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Livingston Intergovernmental Commission

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 4/19/00

Livingston Intergovernmental Commission

Annual Financial Report
Year Ended December 31, 1999

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INDEPENDENT AUDITOR'S REPORT

Board of Commissioners
Livingston Intergovernmental Commission
Livingston, Louisiana

We have audited the accompanying general purpose financial statements of Livingston Intergovernmental Commission, a component unit of the Town of Livingston, Louisiana as of December 31, 1999 and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of Livingston Intergovernmental Commission'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 *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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of Livingston Intergovernmental Commission as of December 31, 1999, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2000 on our consideration of Livingston Intergovernmental Commission's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of Livingston Intergovernmental Commission. 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.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

February 3, 2000

Livingston Intergovernmental Commission

Statement A

Combined Balance Sheet
Fiduciary Fund Type - Expendable Trust Funds
December 31, 1999

Assets

Cash & Cash Equivalents	\$ 783,791
Investments, At Fair Value	5,817,299
Accrued Interest Receivable	60,078
Due From Other Funds	8,973
Property & Equipment:	
Land	104,054
Building	368,878
Equipment	80,407
Furniture & Fixtures	15,378
Construction in Progress	121,907
Total Assets	<u>\$ 7,360,765</u>

Liabilities & Fund Balance

Liabilities:	
Accounts Payable	\$ 73,817
Retainage Payable	10,902
Accrued Expenses Payable	3,700
Compensated Absences Payable	10,763
Due To Other Funds	8,973
Total Liabilities	<u>108,155</u>
Fund Balance	<u>7,252,610</u>
Total Liabilities & Fund Balance	<u>\$ 7,360,765</u>

The accompanying notes are an integral part of these statements.

Livingston Intergovernmental Commission

Statement B

**Combined Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiduciary Fund Type - Expendable Trust Funds
Year Ended December 31, 1999**

Revenues

Investment Income:

Net Increase (Decrease) In Fair Value Of Investments	\$ (262,318)
Interest Earned	263,418
Total Revenues	1,100

Expenditures

Commissioner Per Diem	7,100
Salaries	106,820
Employee Group Insurance	16,005
Payroll Taxes	10,123
Workmens' Compensation Insurance	2,035
Supplies & Materials	1,719
Advertising & Printing	1,337
Electricity	8,205
Telephone	2,943
Sanitation	7,234
Miscellaneous	2,355
Repairs & Maintenance	4,316
Legal & Accounting	59,250
Health Surveillance Contract	383,333
Medical Examinations	2,411
Environmental Surveillance Contract	21,000
Site Surveillance	23,873
Property & Liability Insurance	3,471
Transfer of Land to Town of Livingston	56,000
Total Expenditures	719,530

Excess Revenues (Expenditures)	(718,430)
---------------------------------------	-----------

Other Financing Sources (Uses)

Gain (Loss) on Fixed Asset Disposal	(5,280)
Operating Transfers In (Out)	-
Total Other Financing Sources (Uses)	(5,280)

**Excess Revenues & Other Financing Sources
(Expenditures & Other Financing Uses)**

Fund Balance, Beginning Of Year	6,177,445
Prior Period Adjustment (Note 10)	26,009
Initial Funding of Trust	1,772,866
Fund Balance, End Of Year	\$ 7,252,610

The accompanying notes are an integral part of these statements.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

INTRODUCTION

Livingston Intergovernmental Commission (the Commission) is a joint commission established December 4, 1985 between the Livingston Parish Police Jury and the Town of Livingston as authorized by Article VI, Section 20 of the Louisiana Constitution of 1974 and Title 33, Section 1324 of the Louisiana Revised Statutes of 1950, to be recognized as a body corporate pursuant to Title 33, Section 1332 of the Louisiana Revised Statutes of 1950, and as a body corporate and politic and political subdivision of the State of Louisiana pursuant to Title 33, Section 1334(D) of the Louisiana Revised Statutes of 1950, as defined in Article VI, Section 44 of the Louisiana Constitution of 1954, with all rights, powers, and authority granted to political subdivisions of the state under the constitution and general laws of the state including, but not limited to, the provisions of Title 31, Section 149 of the Louisiana Revised Statutes of 1950.

