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TOWN OF ST. FRANCISVILLE, LOUISIANA
FINANCIAL REPORT
AUGUST 31, 1999

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

Release Date FEB 7 6 2000



Postlethwaite & Netterville

(A Professional Accounting Corporation)
CERTIFIED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • GONZALES • NEW ORLEANS • ST. FRANCISVILLE
LOUISIANA

TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 1999



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A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of St. Francisville, Louisiana, as of August 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of St. Francisville as of August 31, 1999, and the results of its operations of its governmental funds for the year then ended and the results of its operations and the cash flows of its proprietary fund type for each of the two years in the period ended August 31, 1999 in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 1999 on our consideration of the Town of St. Francisville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of St. Francisville. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole, except for that information related to the water rates. This information was furnished to us by the town and we express no opinion on it.

The year 2000 supplementary information on page 43 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of St. Francisville, Louisiana is or will become year 2000 compliant, that the Hospital's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Hospital does business are or will become year 2000 compliant.

Postlethwaite & Metterville

St. Francisville, Louisiana
October 29, 1999





Postlethwaite & Netterville

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CERTIFIED PUBLIC ACCOUNTANTS

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

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the financial statements of the Town of St. Francisville, Louisiana, as of and for the year ended August 31, 1999 and have issued our report thereon dated October 29, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Town of St. Francisville's 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

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

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 financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended solely for the information and use of the Board of Commissioners, management, and others within the organization, and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

St. Francisville, Louisiana
October 29, 1999

TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1999

	Governmental Fund Types			Proprietary Fund Type			Account Groups			(Memorandum Only)	
	General	Special Revenue	Debt Service	Enterprise	General		Long-Term Debt	1999	1998		
					Fixed Assets	General				1999	1998
ASSETS											
Cash	\$ 31,138	\$ 370,089	\$ 18,936	\$ 551,626	\$ -	\$ -	\$ -	\$ 971,789	\$ 933,417		
Investments	-	-	-	721,858	-	-	-	721,858	755,824		
Accounts receivable	-	5,447	-	49,547	-	-	-	54,994	51,671		
Taxes receivable	-	-	-	-	-	-	-	-	252		
Other receivables	16,988	-	-	-	-	-	-	16,988	15,663		
Accrued interest	-	-	-	2,000	-	-	-	2,000	2,000		
Due from other governmental units	5,062	66,012	-	-	-	-	-	71,074	34,662		
Due from other funds	-	7,187	-	28,099	-	-	-	35,286	61,067		
Prepaid insurance	-	-	-	13,866	-	-	-	13,866	6,618		
Restricted assets:											
Cash	-	-	-	108,989	-	-	-	108,989	97,267		
General fixed assets	-	-	-	-	-	-	-	-	2,356,342		
Fixed assets, net	-	-	-	451,788	2,841,752	-	-	3,293,540	428,258		
Amount available for debt retirement	-	-	-	-	-	18,936	-	18,936	18,936		
Amount to be provided for general long-term debt	-	-	-	-	-	76,904	-	76,904	94,250		
Total assets	\$ 53,188	\$ 448,735	\$ 18,936	\$ 1,927,773	\$ 2,841,752	\$ 95,840	\$ 5,386,224	\$ 4,856,227			

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

August 31, 1999

	Governmental Fund Types				Proprietary Fund Type			Account Groups			Totals	
											(Memorandum Only)	
	General	Special Revenue	Debt Service		Enterprise	General Fixed Assets	Long-Term Debt	1999	1998			
Accounts payable	\$ 7,693	\$ 13,042	\$ -	\$ -	\$ 4,426	\$ -	\$ -	\$ 25,161	\$ 12,556			
Accrued payables	6,524	11,827	-	-	6,497	-	-	24,848	6,705			
Payable from restricted assets:												
Revenue bonds payable - current	-	-	-	-	11,000	-	-	11,000	10,824			
Accrued interest	-	-	-	-	5,167	-	-	5,167	5,167			
Utility meter deposits	-	-	-	-	35,871	-	-	35,871	31,161			
Due to other funds	12,032	514	-	-	22,740	-	-	35,286	61,064			
General obligation bonds	-	-	-	-	235,268	-	-	235,268	245,001			
Revenue bonds payable	-	-	-	-	-	-	-	-	-			
Certificate of indebtedness	-	-	-	-	-	-	87,168	87,168	106,059			
Obligations under capital lease	-	-	-	-	-	-	-	-	-			
Accumulated unpaid vacation	-	-	-	-	839	-	-	839	7,966			
Total liabilities	26,249	25,383	-	-	321,808	-	95,840	469,280	486,503			

LIABILITIES

FUND EQUITY

Contributed capital	-	-	-	-	374,850	-	-	374,850	374,850		
Investment in general fixed assets	-	-	-	-	-	2,841,752	-	2,841,752	2,356,342		
Retained earnings:											
Reserved for revenue bond retirement	-	-	-	-	32,169	-	-	32,169	28,501		
Reserve for customer deposit	-	-	-	-	22,799	-	-	22,799	13,453		
Unreserved	-	-	-	-	-	-	-	-	-		
Fund balance:											
Reserved for debt service	-	-	-	-	-	-	-	-	18,936		
Unreserved - undesignated	26,942	423,352	-	-	1,176,147	-	-	1,626,441	1,577,642		
Total fund equity	26,942	423,352	18,936	-	1,605,965	2,841,752	-	4,916,947	4,369,724		

