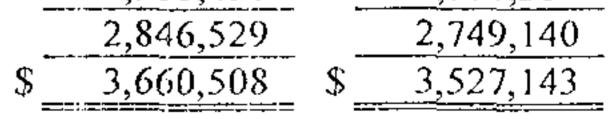
Schedule 3

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Comparative Balance Sheet Proprietary Fund Type December 31, 1999 and 1998

Assets		Enterp	rise	Fund
Current Assets:		1999		1998
Cash & Cash Equivalents	\$	566,930	\$	424,486
Inventory, Natural Gas		-		7,005
Accounts Receivable (Net of Allowance for Uncollectibles)		102,417		77,450
Accrued Interest		2,638		-
Prepaid Expenses		458		694
Total Current Assets		672,443		509,635
Restricted Cash and Cash Equivalents:		**************************************	-	
Bond Reserve Fund		69,588		69,588
Bond Depreciation and Contingency Fund		79,382		79,382
Customer Deposits		72,108		58,481
Total Restricted Assets	_	221,078		207,451
Property, Plant, and Equipment	_			
Buildings		11,229		6,479
Natural Gas, Water, and Sewer Systems		4,774,828		4,713,052
Machinery and Equipment		87,060		76,678
Accumulated Depreciation		(2,106,130)		(1,986,152)
Net Property, Plant, and Equipment		2,766,987		2,810,057
Total Assets	\$	3,660,508	\$	3,527,143
Liabilities and Equity		·		
Current Liabilities (Payable From Current Assets):				
Accounts Payable	\$	23,683	\$	37,776
Other Accrued Expenses	Ψ	4,756	Ψ	909
Revenue Bonds Payable		38,622		36,733
Due To General Fund		84,557		6,652
Total Current Liabilities (Payable From Current Assets)	_	151,618		82,070
Current Liabilities (Payable From Restricted Assets):		101,010	. 	02,070
Customer Deposits Payable		64,126		58,885
Total Current Liabilities (Payable From Restricted Assets)		64,126		58,885
Long-Term Liabilities:	_		_	
Revenue Bonds Payable		598,235		637,048
Total Long-Term Liabilities		598,235		637,048
Total Liabilities	Brar-	813,979	•	778,003
Equity:				
Contributed Capital		2,326,642		2,326,642
Accumulated Amortization		(945,534)		(887,686)
Retained Earnings, Reserve for Bond Retirement		69,588		69,588
Retained Earnings, Reserve for Bond Depreciation and Contingency		79,382		79,382
Retained Earnings, Unreserved		1,316,451	-	1,161,214





The accompanying notes are an integral part of these statements.

Schedule 4

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Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings Budget (GAAP Basis) and Actual - Proprietary Fund Type

Year Ended December 31, 1999 With Comparative Actual Amounts For Year Ended December 31, 1998

				Enterp	rise Fi	und		
				1999				1998
		Dudent		Actual]	Variance Favorable		A
Operating Revenues		Budget	u	Actual	<u>(0</u>	nfavorable)		Actual
Gas Sales	\$	202,000	\$	201,438	\$	(562)	\$	191,863
Less Cost of Gas Sold		(80,000)		(76,146)		3,854		(75,761)
Gross Profit on Gas Sales		122,000	_	125,292		3,292	<u></u>	116,102
Water Sales		300,000		304,112		4,112		231,065
Sewer Service Charges		75,000		74,990		(10)		68,215
Service Connection Charges		25,500		25,607		107		26,777
Delinquent Charges		15,000		14,680		(320)		12,627
Other Operating Revenues		500		218		(282)		218
Total Operating Revenues		538,000		544,899		6,899		455,004

Operating Expenses				
Maintenance Salaries	80,000	80,642	(642)	68,570
Office Salaries	39,500	40,879	(1,379)	37,496
Contract Repairs	4,500	3,401	1,099	22,269
Materials and Supplies	46,000	48,101	(2,101)	21,470
Uniform Rental	800	612	188	757
Truck Expense	6,000	6,021	(21)	5,270
Equipment Expense	5,000	667	4,333	-
Sewer Expense	11,500	11,036	464	11,457
Office Expense	13,500	10,305	3,195	11,649
Employee Insurance	4,500	4,524	(24)	-
Employee Retirement	2,400	2,325	75	1,209
Payroll Taxes	10,500	9,156	1,344	8,107
Professional Services	25,000	28,134	(3,134)	11,071
Depreciation	105,000	119,978	(14,978)	96,598
Utilities	23,500	20,091	3,409	21,014
Insurance	15,200	5,301	9,899	14,344
Bad Debt Expense	-	3,822	(3,822)	-
Other Operating Expenses	5,600	6,958	(1,358)	3,246
Total Operating Expenses	398,500	401,953	(3,453)	334,527
Operating Income	139,500	142,946	3,446	120,477

(Continued)

The accompanying notes are an integral part of these statements.

