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Town of Livingston, Louisiana

Annual Financial Report
December 31, 1999

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

Release Date 8-30-00

Town of Livingston, Louisiana

**Annual Financial Report
Year Ended December 31, 1999**

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Town of Livingston, Louisiana

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

Page 2

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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

May 15, 2000

Town of Livingston, Louisiana

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

Assets	Governmental Fund Types		Proprietary Fund Type
	General Fund	Capital Project Fund	Enterprise Fund
Cash and Cash Equivalents	\$ 772,184	\$ 5	\$ 566,930
Taxes Receivable	34,972	-	-
Accounts Receivable, Net	-	-	102,417
Prepaid Expenses	-	-	458
Royalties Receivable	152	-	-
Accrued Interest	528	-	2,638
Due From Other Funds	84,562	-	-
Due From Other Governments	1,850	-	-
Restricted Cash and Cash Equivalents	-	-	221,078
Amount to be Provided for Capital Lease Payments	-	-	-
Property, Plant, and Equipment, Net	-	-	2,766,987
Total Assets	\$ 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:			
Customer Deposits	-	-	64,126
Long-Term Debt:			
Capital Leases Payable	-	-	-
Revenue Bonds Payable	-	-	598,235
Total Liabilities	26,327	5	813,979
Equity:			
Contributed Capital, Net	-	-	1,381,108
Investment in General Fixed Assets	-	-	-
Retained Earnings:			
Reserved for Bond Retirement	-	-	69,588
Reserved for Bond Contingency	-	-	79,382
Unreserved	-	-	1,316,451
Fund Balance:			
Unreserved & Undesignated	867,921	-	-
Total Equity	867,921	-	2,846,529
Total Liabilities & Equity	\$ 894,248	\$ 5	\$ 3,660,508

The accompanying notes are an integral part of these statements.

Statement A

Account Groups		
General Fixed Assets	General Long-Term Debt	Total (Memo Only)
\$ -	\$ -	\$ 1,339,119
-	-	34,972
-	-	102,417
-	-	458
-	-	152
-	-	3,166
-	-	84,562
-	-	1,850
-	-	221,078
-	8,114	8,114
<u>1,388,876</u>	-	<u>4,155,863</u>
<u>\$ 1,388,876</u>	<u>\$ 8,114</u>	<u>\$ 5,951,751</u>
\$ -	\$ -	\$ 35,947
-	-	18,467
-	-	352
-	-	38,622
-	-	84,562
-	-	64,126
-	8,114	8,114
-	-	598,235
-	<u>8,114</u>	<u>848,425</u>
-	-	1,381,108
1,388,876	-	1,388,876
-	-	69,588
-	-	79,382
-	-	1,316,451
-	-	867,921
<u>1,388,876</u>	-	<u>5,103,326</u>
<u>\$ 1,388,876</u>	<u>\$ 8,114</u>	<u>\$ 5,951,751</u>

Town of Livingston, Louisiana

Statement B

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

	<u>General Fund</u>	<u>Capital Project Fund</u>	<u>Total (Memo Only)</u>
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	<u>586,593</u>	<u>9,400</u>	<u>595,993</u>
 Expenditures			
General and Administrative	170,324	-	170,324
Public Safety	155,716	-	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	<u>671,181</u>	<u>9,400</u>	<u>680,581</u>
 Excess Revenues (Expenditures)	<u>(84,588)</u>	<u>-</u>	<u>(84,588)</u>
 Other Financing Sources (Uses)			
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)	<u>114,562</u>	<u>-</u>	<u>114,562</u>
 Excess Revenues and Other Sources (Expenditures and Other Uses)	<u>29,974</u>	<u>-</u>	<u>29,974</u>
Fund Balance, Beginning of Year	<u>837,947</u>	<u>-</u>	<u>837,947</u>
Fund Balance, End of Year	<u>\$ 867,921</u>	<u>\$ -</u>	<u>\$ 867,921</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 243,000	\$ 247,504	\$ 4,504
Licenses and Permits	75,700	76,550	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	<u>573,310</u>	<u>586,593</u>	<u>13,283</u>
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	<u>681,750</u>	<u>671,181</u>	<u>10,569</u>
Excess Revenues (Expenditures)	<u>(108,440)</u>	<u>(84,588)</u>	<u>23,852</u>
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)	<u>113,500</u>	<u>114,562</u>	<u>1,062</u>
Excess Revenues and Other Sources (Expenditures and Other Uses)	<u>\$ 5,060</u>	<u>29,974</u>	<u>\$ 24,914</u>
Fund Balance, Beginning of Year		<u>837,947</u>	
Fund Balance, End of Year		<u>\$ 867,921</u>	