Total liabilities and fund equity	\$ 53,191	\$ 448,735	\$ 18,936	\$ 1,927,773	\$ 2,841,752	\$ 95,840	\$ 5,386,227	\$ 4,856,227		
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The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED AUGUST 31, 1999**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)	
				1999	1998
<u>REVENUES</u>					
Taxes	\$ 41,884	\$ 447,382	\$ -	\$ 489,266	\$ 464,448
Licenses and permits	102,725	-	-	102,725	103,779
Intergovernmental	143,787	-	-	143,787	134,680
Charges for services	-	51,096	-	51,096	44,497
Fines	22,565	-	-	22,565	33,436
Other	111,825	116,765	-	228,590	225,734
Total revenues	<u>422,786</u>	<u>615,243</u>	<u>-</u>	<u>1,038,029</u>	<u>1,006,574</u>
<u>EXPENDITURES</u>					
General government	116,624	277,807	-	394,431	313,202
Public safety	328,599	-	-	328,599	306,384
Streets	82,100	-	-	82,100	76,713
Sanitation	-	117,468	-	117,468	137,885
Culture and recreation	486	1,683	-	2,169	3,643
Capital outlay	17,149	94,319	-	111,468	19,272
Debt service:					
Principal retirement	-	-	18,891	18,891	17,471
Interest and fiscal charges	-	-	6,354	6,354	7,774
Total expenditures	<u>544,958</u>	<u>491,277</u>	<u>25,245</u>	<u>1,061,480</u>	<u>882,344</u>
Excess of revenues over (under) expenditures	<u>(122,172)</u>	<u>123,966</u>	<u>(25,245)</u>	<u>(23,451)</u>	<u>124,230</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	89,150	-	25,245	114,395	190,245
Operating transfers out	-	(95,244)	-	(95,244)	(95,245)
Total other financing sources (uses)	<u>89,150</u>	<u>(95,244)</u>	<u>25,245</u>	<u>19,151</u>	<u>95,000</u>
Excess of revenues and other sources over (under) expenditures and other expenditures and other uses	<u>(33,022)</u>	<u>28,722</u>	<u>-</u>	<u>(4,300)</u>	<u>219,230</u>
<u>FUND BALANCE</u>					
Beginning of year	<u>59,964</u>	<u>394,630</u>	<u>18,936</u>	<u>473,530</u>	<u>254,300</u>
End of year	<u>\$ 26,942</u>	<u>\$ 423,352</u>	<u>\$ 18,936</u>	<u>\$ 469,230</u>	<u>\$ 473,530</u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
YEAR ENDED AUGUST 31, 1999**

	General Fund		Variance -
	Budget	Actual	Favorable
			(Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 39,000	\$ 41,884	\$ 2,884
Licenses and permits	122,000	102,725	(19,275)
Intergovernmental	94,000	143,787	49,787
Charges for services	-	-	-
Fines	28,000	22,565	(5,435)
Other	116,500	111,825	(4,675)
Total revenues	<u>399,500</u>	<u>422,786</u>	<u>23,286</u>
<u>EXPENDITURES</u>			
General government	133,700	116,624	17,076
Public safety	321,888	328,599	(6,711)
Streets	91,168	82,100	9,068
Sanitation	-	-	-
Culture and recreation	3,300	486	2,814
Capital outlay	-	17,149	(17,149)
Debt Service:	-	-	-
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>550,056</u>	<u>544,958</u>	<u>5,098</u>
Excess of revenues over (under) expenditures	<u>(150,556)</u>	<u>(122,172)</u>	<u>28,384</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	85,000	89,150	4,150
Operating transfers out	-	-	-
Total other financing sources (uses)	<u>85,000</u>	<u>89,150</u>	<u>4,150</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(65,556)</u>	<u>(33,022)</u>	<u>32,534</u>
<u>FUND BALANCE</u>			
Beginning of year	<u>3,503</u>	<u>59,964</u>	<u>56,461</u>
End of year	<u>\$ (62,053)</u>	<u>\$ 26,942</u>	<u>\$ 88,995</u>

The accompanying notes are an integral part of this statement.



Special Revenue Funds

Budget	Actual	Variance - Favorable (Unfavorable)
\$ 390,000	\$ 447,382	\$ 57,382
-	-	-
-	-	-
42,000	51,096	9,096
-	-	-
8,000	116,765	108,765
<u>440,000</u>	<u>615,243</u>	<u>175,243</u>
243,382	277,807	(34,425)
-	-	-
-	-	-
110,948	117,468	(6,520)
-	1,683	(1,683)
36,784	94,319	(57,535)
-	-	-
-	-	-
-	-	-
<u>391,114</u>	<u>491,277</u>	<u>(100,163)</u>
<u>48,886</u>	<u>123,966</u>	<u>75,080</u>
-	-	-
<u>(45,250)</u>	<u>(95,244)</u>	<u>(49,994)</u>
<u>(45,250)</u>	<u>(95,244)</u>	<u>(49,994)</u>
3,636	28,722	25,086
<u>273,897</u>	<u>394,630</u>	<u>120,733</u>
<u>\$ 277,533</u>	<u>\$ 423,352</u>	<u>\$ 145,819</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1999 AND 1998**

	Totals	
	1999	1998
<u>OPERATING REVENUES</u>		
Charges for services	\$ 594,077	\$ 642,530
<u>OPERATING EXPENSES</u>		
Gas	143,931	182,036
Depreciation	35,574	37,605
Other	379,428	637,767
Total operating expenses	558,933	857,408
Operating income	35,144	(214,878)
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Investment earnings	29,283	69,911
Interest expense	(19,280)	(16,169)
Grant	37,116	311,318
Total non-operating revenues (expenses)	47,119	365,060
Income before operating transfers	82,263	150,182
<u>OPERATING TRANSFERS</u>		
Operating transfers in	-	-
Operating transfers out	(19,150)	(95,000)
	(19,150)	(95,000)
Net income	63,113	55,182
<u>RETAINED EARNINGS</u>		
Beginning of year	1,168,002	1,112,820
End of year	\$ 1,231,115	\$ 1,168,002