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Town of Livingston, Louisiana

Schedule 4

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings Budget (GAAP Basis) and Actual - Proprietary Fund Type

Year Ended December 31, 1999 With Comparative Actual Amounts For Year Ended December 31, 1998

	Enterprise Fund							
				1999				1998
		Dudget		Actual		Variance Favorable	<u></u>	Actual
Nonoperating Revenues (Expenses)	-	Budget	_	Actual	<u>_</u>	Unfavorable)		Actual
• •	\$	36,000	\$	37,106	\$	1,106	\$	44,062
Interest Expense		(33,000)	 -	(32,663)	 .	337		(34,637)
Total Nonoperating Revenues (Expenses	s)	3,000		4,443	-	1,443		9,425
Operating Transfers In (Out)		(50,000)		(50,000)		_		(91,438)
Net Income	\$	<u>92,500</u>		97,389	\$	4,889		38,464
Unreserved Retained Earnings, Beginning				1,161,214				1,081,745

Amortization of Contributions	57,848	44,236
Increases in Reserves		(3,231)
Unreserved Retained Earnings, Ending	\$1,316,451	\$ <u>1,161,214</u>

(Concluded)

The accompanying notes are an integral part of these statements.

Schedule 5

631,937

\$

788,008

\$

969,380

631,937

Schedule of Cash Flows Proprietary Fund Type Years Ended December 31, 1999 and 1998

	Enterprise Fu			Ind	
		1999		1998	
Cash Flows From Operating Activities					
Operating Income	\$	142,946 \$	1	120,477	
Adjustments to Reconcile Operating Income to Net Cash Provided (Used)				·	
by Operating Activities:					
Depreciation		119,978		96,598	
Change in Inventory		7,005		(5,080	
Change in Accounts Receivable		(24,967)		12,287	
Change in Accrued Interest		(2,638)			
Change in Prepaid Expenses		236		479	
Change in Accounts Payable		(14,093)		17,262	
Change in Other Accrued Expenses		3,847		(1,406	
Change in Due to Other Funds		77,905		(70,908	
Change in Customer Deposits Payable		5,241		4,061	
Net Cash Provided (Used) by Operating Activities		315,460		173,770	
Cash Flows From Capital and Related Financing Activities					
Capital Improvements		(76,908)		(938,752)	
Capital Contributions		-		544,503	
Principal Repayments, Revenue Bonds Payable		(36,924)		(34,951)	
Operating Transfers Out		(50,000)		(91,438)	
Interest Revenue		37,106		44,062	
Interest Expense		(32,663)		(34,637)	
Net Cash Provided (Used) by Capital and Related Financing Activities		(159,389)		(511,213)	
Net Increase (Decrease) in Cash		156,071		(337,443)	
Cash at Reginning of Veen		****		(

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Cash at Beginning of Year Cash at End of Year

Schedule 6

Comparative Schedule of Changes in Assets Restricted for RUS Debt Service Proprietary Fund Type Years Ended December 31, 1999 and 1998

				1999	
	_	Bond	Ĩ	Depreciation	
		Reserve	&	Contingency	
		Fund		Fund	Total
Balance, Beginning of Year	\$	69,588	\$	79,382	\$ 148,970
Receipts		-		-	-
Disbursements		-		-	-
Balance, End of Year	\$	69,588	\$	79,382	\$ 148,970
				1998	
		Bond	I	Depreciation	 <u></u>
		Reserve		Contingency	
		Fund		Fund	Total
Balance, Beginning of Year	\$	69,588	\$	76,151	\$ 145,739
Receipts		-		3,231	3,231

Disbursements Balance, End of Year

\$<u>69,588</u> \$<u>79,382</u> \$<u>148,970</u>

The accompanying notes are an integral part of these statements.