The Commission's purpose is to provide general health and public service benefits as a consequence of the Illinois Central Gulf Railroad Company train derailment which occurred in the Town of Livingston on September 28, 1982. In March 1999, the Commission also began administering a health surveillance program at its medical facility as a consequence of the *Combustion, Inc. class action settlement*.

The Commission is composed of five board members appointed as follows: (1) the President of the Livingston Parish Police Jury or his duly appointed designee who shall reside in the area evacuated as a result of the derailment, (2) the Mayor of the Town of Livingston, (3) one member either appointed by the Livingston Parish Police Jury who shall reside in the area evacuated as a result of the derailment or who shall be the Police Juror who officially represents the Police Jury district in which the Town of Livingston is situated, (4) one member nominated by the Mayor of the Town of Livingston and approved by a majority vote of the Board of Aldermen of the Town of Livingston, and (5) one member appointed by at least three of the four previously appointed members who shall reside in the area evacuated as a result of the evacuation. Board members receive per diem compensation for each meeting attended.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements of the Commission 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

The Commission is a component unit of the Town of Livingston, Louisiana, the financial reporting entity. The Town of Livingston, Louisiana is financially accountable for the Commission because it appoints a voting majority of the Board and has the ability to impose its will on them.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

The accompanying financial statements present information only on the funds maintained by the Commission and do not present information on the Town of Livingston, Louisiana, the general government services provided by that governmental unit, or the other governmental units that comprise the governmental reporting entity.

C. FUND ACCOUNTING

The Commission uses funds to report its financial position and results of 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. The Commission has one category of funds, fiduciary funds, and within this category has one fund type, expendable trust funds. Fiduciary funds account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the Commission. The expendable trust funds' resources, including both principal and earnings, may be expended. The Commission's expendable trust funds are as follows:

Derailment Operating Expense Fund is used to provide annual disbursements for operating expenditures not to exceed current and accumulated revenues. This fund will remain until all contingencies and other special funds have been disbursed and the Commission is dissolved.

Derailment Environmental Surveillance Fund is used to provide expert technical advisors to monitor and review all operations on or near the derailment site during the operation by Illinois Central Gulf Railroad Company.

It is now used to fulfill the Commission's responsibility to operate monitoring and detection facilities, to direct and supervise additional detection or recovery operations as indicated, and to comply with all requirements of the closure plan, modifications thereto, and any requirements or regulations imposed by the Louisiana Department of Environmental Quality (DEQ).

Upon notification by the State of Louisiana by DEQ or its successor that the program may be discontinued, fifty percent of any fund balance remaining in this fund will be paid (up to a maximum of \$200,000) to DEQ as reimbursement for costs and expenses incurred in supervising the Commission's operations. The remainder of this fund will be disbursed in the same manner provided for the Contingency Fund, described later.

Any year-end excess of revenues over expenditures may be transferred to the Health Surveillance Fund as deemed necessary by the Commission to continue health surveillance activities.

Derailment Health Surveillance Fund is used to provide an office and physician with staff retained to conduct annual physical examinations of all persons who have resided or presently reside in the area ordered evacuated as a consequence of the derailment.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

Upon notification by the Court having jurisdiction of the class action approving the termination of the program after contradictory hearing, any fund balance remaining in this fund will be disbursed in the same manner provided for the Contingency Fund, described later.

Derailment Thirty-Year Indemnity Fund is used to respond to all suits, demands, and claims including, but not limited to, the claims of any public entity arising out of the derailment or the associated spill and release of chemicals or the site remediation and cleanup, and to defend, indemnify, and save free and harmless from all such asserted suits, demands, and claims the Illinois Central Gulf Railroad Company, the Elgin, Joliet, and Eastern Railway Company, and all of their past, present, and future directors, officers, agents, servants, employees, insurers, contractors, affiliates, successors, and assigns, and the State of Louisiana and/or any agency thereof. This fund is to be maintained at interest for not less than thirty years from March 17, 1986.