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1999 AND 1998

	Enterprise Funds	
	<u>1999</u>	<u>1998</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 599,141	\$ 684,950
Cash payments to suppliers for goods and services	(385,168)	(723,612)
Cash payments to employees for services	(118,230)	(102,844)
Net cash provided by operating activities	<u>95,743</u>	<u>(141,506)</u>
CASH FLOWS NONCAPITAL FINANCING ACTIVITIES:		
Grant revenue received	37,116	311,318
Operating transfers in from other funds	-	-
Operating transfers to other funds	(19,150)	(95,000)
Net cash used for noncapital financing activities	<u>17,966</u>	<u>216,318</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:		
Principal paid on revenue bond maturities	(9,557)	(11,093)
Acquisition of capital assets	(59,104)	(12,916)
Interest paid on revenue bonds and leases	(19,280)	(17,744)
Net cash used for capital and related financing	<u>(87,941)</u>	<u>(41,753)</u>
CASH FLOWS INVESTING ACTIVITIES:		
Purchase of investment securities	(22,574)	(353,782)
Interest and dividends on investments	60,042	66,821
Net cash provided by investing activities	<u>37,468</u>	<u>(286,961)</u>
Net increase (decrease) in cash	63,236	(253,902)
Cash at beginning of year	<u>597,379</u>	<u>851,281</u>
Cash at end of year	<u>\$ 660,615</u>	<u>\$ 597,379</u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1999 AND 1998

	<u>Enterprise Funds</u>	
	<u>1999</u>	<u>1998</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 35,144	\$ (214,878)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	35,574	37,605
Provision for uncollectible accounts	-	3,452
Change in assets and liabilities:		
Accounts receivable	(2,064)	38,968
Due from other funds	25,781	-
Prepaid insurance	(7,248)	472
Accounts payable	(336)	(7,592)
Accrued payables	4,182	(2,358)
Meter deposits	4,710	2,825
Total adjustments	<u>60,599</u>	<u>73,372</u>
Net cash provided by operating activities	<u>\$ 95,743</u>	<u>\$ (141,506)</u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of St. Francisville, Louisiana dates from 1785; the date the monastery was built in honor of St. Francis of Assisi.

The Town adopted the provisions of the Lawrason Act on January 23, 1956, and operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Town of St. Francisville, Louisiana conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

A. Financial Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a *primary government*, since it is a *special purpose government* that has a *separately elected governing body*, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

B. Fund Accounting

The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and two broad fund categories as 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, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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

Special Revenue Fund - Special Revenue Fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

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

Proprietary Funds

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

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

C. Fixed Assets and Long-Term Liabilities

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

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

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. The Town has not capitalized public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

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

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Gas Plant	33 years
Buildings	20 years
Office Equipment	5-10 years
Automotive Equipment	5 years

All fixed assets are stated at historical cost.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Those revenues susceptible to accrual are sales taxes, property taxes, intergovernmental revenues and interest revenue. Fines, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

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

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, Debt Service, and Proprietary Funds are adopted in accordance with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

F. Investments

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

Investments are stated at market value.

Investment income includes interest and dividends earned, realized gains and losses and unrealized gains and losses (changes in market value.)

G. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

H. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

J. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements, since their inclusion would make the statements unduly complex and difficult to read.

K. Total Columns on Combined Statements - Overview

Total columns on the combined statements - overview 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.

L. Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash.

M. Cash

Cash includes demand deposits and interest bearing demand deposits. Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union or the laws of the United States. Further, the Town may deposit funds in time deposits or certificates of deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

N. Use of Estimates

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

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

O. Reclassifications

Certain 1998 balances have been reclassified to conform with the 1999 financial statement presentation.

2. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 2 of the following year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended August 31, 1999, taxes of 5.42 mills were levied on property with assessed valuations totaling \$7,729,049 and were dedicated for general purposes.

Total taxes levied were \$41,891. Substantially all taxes levied have been collected as of August 31, 1999.

3. Due from Other Governmental Units

Amounts due from other governmental units at August 31, 1999 consisted of the following:

State of Louisiana:		
Tobacco taxes	\$	1,510
Beer taxes		3,552
Town of St. Francisville, Louisiana		<u>66,012</u>
	\$	<u>71,074</u>

4. Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>Sept 1, 1998</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Aug 31, 1999</u>
Improvements other than buildings	\$ 899,062	\$ -	\$ -	\$ 899,062
Buildings	379,418	-	-	379,418
Equipment	551,476	482,910	-	1,034,386
Land	<u>526,386</u>	<u>2,500</u>	<u>-</u>	<u>528,886</u>
	<u>\$2,356,342</u>	<u>\$ 485,410</u>	<u>\$ -</u>	<u>\$ 2,841,752</u>

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Fixed Assets (continued)

A summary of proprietary fund type property, plant and equipment at August 31, 1999 follows:

Land	\$ 6,523
Building	16,294
Construction in progress	35,130
Office and other equipment	<u>1,706,003</u>
	1,763,950
Less: Accumulated depreciation	<u>(1,312,162)</u>
Net	<u>\$ 451,788</u>

5. Changes in Long-Term Debt

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

	<u>Certificates of Indebtedness Series 1992</u>	<u>Revenue Bonds</u>	<u>Accumulated Vacation</u>	<u>Total</u>
Payable, September 1, 1998	\$ 106,059	\$ 255,824	\$ 8,672	\$ 369,010
Additions				
Deletions	<u>(18,891)</u>	<u>(9,557)</u>	<u>-</u>	<u>(28,448)</u>
Payable, August 31, 1999	<u>\$ 87,168</u>	<u>\$ 246,267</u>	<u>\$ 8,672</u>	<u>\$ 340,562</u>

Bonds payable at August 31, 1999 are comprised of the following individual issues:

GENERAL LONG-TERM DEBT

Certificate of Indebtedness

\$184,700, Certificate of Indebtedness - Series 1992, due in annual installments of \$25,245 through 2002, including interest at 6.125%. Secured by firefighting equipment. \$ 87,168

ENTERPRISE FUND

Revenue Bonds

\$325,000 Water Revenue bonds dated April 4, 1988; due in equal annual installments of \$28,837 through April, 2013 with interest at 7.375%. Secured by a pledge of the Town's water revenues. \$ 246,267



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

5. Changes in Long-Term Debt (continued)

The annual requirements to amortize all debt outstanding as of August 31, 1999 including interest of \$171,263 are as follows:

<u>Year Ending August 31,</u>	<u>Certificates of Indebtedness Series 1992</u>	<u>Revenue Bonds</u>	<u>Total</u>
2000	\$ 25,245	\$ 28,837	\$ 54,082
2001	25,245	28,837	54,082
2002	25,245	28,837	54,082
2003	25,245	28,837	54,082
2004	-	28,837	28,837
Thereafter	-	259,533	259,533
	<u>\$ 100,980</u>	<u>\$ 403,718</u>	<u>\$ 504,698</u>

The Debt Service Fund has \$18,936 available to service future bonds and related interest payments.