Schedule 7

Comparative Schedule of Gas Sales and Purchases Proprietary Fund Type Years Ended December 31, 1999 and 1998

	12/31/99	12/31/98
Gas Sales and Purchases (Dollars) Gas Sales Gas Purchases Gross Profit	\$ 199,497 \$ (76,146) \$ 123,351 \$	189,903 (75,761) 114,142
Gross Profit Percentage of Sales	61.8%	60.1%
Gas Unaccounted For (Thousands of Cubic Feet) Gas Sales Gas Purchases Gas Unaccounted For	23,367 24,106 739	23,256 23,528 272
Cost of Gas Unaccounted For (Gain) or Loss	\$ 2,335 \$	876

Number of Customers

In Service - Residential Customers In Service - Commercial Customers In Service - Industrial Customers Number of Customers

395	379
43	43
1	1
439	423

Gas Sales and Purchases Per Service Category at 12/31/99

Gas Sales and Purchases Fer Service Category at 12/04/99	Re	esidential	Cor	nmercial	.	Industrial
(Per Thousand Cubic Feet) Gas Sales	\$	7.92	\$	10.91	\$	9.13
Gas Purchases (Average Cost)		(3.16)		(3.16)	_ _	(3.16)
Gross Profit	\$	4.76	\$	7.75	\$ ==	5.97

The accompanying notes are an integral part of these statements.

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Schedule 8

Utility Rate Schedule Proprietary Fund Type December 31, 1999

		Resid	ential	Commercial		
Gas Rates			In Town	Out of Town	In Town	Out of Town
1	-	500 Cubic Feet (Flat Fee)	6.81	6.81	6.81	6.81
501	-	4000 Cubic Feet (Per 1000)	6.44	8.44	8.44	8.44
4001	-	12000 Cubic Feet (Per 1000)	6.32	8.32	8.32	8.32
12001	-	Over Cubic Feet (Per 1000)	6.22	8.22	8.22	8.22

		Resid	lential	In Town or Out of Town			
Sewer Rates		In Town	Out of Town	Commercial	Industrial		
Flat Rate		7.00	9.50		<u> </u>		
1 -	8500 Gallons Water (Flat Fee)	-	_	8.50	57.00		
8501 -	Over Gallons Water (Per 1000)	-	-	0.50	0.80		

Residential & Commercial

Industrial

					c Commorviar		301 mai
Water Rate	es			In Town	Out of Town	In Town	Out of Town
1	-	3000	Gallons (Flat Fee)	8.75			-
3001	-	6000	Gallons (Per 1000)	1.30	-	-	-
6001	-	11000	Gallons (Per 1000)	1.25	_	-	-
11001	•	21000	Gallons (Per 1000)	0.80	_	-	-
21001	-	Over	Gallons (Per 1000)	0.80	-	-	-
1	-	2000	Gallons (Flat Fee)	-	12.75	-	-
2001	-	10000	Gallons (Per 1000)	-	1.45	-	-
10001	-	Over	Gallons (Per 1000)	-	1.30	-	-
]	_	50000	Gallons (Flat Fee)	-	-	60.00	65.00
50001	-	75000	Gallons (Per 1000)	_	-	1.00	1.10
			Gallons (Per 1000)	-	_	0.90	1.00

Town of Livingston, Louisiana

Schedule 9

Schedule of Utility Customers Proprietary Fund Type December 31, 1999

	Residential	Commercial	Industrial	Total
Gas Customers	395	43	1	439

Sewer Customers	666	87	1	754
Water Customers	1,338	126	1	1,465

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General Fixed Assets Account Group

To account for property, plant and equipment not used in Proprietary Fund operations.



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Town of Livingston, Louisiana Schedule of General Fixed Assets General Fixed Assets Account Group December 31, 1999	Schedule 10
General Fixed Assets at Cost	
Land \$	110,000
Buildings and Improvements	701,490
Equipment	567,986
Construction in Progress	9,400
Total General Fixed Assets	1,388,876
Investment in General Fixed Assets	
General Fund	631,827
Federal Revenue Sharing	29,279
Antirecession	2,201
Public Improvement Bonds	65,075
Federal Grants	421,756
State Grants	92,284
FY 1999 Louisiana Community Development Block Grant	9,400

Gifts Special Assessment Fund Total Investment in General Fixed Assets

Note: certain improvements, such as streets and sidewalks, are not capitalized.