Upon expiration of the thirty-year period, if no claims are pending and if DEQ or its successor has determined and notified the Commission that all site activities may be terminated, then any fund balance remaining in this fund will be disbursed in the same manner provided for the Contingency Fund, described later. However, if any claims are pending or if site activities are continuing at the instance of the State of Louisiana or its agencies when the thirty-year period expires, then the fund may not be dissolved.

Derailment Contingency Fund is used to account for any additional funds received by the Commission from the 21st Judicial District Court Fund in the distribution of settlement proceeds in the derailment class action will be held in this fund until such time as the court having jurisdiction of the class action proceedings shall determine in contradictory proceedings that this fund or any portion thereof may be released for distribution in the following manner:

One-third shall be paid as directed by the Livingston Parish Police Jury for any permitted public purpose for the benefit of residents of Livingston Parish. One-third shall be paid as directed by the Board of Aldermen of the Town of Livingston for any publicly permitted purpose for the benefit of residents of the Town of Livingston. One-third shall be reserved by the Commission for removal of all monitoring equipment and improvement of the derailment site to accommodate its highest and best use for the benefit of the residents of the Town of Livingston, subject to the restrictions and servitude imposed by the transferors of the property and by the agreement.

Any time prior to the termination of the need for monitoring the site activities, the Commission may make special disbursements from this fund with the approval of the 21st Judicial District Court having jurisdiction of the said class action, DEQ, the Livingston Parish Police Jury, and the Board of Aldermen of the Town of Livingston.

Combustion, Inc. Health Surveillance Fund is used to provide an office and physician with staff retained to administer a health surveillance program for the benefit of all qualified claimants of the Combustion, Inc. class action settlement.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

D. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Expendable trust 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; however, fixed assets and long-term liabilities of expendable trust funds are also included on the balance sheet, even though they do not represent expendable resources or claims against current expendable resources. The modified accrual basis of accounting is used by all expendable trust funds. Revenues are recognized when they become measurable and available as current assets. Expenditures are recognized when the related fund liability is incurred. Transfers between funds that are not expected to be repaid are accounted for as other financing sources or uses, and are recognized at the time the underlying events occur.

E. CASH & CASH EQUIVALENTS

Cash includes amounts in demand deposits and interest-bearing money market deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of ninety days or less. Under state law, the Commission may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any state of the United States, or under the laws of the United States.

F. INVESTMENTS

Investments are limited by Louisiana RS 33:2955 and the Commission'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. Investments are carried at fair value.

G. 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 and payables.

H. PROPERTY & EQUIPMENT

Fixed assets of expendable trust funds are included on the balance sheet of the funds at historical cost. Donated property and equipment are valued at fair value on the date donated. Depreciation is not required for expendable trust funds and has, therefore, not been provided for.

I. COMPENSATED ABSENCES

Commission employees earn vacation leave of 40 hours per year for the first year of employment, 80 hours per year for the second year of employment, and 120 hours per year for the third year of employment. Only 40 hours of vacation leave may be carried forward at year end. Accumulated vacation leave is fully vested.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

Commission employees earn sick leave of 80 hours per year regardless of the number of years of employment, and may accumulate a maximum of 240 hours. Accumulated sick leave is fully vested.

J. 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.

NOTE 2 - CASH & CASH EQUIVALENTS

At December 31, 1999, the Commission has cash and cash equivalents (book balances) totaling \$783,791 as follows:

Cash on Hand	\$	20
Demand Deposits		250
Interest-Bearing Money Market Deposits		783,521
	\$	<u>783,791</u>

These deposits are stated at cost, which approximates fair value. 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. At December 31, 1999, the Commission has \$783,907 in deposits (collected bank balances). These deposits are secured from risk by \$250 of federal deposit insurance and \$783,657 of U.S. Government securities.