6. Dedicated Revenues

Sales Tax Revenue Fund

Proceeds of the 1% sales and use tax levied by the Town are dedicated to the retirement of Sales and Use Tax general obligation bonds totaling \$300,000 dated January 1, 1971.

Any revenues in excess of the required annual debt service shall be regarded as surplus and may be used by the Town for any lawful purpose.

7. Restricted Assets

Revenue Bonds:

Under the terms of the bond indenture on outstanding Water Revenue bonds, certain income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the water system is dedicated to the retirement of said bonds, and are to be set aside into the following special accounts after provision has been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the system:

A monthly deposit into the "Revenue Bond and Interest Sinking" account in an amount equal to 1/12th of the principal and the interest falling due on the next annual payment date for the bonds.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. **Restricted Assets** (continued)

A monthly deposit into the "Revenue Bond Reserve" account equal to 5% of the payments to the "Revenue Bond and Interest Sinking" account until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirements for any year on bonds payable from the "Revenue Bond and Interest Sinking" account. Monies in the "Revenue Bond Reserve" account will be used solely for the purpose of paying principal or and interest on such bonds as to which there would otherwise be a default.

A monthly deposit of \$118 into the "Revenue Bond Contingency" account for the purpose of caring for depreciation, extensions, additions, improvements and replacements necessary to operate properly on the system. Such funds may also be used for the payment of bonds for which there is not sufficient money in the "Revenue Bond and Interest Sinking" account or "Revenue Bond Reserve" account.

The Town of St. Francisville has complied with the above provisions.

Certificate of Indebtedness:

Under the terms of the certificate of indebtedness, income and revenues of every nature earned by the Town is dedicated to the retirement of said certificate and are to be set aside into the following special account:

A monthly deposit into the "Certificate of Indebtedness (1992) Sinking Fund" account 1/12 of the principal and interest falling due on the next principal payment date for the certificate.

The Town of St. Francisville has complied with the above provisions.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Segments of Enterprise Activities

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended August 31, 1999 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$ 362,911	\$ 231,166	\$ 594,077
Operating expenses	405,487	153,446	558,933
Depreciation	6,418	29,156	35,574
Operating income	(42,576)	77,720	35,144
Operating transfers in (out)	(19,150)	-	(19,150)
Net income (loss)	(35,909)	99,022	63,113
Property, plant & equipment additions (deletions)	13,738	24,053	37,791
Net working capital	1,168,998	111,458	1,283,456
Total assets	1,302,360	625,413	1,927,773
Revenue bonds payable	-	246,268	246,268
Fund capital	1,270,645	335,320	1,605,965

9. Defined Benefit Pension Plan

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

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with a least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

9. Defined Benefit Pension Plan (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 2.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of St. Francisville 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 St. Francisville contributions to the System under Plan B for the years ending August 31, 1999, 1998, and 1997 were \$9,067, \$20,266, and \$19,492, respectively, equal to the required contributions for the year.

B. Municipal Police Employees Retirement System of Louisiana (System)

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 a 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 over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of St. Francisville 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 St. Francisville contributions to the System for the years ending August 31, 1999, 1998, and 1997 were \$15,021, \$1,868, and \$1,047, respectively, equal to the required contributions for the year.

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

10. Contingencies

The Town has a lawsuit pending involving various matters at August 31, 1999. In the opinion of management and legal counsel, the Town has adequate legal defenses for the issues raised and the outcome of these matters will not have a significant effect on the Town's financial position at August 31, 1999.

11. Cash and Investments

At year end, the carrying amount of the Town's deposits was \$1,080,778 and the bank balance was \$922,511. Of the bank balance, \$200,000 was covered by federal depository insurance and \$722,511 was covered by collateral held by the pledging bank's agent in the Town's name.

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, but not in the system's name.

Investments are stated at market value and all investment activities are conducted through the depository bank and the Town's financial advisor. Investments are held by the Town's paying and/or escrow agents in the Town's name. Investments consist of the following.

LAMP	\$ 371,714
Mutual Fund	<u>350,144</u>
Total presented	\$ <u>721,858</u>

12. Interfund Receivables and Payables

The following schedule as of August 31, 1999 represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 12,032
Special Revenue Fund	7,187	514
Debt Service	-	-
Enterprise:		
Gas Utility	22,693	-
Water Utility	<u>5,406</u>	<u>22,740</u>
	\$ <u>35,286</u>	\$ <u>35,286</u>



FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS



GENERAL FUND

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



TOWN OF ST. FRANCISVILLE, LOUISIANA

GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 1999 AND 1998

ASSETS

	<u>1999</u>	<u>1998</u>
Cash	\$ 31,138	\$ 52,608
Due from other governmental units	5,062	4,956
Taxes receivable	-	252
Investments	-	25,781
Other receivables	<u>16,988</u>	<u>15,663</u>
Total assets	<u>\$ 53,188</u>	<u>\$ 99,260</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 7,693	\$ 2,600
Due to other funds	12,029	37,810
Accrued payables	<u>6,524</u>	<u>1,886</u>
Total liabilities	26,246	42,296
Fund balance - undesignated	<u>26,942</u>	<u>56,964</u>
Total liabilities and fund balance	<u>\$ 53,188</u>	<u>\$ 99,260</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED AUGUST 31, 1999
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
REVENUES				
Ad valorem taxes	\$ 39,000	\$ 41,884	\$ 2,884	\$ 38,681
Occupational licenses and permits	122,000	102,725	(19,275)	103,779
Intergovernmental				
Tobacco	8,000	9,062	1,062	9,062
Fire insurance	-	17,745	17,745	3,578
Beer	9,000	8,684	(316)	8,000
State Revenue Sharing	18,000	19,383	1,383	18,570
Video Poker	34,000	45,835	11,835	36,776
DOTD maintenance	-	7,446	7,446	7,446
Grants	25,000	35,632	10,632	51,248
Court fines	28,000	22,565	(5,435)	33,436
Other Revenue				
Utility franchise	81,000	80,628	(372)	85,819
Miscellaneous	25,000	15,694	(9,306)	31,154
Cable franchise	8,000	14,712	6,712	-
Interest	2,500	791	(1,709)	2,975
Total revenues	<u>399,500</u>	<u>422,786</u>	<u>23,286</u>	<u>430,524</u>
EXPENDITURES				
GENERAL GOVERNMENT				
General:				
Insurance	21,000	18,749	2,251	20,042
Payroll taxes	-	1,468	(1,468)	1,293
Salaries	21,550	18,884	2,666	17,053
Professional services	12,500	11,771	729	11,841
Town hall	3,000	4,009	(1,009)	3,282
Postage	-	217	(217)	424
Printing and publishing	1,200	2,742	(1,542)	1,300
Grant expenditures	-	39,881	(39,881)	24,553
Other	74,450	18,903	55,547	41,959
Total General	<u>133,700</u>	<u>116,624</u>	<u>17,076</u>	<u>121,747</u>
PUBLIC SAFETY				
Police:				
Salaries - Chief of Police	28,664	29,848	(1,184)	27,311
Salaries - Policemen	128,100	125,193	2,907	121,116
Salaries - Office	14,390	11,865	2,525	11,977
Employee insurance	15,000	13,450	1,550	8,452
Payroll taxes	14,800	13,066	1,734	12,120
Insurance	-	-	-	3,000
Retirement	-	-	-	1,218
Gasoline	8,250	12,296	(4,046)	8,562
Utilities	-	4,096	(4,096)	3,859
Other	39,000	41,212	(2,212)	44,351
Total Police	<u>248,204</u>	<u>251,026</u>	<u>(2,822)</u>	<u>241,966</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED AUGUST 31, 1999
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1998

Fire:				
Salaries and wages	9,450	12,773	(3,323)	8,736
Payroll taxes	734	-	734	646
Insurance	8,500	7,337	1,163	8,180
Other	55,000	55,661	(661)	45,576
Total Fire	<u>73,684</u>	<u>75,771</u>	<u>(2,087)</u>	<u>63,138</u>
Jail:				
Other	-	1,802	(1,802)	1,280
Total Public Safety	<u>321,888</u>	<u>328,599</u>	<u>(6,711)</u>	<u>306,384</u>
<u>STREETS</u>				
Salaries and wages	31,500	32,413	(913)	29,048
Payroll taxes	2,416	2,284	132	2,101
Electricity	31,000	27,739	3,261	30,964
Repairs and maintenance	-	3,827	(3,827)	739
Employee insurance	1,500	1,223	277	1,227
Street sweeper and tractor	12,500	-	12,500	-
Garbage truck	9,252	2,120	7,132	3,825
Backhoe	-	-	-	-
Dump truck	-	4,711	(4,711)	3,441
All other	3,000	7,783	(4,783)	5,368
Total Streets	<u>91,168</u>	<u>82,100</u>	<u>9,068</u>	<u>76,713</u>
<u>CULTURE AND RECREATION</u>				
Other	1,650	-	1,650	-
Ball park	1,650	486	1,164	449
Total Culture and Recreation	<u>3,300</u>	<u>486</u>	<u>2,814</u>	<u>449</u>
<u>CAPITAL OUTLAY:</u>				
Public Safety:				
General Government	-	12,999	(12,999)	-
Police Department	-	4,150	(4,150)	-
Total capital outlay	<u>-</u>	<u>17,149</u>	<u>(17,149)</u>	<u>-</u>
<u>TOTAL EXPENDITURES</u>	<u>550,056</u>	<u>544,958</u>	<u>5,098</u>	<u>505,293</u>
Excess of revenues over (under) expenditures	<u>(150,556)</u>	<u>(122,172)</u>	<u>28,384</u>	<u>(74,769)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	85,000	89,150	4,150	140,000
Transfers out	-	-	-	(25,000)
	<u>85,000</u>	<u>89,150</u>	<u>4,150</u>	<u>115,000</u>
Excess of revenues and other sources over expenditures and other uses	<u>(65,556)</u>	<u>(33,022)</u>	<u>32,534</u>	<u>40,231</u>
<u>FUND BALANCE (DEFICIT)</u>				
Beginning of year	<u>3,503</u>	<u>59,964</u>	<u>56,461</u>	<u>19,733</u>
End of year	<u>\$ (62,053)</u>	<u>\$ 26,942</u>	<u>\$ 88,995</u>	<u>\$ 59,964</u>



SPECIAL REVENUE FUND

SALES TAX FUND

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system and to the retirement of the Sales and Use Tax Bonds dated January 1, 1971. All remaining proceeds from the tax may be used by the Town for any lawful corporate purposes.

ECONOMIC DEVELOPMENT FUND

This fund accounts for the Town's expenditures to promote economic development and tourism.