112,580 24,474 \$ 1,388,876

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The accompanying notes are an integral part of these statements.

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General Long-Term Debt Account Group

To account for long-term obligations expected to be financed from governmental funds.

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Schedule 11

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Schedule of General Long-Term Debt General Long-Term Debt Account Group December 31, 1999

Amount to be Provided for Repayment of General Long-Term Debt: \$ 8,114 Amount to be Provided for Capital Lease Payments \$ 8,114 Total Amount to be Provided for Repayment of General Long-Term Debt \$ 8,114 General Long-Term Debt: \$ 8,114 Capital Leases Payable: \$ 8,114 Photocopier Lease \$ 8,114 Total General Long-Term Debt \$ 8,114

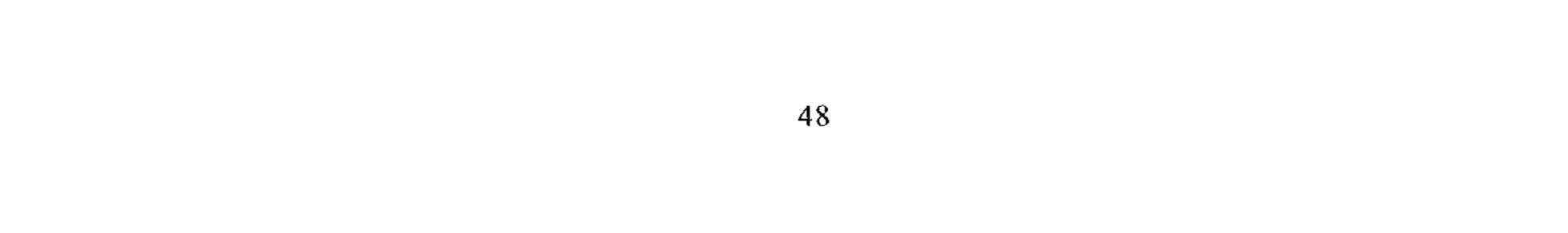
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Supplemental Information

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Schedule 12

Schedule of Expenditures of Federal Awards Year Ended December 31, 1999

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	E	Federal spenditures
United States Department of Housing and Urban Development Passed Through Louisiana State Division of Administration				
Fiscal Year 1999 LCDBG Project	14.219	-	\$	9,400
United States Department of Justice Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice Law Enforcement Equipment	16.592	_		1,103
United States Department of Transportation Federal Highway Administration Passed Through Louisiana Department of Transportation				
Livingston Sidewalk Project	20.205	-		70,186

Total Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of Livingston, Louisiana and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the primary government financial statements.

Note 2 - Loans Outstanding

The Town of Livingston, Louisiana had the following loan balances outstanding at December 31, 1999. These loan balances are not included in the federal expenditures presented in the schedule:

Federal Grantor Pass-Through Grantor Program Title	Federal CFDA Number	С	Amount Outstanding 12/31/99
United States Department of Agriculture			
Passed Through United States Department of Agriculture			
Water And Waste Disposal Loans and Grants			
Loan Repayment (Loan #91-01)	10.770	\$	30,554
Loan Repayment (Loan #92-01)	10.770		15,614
Loan Repayment (Loan #93-03)	10.770		474,663

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Loan Repayment (Loan #97-04) Total Loans Outstanding

116,026 10.770 636,857

Schedule of Insurance Year Ended December 31, 1999

Insurance Company	Coverage Commercial Property: Town Hall Building Machinery & Equipment Business Property Fire Station Maintenance Shop		Amount	Period
The Hartford Policy Number 43UECKI7231			232,020 Blanket Limit	12/10/99 - 12/10/00
EMC Insurance Company Policy Number T207924	Public Employee Fidelity Bond	\$	25,000	01/23/99 - 01/23/00
EMC Insurance Company Policy Number \$089816	Rural Utility Service Fidelity Bond: Mayor Clerk	\$	150,000 150,000	09/22/99 - 09/22/00

Audubon Indemnity Company Policy Number APD822021

EMC Insurance Company Policy Number 1X2091500

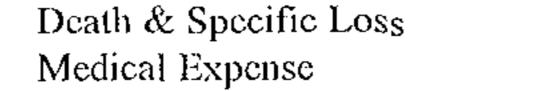
Risk Management, Inc. Policy Number 010400