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Statement D

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

	<u>Enterprise Fund</u>
Operating Revenues	
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	<u>544,899</u>
 Operating Expenses	
Salaries	121,521
Contract Repairs	3,401
Materials and Supplies	48,101
Uniform Rental	612
Truck Expense	6,021
Equipment Expense	667
Sewer Expense	11,036
Office Expense	10,305
Employee Insurance	4,524
Employee Retirement	2,325
Payroll Taxes	9,156
Professional Services	28,134
Depreciation	119,978
Utilities	20,091
Insurance	5,301
Bad Debt Expense	3,822
Other Operating Expenses	6,958
Total Operating Expenses	<u>401,953</u>
 Operating Income	 <u>142,946</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Statement D

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

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

(Concluded)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Statement E

**Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 1999**

	<u>Enterprise Fund</u>
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	<u>315,460</u>
 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	<u>(159,389)</u>
 Net Increase in Cash	 156,071
Cash at Beginning of Year	<u>631,937</u>
Cash at End of Year	<u>\$ 788,008</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana
Notes to the Financial Statements

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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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:

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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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 earned, 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 earned (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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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:

1. The Town Clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget 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 the increase 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 the General, Capital Projects, and Enterprise Funds are adopted on a basis consistent with 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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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.

II. 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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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

Town of Livingston, Louisiana
Notes to the Financial Statements

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.

3. Cash and Cash Equivalents

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

Demand Deposits	\$ 105
Interest-Bearing Demand Deposit	478,661
Louisiana Assets Management Pool	21,716
Time Deposits	<u>1,059,715</u>
	<u>\$ 1,560,197</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 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.

4. Investments

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the municipality or its agent in the Town's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Town's name

**Town of Livingston, Louisiana
Notes to the Financial Statements**

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:		
Louisiana Tobacco Tax Distribution		1,349
Louisiana Beer Tax Distribution		501
Accrued Interest:		
Hibernia National Bank		528
Royalties:		
Forcenergy, Inc.		152
	<u>\$</u>	<u>37,502</u>

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>90,943</u>
Allowance for Bad Debt		<u>(1,000)</u>
Accounts Receivables, Net		89,943
Accrued Billings		12,474
	<u>\$</u>	<u>102,417</u>

6. Fixed Assets

The changes in general fixed assets follow:

	Beginning Balance	Asset Additions	Asset Deletions	Ending Balance
Land	\$ 54,000	\$ 56,000	\$ -	\$ 110,000
Buildings & Improvements	701,490	-	-	701,490
Equipment	549,430	18,556	-	567,986
Construction In Progress	-	9,400	-	9,400
	<u>\$ 1,304,920</u>	<u>\$ 83,956</u>	<u>-</u>	<u>\$ 1,388,876</u>

**Town of Livingston, Louisiana
Notes to the Financial Statements**

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:

	<u>Cost</u>	<u>Accumulated Depreciation</u>	<u>Net</u>	<u>Current-Year Depreciation</u>
Buildings	\$ 11,229	\$ 4,884	\$ 6,345	\$ 223
Gas System	615,883	432,042	183,841	7,554
Water System	1,476,200	470,110	1,006,090	37,781
Sewer System	2,682,745	1,148,423	1,534,322	66,504
Machinery and Equipment	87,060	50,671	36,389	7,916
	<u>\$ 4,873,117</u>	<u>\$ 2,106,130</u>	<u>\$ 2,766,987</u>	<u>\$ 119,978</u>