**TOWN OF ST. FRANCISVILLE
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AUGUST 31, 1999
 WITH COMPARATIVE TOTALS FOR 1998**

	Sales Tax Fund	Economic Development Fund	Totals	
			1999	1998
<u>ASSETS</u>				
Cash	\$ 306,555	\$ 63,534	\$ 370,089	\$ 361,761
Accounts receivable	5,447	-	5,447	4,188
Due from other governmental units	66,012	-	66,012	29,706
Due from other funds	7,187	-	7,187	7,187
Total assets	\$ 385,201	\$ 63,534	\$ 448,735	\$ 402,842
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	12,042	1,000	\$ 13,042	\$ 5,194
Accrued payables	11,827	-	11,827	2,504
Due to other funds	514	-	514	514
Total liabilities	24,383	1,000	25,383	8,212
Fund balance :				
Undesignated	360,818	62,534	423,352	394,630
Total fund balance	360,818	62,534	423,352	394,630
Total liabilities and fund balance	\$ 385,201	\$ 63,534	\$ 448,735	\$ 402,842



TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 1999
WITH COMPARATIVE TOTALS FOR 1998

	Sales Tax Fund	Economic Development Fund	Totals	
			1999	1998
REVENUES				
Taxes:				
Sales tax revenues	\$ 447,382	\$ -	\$ 447,382	\$ 425,767
Charges for services	51,096	-	51,096	44,497
Other	32,828	83,937	116,765	105,786
Total revenues	531,306	83,937	615,243	576,050
EXPENDITURES				
General government				
Executive per diem	16,331	-	16,331	7,360
Financial administration:				
Insurance	16,456	-	16,456	15,139
Employee insurance	14,169	-	14,169	11,779
Professional services	22,410	-	22,410	18,171
Payroll taxes	-	-	-	3,910
Salaries	67,113	-	67,113	54,664
Town hall	12,636	-	12,636	7,837
Retirement	6,856	-	6,856	931
Office supplies	5,870	-	5,870	4,828
Printing and publishing	687	-	687	609
Sales tax collector	17,862	-	17,862	19,456
All other	22,096	75,321	97,417	46,771
Total general government	202,486	75,321	277,807	191,455
Sanitation				
Salaries	71,845	-	71,845	78,707
Payroll taxes	-	-	-	5,627
Utilities	15,351	-	15,351	18,548
Repairs and maintenance	25,554	-	25,554	26,728
Retirement	-	-	-	1,340
Sewer truck	949	-	949	3,499
Sewer analysis	1,539	-	1,539	1,017
Uniforms	2,230	-	2,230	2,419
All other	-	-	-	-
Total sanitation	117,468	-	117,468	137,885



TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ALL SPECIAL REVENUE FUNDS
 YEAR ENDED AUGUST 31, 1999
 WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 1998

	Sales Tax Fund	Economic Development Fund	Totals	
			1999	1998
Culture and Recreation				
Ball park	1,683	-	1,683	3,194
Capital Outlay				
General government	94,319	-	94,319	19,272
Total expenditures	<u>415,956</u>	<u>75,321</u>	<u>491,277</u>	<u>351,806</u>
Excess of revenues over expenditures	115,350	8,616	123,966	224,244
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(95,244)	-	(95,244)	(70,245)
Operating transfers in	-	-	-	25,000
Excess of revenues over expenditures and other uses	<u>20,106</u>	<u>8,616</u>	<u>28,722</u>	<u>178,999</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>340,712</u>	<u>53,918</u>	<u>394,630</u>	<u>215,631</u>
End of year	<u>\$ 360,818</u>	<u>\$ 62,534</u>	<u>\$ 423,352</u>	<u>\$ 394,630</u>



ENTERPRISE FUNDS

GAS FUND

The Gas Fund is used to account for the activities of providing natural gas to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

WATER FUND

The Water Fund is used to account for the activities of providing water services to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 AUGUST 31, 1999
 WITH COMPARATIVE TOTALS FOR 1998

<u>ASSETS</u>	Gas	Water	Totals	
	Utility Fund	Utility Fund	1999	1998
<u>CURRENT</u>				
Cash	\$ 423,762	\$ 127,864	\$ 551,626	\$ 500,112
Accounts receivable - net of allowance for uncollectible accounts, 1999 - \$14,000 1998 - \$14,000	23,467	26,080	49,547	47,483
Investments	721,858	-	721,858	730,043
Accrued interest receivable	2,000	-	2,000	2,000
Due from other funds	22,693	5,406	28,099	53,880
Prepaid insurance	6,933	6,933	13,866	6,618
Total current assets	<u>1,200,713</u>	<u>166,283</u>	<u>1,366,996</u>	<u>1,340,136</u>
<u>RESTRICTED CASH</u>				
Meter Deposit Fund	39,484	19,186	58,670	52,775
Debt Sinking Account	-	13,345	13,345	13,025
Debt Reserve Account	-	17,653	17,653	15,876
Debt Contingency Account	-	17,335	17,335	15,591
Block Grant	-	1,986	1,986	-
Total restricted assets	<u>39,484</u>	<u>69,505</u>	<u>108,989</u>	<u>97,267</u>
<u>FIXED ASSETS</u>				
Gas system and equipment - net	62,163	-	62,163	57,814
Water system and equipment - net	-	389,625	389,625	370,444
Total fixed assets	<u>62,163</u>	<u>389,625</u>	<u>451,788</u>	<u>428,258</u>
Total assets	<u>\$ 1,302,360</u>	<u>\$ 625,413</u>	<u>\$ 1,927,773</u>	<u>\$ 1,865,661</u>