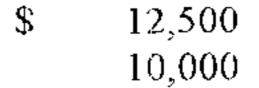
Risk Management, Inc. Policy Number LML195

Western Surety Company Policy Number 13572465

National Casualty Company Policy Number 4029468644

Commercial Auto: Physical Damage	\$ 224,793	05/25/99 - 05/25/00
Commercial Property: Industrial Building Rental Income	\$ 300,000 15,000	12/10/99 - 12/10/00
Workers' Compensation	\$ Statutory Limits	01/01/99 - 01/01/00
Automobile Liability: Owned Hired Non-Owned General Liability: Premises/Operations Completed Operations Medical Payments Fire Legal Liability Police Professional Liability Errors & Omissions Liability	\$ 500,000 Combined Single Limit	05/23/99 - 05/23/00
Notary Bond	\$ 5,000	07/26/95 - 07/26/00
Sports Accident Insurance: Summer Baseball Program:		03/23/99 - 09/23/99





The accompanying notes are an integral part of these statements.

Schedule 14

Schedule of Per Diem Payments Year Ended December 31, 1999

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Total
Salaries and
Fees
Received
\$ 14,121
2,100
2,100
2,100
2,175
2,175
<u>\$ 24,771</u>

51

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Schedule 15

Summary Schedule of Prior Year Audit Findings Year Ended December 31, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

Reference Number: 98-1

Fiscal Year Initially Occurred: Fiscal year ended December 31, 1998

Description of Finding: It was noted that the Town of Livingston, Louisiana had performed a preliminary inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue, and that significant action had been taken to achieve year 2000 compliance. For accounting and utility billing programs, changes to achieve year 2000 compliance were scheduled to be completed during the third quarter of 1999. In addition, it was noted that for the utility system, year 2000 compliance may be affected by the operation of electrical components within utility plants.

Corrective Action Taken: Yes

Additional Explanation:

One minor software error was attributed by the Town to the year 2000 issue; the Town's aged accounts receivable listing showed all past due accounts to be zero as of January 1, 2000. This software error was corrected within a few days of its discovery, and all accounts receivable aging data was successfully recovered. No other year 2000 problems were encountered by the Town.

Section II - Internal Control and Compliance Material to Federal Awards

No section II findings.

Section III - Management Letter

No section III findings.



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Schedule 16

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Corrective Action Plan for Current Year Audit Findings Year Ended December 31, 1999

Section I - Internal Control and Compliance Material to the Financial Statements

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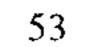
Reference Number	99-1
Description of Finding:	The Town of Livingston, Louisiana did not make daily deposits of its General Fund revenues as required by Louisiana Revised Statute § 39:1212.
Corrective Action Planned:	The Town will make daily deposits of General Fund revenues effective immediately.
Anticipated Completion Date:	May 15, 2000
Name of Contact Person:	D. Derral Jones, Mayor Town of Livingston, Louisiana 20550 Circle Drive Livingston, Louisiana 20754

(225) 686-7153

Section II - Management Letter

No section II findings.

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Bruce C. Harrell, CPA

Warren A. Wool, CPA Michael P. Estay, CPA Dale H. Jones, CPA Charles P. Hebert, CPA James D. Rabalais, CPA

BRUCE HARRELL & CO. CERTIFIED PUBLIC ACCOUNTANTS A Professional Accounting Corporation

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MEMBERS American Institute of CPAs Society of Louisiana CPAs

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

The Honorable Mayor Derral Jones and Members of the Board of Aldermen Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated May 15, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Livingston, Louisiana's primary government 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 one instance of noncompliance that is required to be reported under *Governmental Auditing Standards* which is described in the accompanying schedule of Corrective Action Plan for Current Year Audit Findings as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Livingston, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide assurance on the internal control over financial reporting. Our 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 the risk that misstatements in amounts that would be material in relation to the primary government 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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BRUCE HARRELL & CO. CERTIFIED PUBLIC ACCOUNTANTS A Professional Accounting Corporation

The Honorable Mayor Derral Jones and Members of the Board of Aldermen Town of Livingston, Louisiana

Page 2

This report is intended for the information of the management of the Town of Livingston, Louisiana, the Legislative Auditor, and the cognizant Federal Agency. However, this report is a matter of public record and its distribution is not limited.

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Bruce Harrell & Company, CPAs A Professional Accounting Corporation

May 15, 2000

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