NOTE 3 - INVESTMENTS

Investments are categorized into these three categories of credit risk:

1. Insured or registered, or securities held by the Commission or its agent in the Commission's name
2. Uninsured and unregistered, with securities held by the counterparty's trust department or agent in the Commission's name
3. Uninsured and unregistered, with securities held by the counterparty, or by its trust department or agent, but not in the Commission's name

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

All investments held by the Commission fall into category 1 credit risk, defined as "insured or registered, or securities held by the Commission or its agent in the Commission's name." In accordance with GASB-31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, all investments are carried at fair value, with the estimate of fair value based on quoted market prices. At December 31, 1999, the Commission's investment balances are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Federal Home Loan Bank (FHLB)	\$ 1,056,578	\$ 1,056,578
Federal Home Loan Mortgage Corporation (FHLMC)	557,728	557,728
Federal National Mortgage Association (FNMA)	871,607	871,607
Government National Mortgage Association (GNMA)	163,528	163,528
Separate Trading of Registered Interest/Principal of Securities (STRIPS)	1,678,596	1,678,596
Treasury Investment Growth Receipts (TIGR)	602,414	602,414
United States Treasury Notes	886,848	886,848
	<u>\$ 5,817,299</u>	<u>\$ 5,817,299</u>

The passage of Acts 374 and 1126 of the 1995 session of the Louisiana Legislature amended the provisions of Louisiana RS 33:2955 pertaining to local government investments. As a result of this amendment, certain securities held by the Commission which were once considered acceptable investments are now considered unacceptable. Louisiana Attorney General Opinion 95-442 states that the Commission is not legally required to divest itself of these securities which were legal when acquired prior to August 15, 1995. The securities held by the Commission at December 31, 1999 deemed unacceptable by the amendment of Louisiana RS 33:2955 are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Treasury Investment Growth Receipts (TIGR)	\$ 602,414	\$ 602,414
	<u>\$ 602,414</u>	<u>\$ 602,414</u>

NOTE 4 - PROPERTY & EQUIPMENT

The changes in property & equipment follows:

	<u>Balance 12/31/98</u>	<u>Asset Additions</u>	<u>Asset Deletions</u>	<u>Balance 12/31/99</u>
Land	\$ 138,664	\$ -	\$ 34,610	\$ 104,054
Building	368,878	-	-	368,878
Equipment	101,488	5,493	26,574	80,407
Furniture & Fixtures	15,474	-	96	15,378
Construction in Progress	-	121,907	-	121,907
	<u>\$ 624,504</u>	<u>\$ 127,400</u>	<u>\$ 61,280</u>	<u>\$ 690,624</u>

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 5 - COMPENSATED ABSENCES

At December 31, 1999, employees of the Commission have accumulated and vested \$10,763 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$1,524 is recorded as an obligation of the Operating Expense Fund, \$3,798 is recorded as an obligation of the Environmental Surveillance Fund, and \$5,441 is recorded as an obligation of the Health Surveillance Fund.

NOTE 6 - INTERFUND ASSETS & LIABILITIES

Due to and due from other funds at December 31, 1999:

Due To Health Surveillance Fund	Due From Operating Expense Fund	\$ 4,813
Due To Health Surveillance Fund	Due From Environmental Fund	<u>4,160</u>
		<u><u>\$ 8,973</u></u>

NOTE 7 - LITIGATION & CLAIMS

At December 31, 1999, the Commission is involved in two lawsuits. The likelihood of an unfavorable outcome is believed to be remote in both cases; however, any unfavorable outcome of the litigation could result in substantial potential losses which cannot be estimated.

NOTE 8 - COMMITMENTS

The Commission entered into a \$1,550,000 five-year medical services contract in March 1999. Under the terms of this contract, the Commission is to pay \$1,300,000 over five years as follows: \$33,333 monthly in year one, \$20,833 monthly in years two and three, and \$16,667 monthly in years four and five. The terms of the contract also require the Commission to pay \$250,000 over five years as follows: \$4,167 monthly for years one through five. The \$1,300,000 portion of the contract is for medical services related to the Combustion, Inc. health surveillance program, while the \$250,000 portion of the contract is for medical services related to the Illinois Central Gulf Railroad Company health surveillance program.