7. Pension Plans

The Town of Livingston, Louisiana entered the Municipal Police Employees Retirement System of Louisiana, a cost-sharing, 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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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:

	Interfund Receivables	Interfund Payables
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

**Town of Livingston, Louisiana
Notes to the Financial Statements**

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	\$ 673,781
Bonds/Notes Retired	(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 Fund Bonds	Current Amount	Long-term Amount	Total 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).	\$ 35,919	\$ 554,769	\$ 590,688
\$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).	1,807	28,747	30,554
\$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).	896	14,719	15,615
General Obligation Bonds Payable	2,703	43,466	46,169
Total Proprietary Fund Bonds	\$ 38,622	\$ 598,235	\$ 636,857

Town of Livingston, Louisiana
Notes to the Financial Statements

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 December 31	Proprietary 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

**Town of Livingston, Louisiana
Notes to the Financial Statements**

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	<u>2,326,642</u>
Accumulated Amortization	<u>(945,534)</u>
Net Contributed Capital	<u><u>\$ 1,381,108</u></u>

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 pro rata 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:

Equipment	\$ 8,562
	<u>\$ 8,562</u>

Town of Livingston, Louisiana
Notes to the Financial Statements

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:

	Equipment
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 Obligations Payable 12/31/98	Additions	Deductions	Long-Term Obligations Payable 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.

Town of Livingston, Louisiana
Notes to the Financial Statements

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.

General Fund

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

Town of Livingston, Louisiana

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	<u>\$ 894,248</u>	<u>\$ 849,895</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 12,264	\$ 9,656
Other Accrued Expenses	13,711	2,292
Protested Taxes	352	-
Total Liabilities	<u>26,327</u>	<u>11,948</u>
Fund Balance:		
Unreserved & Undesignated	<u>867,921</u>	<u>837,947</u>
Total Fund Balance	<u>867,921</u>	<u>837,947</u>
Total Liabilities and Fund Balance	<u>\$ 894,248</u>	<u>\$ 849,895</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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

Revenues	General Fund			
	Budget	Actual	Variance Favorable (Unfavorable)	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 Video Poker Tax Distribution	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	27	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	1,103	3	3,399
Total Revenues	<u>573,310</u>	<u>586,593</u>	<u>13,283</u>	<u>532,118</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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

Expenditures	General Fund			1998 Actual
	1999 Budget	1999 Actual	Variance Favorable (Unfavorable)	
<i>General and Administrative:</i>				
Salaries, Mayor and Aldermen	\$ 25,500	\$ 24,771	\$ 729	\$ 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
Dues, 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	<u>246,100</u>	<u>234,886</u>	<u>11,214</u>	<u>182,791</u>
<i>Public Safety:</i>				
<i>Police Department:</i>				
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
Miscellaneous	3,500	3,599	(99)	1,578
Capital Outlay	1,500	1,456	44	24,479
Total Police Department	<u>127,300</u>	<u>131,235</u>	<u>(3,935)</u>	<u>142,258</u>
<i>Fire Department:</i>				
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
Total Fire Department	<u>33,100</u>	<u>34,474</u>	<u>(1,374)</u>	<u>32,345</u>
Total Public Safety	<u>160,400</u>	<u>165,709</u>	<u>(5,309)</u>	<u>174,603</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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			
	1999		Variance	1998
	Budget	Actual	Favorable (Unfavorable)	Actual
Street Department:				
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	<u>189,450</u>	<u>186,597</u>	<u>2,853</u>	<u>151,579</u>
Sanitation Department:				
Collection Fees	45,000	43,995	1,005	45,859
Total Sanitation Department	<u>45,000</u>	<u>43,995</u>	<u>1,005</u>	<u>45,859</u>
Health Department:				
Salaries	2,400	2,400	-	2,400
Miscellaneous	1,400	1,085	315	590
Total Health Department	<u>3,800</u>	<u>3,485</u>	<u>315</u>	<u>2,990</u>
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:	<u>37,000</u>	<u>36,509</u>	<u>491</u>	<u>24,654</u>
Total Expenditures	<u>681,750</u>	<u>671,181</u>	<u>10,569</u>	<u>582,476</u>
Excess Revenues (Expenditures)	<u>(108,440)</u>	<u>(84,588)</u>	<u>23,852</u>	<u>(50,358)</u>
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)	<u>113,500</u>	<u>114,562</u>	<u>1,062</u>	<u>92,426</u>
Excess Revenues and Other Sources	<u>\$ 5,060</u>	<u>29,974</u>	<u>\$ 24,914</u>	<u>42,068</u>
Fund Balance, Beginning of Year		837,947		795,879
Fund Balance, End of Year		<u>\$ 867,921</u>		<u>\$ 837,947</u>