<u>LIABILITIES</u>	Gas	Water	Totals	
	Utility Fund	Utility Fund	1999	1998
<u>CURRENT</u>				
Payable from current assets:				
Accounts payable	\$ 1,810	\$ 2,616	\$ 4,426	\$ 4,762
Accrued expenses	4,085	2,412	6,497	2,315
Current portion of capital lease	-	-	-	-
Due to other funds	-	22,740	22,740	22,740
Accrued compensated absences	609	230	839	839
Payable from restricted assets:				
Bonds payable in one year	-	11,000	11,000	10,824
Accrued interest payable	-	5,167	5,167	5,167
Customer deposits	25,211	10,660	35,871	31,161
Total current liabilities	31,715	54,825	86,540	77,808
<u>LONG-TERM LIABILITIES</u>				
Bonds payable after one year	-	235,268	235,268	245,001
Total long-term liabilities	-	235,268	235,268	245,001
Total liabilities	31,715	290,093	321,808	322,809
<u>CAPITAL</u>				
<u>CONTRIBUTIONS</u>				
Contributions in aid of construction	17,392	8,962	26,354	26,354
Federal Grant	-	100,000	100,000	100,000
Municipality	29,791	218,705	248,496	248,496
Total contributions	47,183	327,667	374,850	374,850
<u>RETAINED EARNINGS (DEFICIT)</u>				
Reserved				
For revenue bond retirement	-	32,169	32,169	28,501
For customer deposits	14,273	8,526	22,799	13,453
Total reserved retained earnings	14,273	40,695	54,968	41,954
Unreserved	1,209,189	(33,042)	1,176,147	1,126,048
Total retained earnings (deficit)	1,223,462	7,653	1,231,115	1,168,002
Total capital	1,270,645	335,320	1,605,965	1,542,852
Total liabilities and capital	\$ 1,302,360	\$ 625,413	\$ 1,927,773	\$ 1,865,661



TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED AUGUST 31, 1999
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1998**

	Gas Utility Fund	Water Utility Fund	Totals	
			1999	1998
<u>OPERATING REVENUES</u>				
Charges for services	\$ 362,911	\$ 231,166	\$ 594,077	\$ 642,530
<u>OPERATING EXPENSES</u>				
Gas	143,931	-	143,931	182,036
Depreciation	6,418	29,156	35,574	37,605
Other	255,138	124,290	379,428	637,767
Total operating expenses	405,487	153,446	558,933	857,408
Operating income	(42,576)	77,720	35,144	(214,878)
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Investment earnings	25,817	3,466	29,283	69,911
Interest expense	-	(19,280)	(19,280)	(16,169)
Miscellaneous revenue	-	37,116	37,116	311,318
Total non-operating revenues (expenses)	25,817	21,302	47,119	365,060
Income before operating transfers	(16,759)	99,022	82,263	150,182
<u>OPERATING TRANSFERS</u>				
Operating transfers in	-	-	-	-
Operating transfers out	(19,150)	-	(19,150)	(95,000)
	(19,150)	-	(19,150)	(95,000)
Net income	(35,909)	99,022	63,113	55,182
<u>RETAINED EARNINGS</u>				
Beginning of year	1,259,371	(91,369)	1,168,002	1,112,820
End of year	\$ 1,223,462	\$ 7,653	\$ 1,231,115	\$ 1,168,002



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS
GAS FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED AUGUST 31, 1999 AND 1998
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1998

	Year Ended August 31, 1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>OPERATING REVENUES</u>				
Charges for services	\$ 480,200	\$ 362,911	\$ (117,289)	\$ 436,255
<u>OPERATING EXPENSES</u>				
Gas purchases	201,000	143,931	57,069	182,036
Salaries and wages	78,760	89,623	(10,863)	76,650
Insurance	25,700	11,055	14,645	21,699
Employee insurance	6,300	10,472	(4,172)	10,297
Repairs and maintenance	25,000	50,258	(25,258)	348,340
Depreciation	12,500	6,418	6,082	7,042
Professional services	27,000	10,394	16,606	13,125
Town hall	1,500	3,018	(1,518)	2,663
Payroll taxes	6,300	-	6,300	5,366
Retirement	-	3,383	(3,383)	1,489
Utilities	2,000	5,955	(3,955)	6,054
Truck	-	26,767	(26,767)	8,922
Meter reading service	3,000	3,200	(200)	3,000
Backhoe	-	-	-	-
Uniforms	2,000	1,420	580	1,818
Postage	1,200	1,628	(428)	1,168
Office supplies	2,500	2,554	(54)	1,030
Uncollectible accounts	-	-	-	2,293
Miscellaneous	20,000	35,411	(15,411)	7,039
Total operating expenses	414,760	405,487	9,273	700,031
Operating income (loss)	65,440	(42,576)	(126,562)	(263,776)



TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
GAS FUND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 1999
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1998**

	Year Ended August 31, 1999			1998 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
<u>NONOPERATING REVENUES</u>				
<u>EXPENSES</u>				
Interest revenue	20,000	25,817	5,817	67,810
Interest expense	-	-	-	-
Grant	-	-	-	311,318
Total nonoperating revenues (expenses)	<u>20,000</u>	<u>25,817</u>	<u>5,817</u>	<u>379,128</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	85,440	(16,759)	(120,745)	115,352
<u>OPERATING TRANSFERS OUT</u>				
Transfer to general fund	<u>(125,000)</u>	<u>(19,150)</u>	<u>105,850</u>	<u>(95,000)</u>
<u>NET INCOME (LOSS)</u>	(39,560)	(35,909)	(14,895)	20,352
<u>RETAINED EARNINGS, beginning</u>	<u>1,259,371</u>	<u>1,259,371</u>	<u>-</u>	<u>1,239,019</u>
<u>RETAINED EARNINGS, ending</u>	<u>\$ 1,219,811</u>	<u>\$ 1,223,462</u>	<u>\$ (14,895)</u>	<u>\$ 1,259,371</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS

WATER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 1999

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1998

	Year Ended August 31, 1999			1998 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
<u>OPERATING REVENUES</u>				
Charges for services	\$ 182,200	\$ 231,166	\$ 48,966	\$ 206,275
<u>OPERATING EXPENSES</u>				
Depreciation	35,000	29,156	5,844	30,563
Salaries and wages	26,252	28,607	(2,355)	26,194
Insurance	18,500	11,755	6,745	17,620
Employee insurance	3,500	4,679	(1,179)	3,408
Repairs and maintenance	22,500	22,679	(179)	20,729
Uncollectible accounts	-	-	-	1,159
Professional services	27,000	11,352	15,648	12,887
Town hall	1,500	1,864	(364)	1,288
Payroll taxes	2,100	-	2,100	2,314
Retirement	-	641	(641)	433
Utilities	26,000	23,276	2,724	25,810
Truck	4,500	1,637	2,863	4,474
Meter reading service	3,000	3,000	-	3,000
Uniforms	-	1,483	(1,483)	812
Postage	1,000	1,181	(181)	954
Office supplies	1,500	1,905	(405)	867
Miscellaneous	5,500	10,231	(4,731)	4,865
Total operating expenses	177,852	153,446	24,406	157,377
Operating income	4,348	77,720	73,372	48,898