(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.

Town of Livingston, Louisiana

Schedule 3

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

Assets	Enterprise 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	4,756	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):		
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	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
Total Equity	2,846,529	2,749,140
Total Liabilities and Equity	\$ 3,660,508	\$ 3,527,143

The accompanying notes are an integral part of these statements.

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			1998 Actual
	1999 Budget	1999 Actual	Variance Favorable (Unfavorable)	
Operating Revenues				
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	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.

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			1998 Actual
	1999 Budget	1999 Actual	Variance Favorable (Unfavorable)	
Nonoperating Revenues (Expenses)				
Interest Revenue	\$ 36,000	\$ 37,106	\$ 1,106	\$ 44,062
Interest Expense	(33,000)	(32,663)	337	(34,637)
Total Nonoperating Revenues (Expenses)	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	\$ <u>4,889</u>	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		\$ <u>1,316,451</u>		\$ <u>1,161,214</u>

(Concluded)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 5

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

	Enterprise Fund	
	1999	1998
Cash Flows From Operating Activities		
Operating Income	\$ 142,946	\$ 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 Beginning of Year	631,937	969,380
Cash at End of Year	\$ 788,008	\$ 631,937

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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 Reserve Fund	Depreciation & Contingency Fund	Total
Balance, Beginning of Year	\$ 69,588	\$ 79,382	\$ 148,970
Receipts	-	-	-
Disbursements	-	-	-
Balance, End of Year	<u>\$ 69,588</u>	<u>\$ 79,382</u>	<u>\$ 148,970</u>

	1998		
	Bond Reserve Fund	Depreciation & Contingency 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.

Town of Livingston, Louisiana

Schedule 7

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

	<u>12/31/99</u>	<u>12/31/98</u>	
Gas Sales and Purchases (Dollars)			
Gas Sales	\$ 199,497	\$ 189,903	
Gas Purchases	<u>(76,146)</u>	<u>(75,761)</u>	
Gross Profit	<u>\$ 123,351</u>	<u>\$ 114,142</u>	
Gross Profit Percentage of Sales	61.8%	60.1%	
 Gas Unaccounted For (Thousands of Cubic Feet)			
Gas Sales	23,367	23,256	
Gas Purchases	<u>24,106</u>	<u>23,528</u>	
Gas Unaccounted For	<u>739</u>	<u>272</u>	
Cost of Gas Unaccounted For (Gain) or Loss	\$ 2,335	\$ 876	
 Number of Customers			
In Service - Residential Customers	395	379	
In Service - Commercial Customers	43	43	
In Service - Industrial Customers	<u>1</u>	<u>1</u>	
Number of Customers	<u>439</u>	<u>423</u>	
 Gas Sales and Purchases Per Service Category at 12/31/99 (Per Thousand Cubic Feet)			
	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
Gas Sales	\$ 7.92	\$ 10.91	\$ 9.13
Gas Purchases (Average Cost)	<u>(3.16)</u>	<u>(3.16)</u>	<u>(3.16)</u>
Gross Profit	<u>\$ 4.76</u>	<u>\$ 7.75</u>	<u>\$ 5.97</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 8