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS
WATER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 1999
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1998

	Year Ended August 31, 1999			1998 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
<u>NONOPERATING REVENUES</u>				
<u>EXPENSES</u>				
Interest revenue	2,000	3,466	1,466	2,101
Interest expense	(21,000)	(19,280)	1,720	(16,169)
Miscellaneous revenue	-	37,116	(37,116)	-
Total nonoperating revenues (expenses)	(19,000)	21,302	(33,930)	(14,068)
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	(14,652)	99,022	39,442	34,830
<u>OPERATING TRANSFERS IN (OUT)</u>	20,000	-	20,000	-
<u>NET INCOME (LOSS)</u>	5,348	99,022	19,442	34,830
<u>RETAINED EARNINGS (DEFICIT), Beginning</u>	(91,369)	(91,369)	-	(126,199)
<u>RETAINED DEFICIT, ending</u>	\$ (86,021)	\$ 7,653	\$ 19,442	\$ (91,369)



OTHER SUPPLEMENTARY INFORMATION



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 1
1 of 2

SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 1999

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Commercial property	Broussard, Bush, & Hurst	03-07-00	\$1,297,000 limit on Town Hall;
Business auto	Broussard, Bush, & Hurst	03-07-00	\$1,000,000 each accident or loss
General liability	Broussard, Bush, & Hurst	03-07-00	\$1,000,000 each loss
Crime	Broussard, Bush, & Hurst	\$100,000 limit	
Equipment Floater	Broussard, Bush, & Hurst	03-07-00	\$146,508 limit
Public Officials Liability	Broussard, Bush, & Hurst	03-07-00	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer professional liability	Broussard, Bush, & Hurst	03-07-00	\$1,000,000 each loss; \$2,000,000 aggregate
Employee Benefits Liability	Broussard, Bush, & Hurst	03-07-00	\$2,000,000 each loss
Workers' compensation	La. Municipal Risk Management Agency	10-12-99	Statutory
Surety bonds	Western Surety	10-01-99	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Western Surety	06-09-00	\$50,000 mayor; \$50,000 town clerk; \$50,000 bookkeeper; \$50,000 plant controller
Notary bond	Western Surety	6-22-00	\$5,000 aggregate



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 1
2 of 2

SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 1999

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Fire department business auto	National Casualty Company	03-07-00	\$1,000,000 liability each loss and aggregate; \$20,000 uninsured motorist each loss and aggregate; Actual cash value physical damage comprehensive and collision
Fire department liability	National Casualty Company	03-07-00	\$2,000,000 general aggregate limit \$240,000 property damage on fire station \$125,000 property damage on contents \$50,000 fire legal liability \$5,000 medical payments
Fire department professional liability	National Casualty Company	03-07-00	\$1,000,000 each claim and aggregate



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 2

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
AUGUST 31, 1999

William H. D'Aquila, Mayor	\$ 9,600
Richard G. Holcomb	600
James R. Leake, Jr.	600
Oscar Robertson, Jr.	600
James Davis	600
Hardy E. Travis	<u>600</u>
Total	\$ 12,600



TOWN OF ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF WATER RATES
AUGUST 31, 1999
(Unaudited)

SCHEDULE 3

RESIDENTIAL CUSTOMERS

\$7.50 per month for the first 2,000 gallons
\$2.40 per 1,000 or part thereof of the next 5,000 gallons
\$1.40 per 1,000 or part thereof of the next 13,000 gallons
\$.85 per 1,000 or part thereof of all over 20,000 gallons

COMMERCIAL CUSTOMERS

\$40.25 per month for the first 20,000 gallons
\$ 1.40 per 1,000 or part thereof of the next 10,000 gallons
\$.85 per 1,000 or part thereof of all over 30,000 gallons

TOWN OF ST. FRANCISVILLE, LOUISIANA
SUPPLEMENTAL LETTER REQUIRED
BY FARMERS HOME ADMINISTRATION
AUGUST 31, 1999

SCHEDULE 4

- Item #5: Financial compliance with the revenue bond indenture has occurred.
- Item #6: The majority of the adjustments made at August 31, 1999, to the accounting records were minor, immaterial and nonrecurring in nature.
- Item #9: The Town of St. Francisville, Louisiana, is exempt from federal income tax.



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS
YEAR ENDED AUGUST 31, 1999

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Town of St. Francisville.
2. One reportable condition disclosed during the audit of the financial statements is reported in Part B. of this schedule. This condition is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the Town of St. Francisville were disclosed during the audit.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

1. Internal Control

Condition: There is a lack of segregation of duties due to the limited number of accounting personnel.

Criteria: Segregation of duties should be adequate to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control.

Recommendation: No action is recommended.

Response: We concur in the finding. It would not be cost effective to hire additional personnel to obtain a segregation of duties.

TOWN OF ST. FRANCISVILLE, LOUISIANA

YEAR 2000 ISSUES
AUGUST 31, 1999

Year 2000 Issues

The Year 2000 Issue consists of two shortcomings that make computer processing systems unable to read year-date data beyond the year 1999. The first shortcoming is many computer programs contain abbreviated dates which eliminate the first two digits of the year. Therefore, some computer programs may recognize January 1, 2000 as January 1, 1900 and process data incorrectly or stop processing altogether. The second shortcoming is some computers will be unable to detect the year 2000 is a leap year and may not register the additional day, and data calculations may be incorrect.

The Town uses computers for accounting and utility billing applications. The Town has installed hardware and software and the Town believes this new hardware and software is or will be Year 2000 compliant.