Utility Rate Schedule
Proprietary Fund Type
December 31, 1999

Gas Rates	Residential		Commercial	
	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

Sewer Rates	Residential		In Town or Out of Town	
	In Town	Out of Town	Commercial	Industrial
Flat Rate	7.00	9.50	-	-
1 - 8500 Gallons Water (Flat Fee)	-	-	8.50	57.00
8501 - Over Gallons Water (Per 1000)	-	-	0.50	0.80

Water Rates	Residential & Commercial		Industrial	
	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	-	-
1 - 50000 Gallons (Flat Fee)	-	-	60.00	65.00
50001 - 75000 Gallons (Per 1000)	-	-	1.00	1.10
75001 - Over 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

The accompanying notes are an integral part of these statements.

General Fixed Assets Account Group

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

Town of Livingston, Louisiana

Schedule 10

Schedule of General Fixed Assets
General Fixed Assets Account Group
December 31, 1999

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	<u>\$ 1,388,876</u>

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	112,580
Special Assessment Fund	24,474
Total Investment in General Fixed Assets	<u>\$ 1,388,876</u>

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

The accompanying notes are an integral part of these statements.

General Long-Term Debt Account Group

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

Town of Livingston, Louisiana

Schedule 11

**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:

Amount to be Provided for Capital Lease Payments	\$ <u>8,114</u>
Total Amount to be Provided for Repayment of General Long-Term Debt	\$ <u><u>8,114</u></u>

General Long-Term Debt:

Capital Leases Payable:	
Photocopier Lease	\$ <u>8,114</u>
Total General Long-Term Debt	\$ <u><u>8,114</u></u>

The accompanying notes are an integral part of these statements.

Supplemental Information

Town of Livingston, Louisiana

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	Federal Expenditures
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	-	<u>70,186</u>
Total Expenditures of Federal Awards			\$ <u>80,689</u>

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	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
Loan Repayment (Loan #97-04)	10.770	<u>116,026</u>
Total Loans Outstanding		\$ <u>636,857</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 13

Schedule of Insurance
Year Ended December 31, 1999

Insurance Company	Coverage	Amount	Period
The Hartford Policy Number 43UECKI7231	Commercial Property: Town Hall Building Machinery & Equipment Business Property Fire Station Maintenance Shop	\$ 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 S089816	Rural Utility Service Fidelity Bond: Mayor Clerk	\$ 150,000 150,000	09/22/99 - 09/22/00
Audubon Indemnity Company Policy Number APD822021	Commercial Auto: Physical Damage	\$ 224,793	05/25/99 - 05/25/00
EMC Insurance Company Policy Number 1X2091500	Commercial Property: Industrial Building Rental Income	\$ 300,000 15,000	12/10/99 - 12/10/00
Risk Management, Inc. Policy Number 010400	Workers' Compensation	\$ Statutory Limits	01/01/99 - 01/01/00
Risk Management, Inc. Policy Number LML195	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
Western Surety Company Policy Number 13572465	Notary Bond	\$ 5,000	07/26/95 - 07/26/00
National Casualty Company Policy Number 4029468644	Sports Accident Insurance: Summer Baseball Program: Death & Specific Loss Medical Expense	\$ 12,500 10,000	03/23/99 - 09/23/99

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

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
Derral Jones, Mayor	\$ 14,121
Brent Bencaz, Alderman	2,100
Gregory Bencaz, Alderman	2,100
Julia Higginbotham, Alderwoman	2,100
Randy Morgan, Alderman	2,175
Joey Sibley, Alderman	2,175
	<u>\$ 24,771</u>

The accompanying notes are an integral part of these statements.

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.

Town of Livingston, Louisiana

Schedule 16

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

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

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 70754
(225) 686-7153

Section II - Management Letter

No section II findings.

Bruce C. Harrell, CPA

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

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MEMBERS
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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.

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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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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

May 15, 2000