The Commission allowed their environmental services contract to expire in 1989, but has continued to purchase the original contractor's services on a monthly basis at the cost of \$1,750 per month.

The Commission entered into a \$9,975 sump repair contract in October 1999. As of December 31, 1999, the repair work had not begun and none of the contracted amount was paid or accrued by the Commission.

The Commission entered into a \$135,500 building addition and renovation contract in October 1999. As of December 31, 1999, the construction had begun and \$109,016 of the contracted amount was accrued or paid by the Commission.

**Livingston Intergovernmental Commission
Livingston, Louisiana**

**Notes to the Financial Statements
As of and for the Year Ended December 31, 1999**

NOTE 9 - COMPENSATION OF COMMISSIONERS

Members of the Board of Commissioners are compensated on a per diem basis for each meeting attended. In 1999, the per diem amount is \$150 per member per meeting, and \$75 per member per special meeting. Compensation paid in 1999 is as follows:

Dale Erdey, Chairman	\$ 975
Steve Stafford, Vice-Chairman	1,475
Roy McDonald, Commissioner	1,550
Jimmy Zeigler, Commissioner	1,475
Derral Jones, Commissioner	1,625
	<u>\$ 7,100</u>

NOTE 10 - PRIOR-PERIOD ADJUSTMENT

Land valued on the Commission's Environmental Surveillance Fund Balance Sheet at historical cost of \$13,191 was transferred to the Town of Livingston by the Commission in 1997. The land was erroneously removed from the Commission's Environmental Surveillance Fund Balance Sheet at fair market value of \$39,200 instead of historical cost of \$13,191. This error resulted in a \$26,009 undervaluation of the land on the Commission's Environmental Surveillance Fund Balance Sheet for fiscal years ended December 31, 1997 and December 31, 1998.

Supplemental Information

Livingston Intergovernmental Commission

**Combining Balance Sheet
Fiduciary Fund Type - Expendable Trust Funds
December 31, 1999**

	<u>Derailment Operating Expense</u>	<u>Derailment Environmental Surveillance</u>	<u>Derailment Health Surveillance</u>
Assets			
Cash & Cash Equivalents	\$ 39,189	\$ 68,894	\$ 113,570
Investments, At Fair Value	678,145	1,258,503	715,777
Accrued Interest Receivable	12,164	18,934	10,995
<i>Due From Other Funds</i>	-	-	8,973
Property & Equipment:			
Land	-	11,054	93,000
Building	-	7,700	361,178
Equipment	5,202	25,802	49,403
Furniture & Fixtures	2,035	477	12,866
Construction in Progress	-	-	121,907
Total Assets	<u>\$ 736,735</u>	<u>\$ 1,391,364</u>	<u>\$ 1,487,669</u>
Liabilities & Fund Balance			
Liabilities:			
Accounts Payable	\$ 733	\$ 6,960	\$ 1,162
Retainage Payable	-	-	-
Accrued Expenses Payable	-	-	3,700
Compensated Absences Payable	1,524	3,798	5,441
Due To Other Funds	4,813	4,160	-
Total Liabilities	<u>7,070</u>	<u>14,918</u>	<u>10,303</u>
Fund Balance	<u>729,665</u>	<u>1,376,446</u>	<u>1,477,366</u>
Total Liabilities & Fund Balance	<u>\$ 736,735</u>	<u>\$ 1,391,364</u>	<u>\$ 1,487,669</u>

The accompanying notes are an integral part of these statements.

Schedule 1

Derailment Thirty-Year Indemnity	Derailment Contingency Fund	Combustion, Inc. Health Surveillance	Total
\$ 24,309	\$ 275,587	\$ 262,242	\$ 783,791
2,281,009	-	883,865	5,817,299
-	-	17,985	60,078
-	-	-	8,973
-	-	-	104,054
-	-	-	368,878
-	-	-	80,407
-	-	-	15,378
-	-	-	121,907
<u>\$ 2,305,318</u>	<u>\$ 275,587</u>	<u>\$ 1,164,092</u>	<u>\$ 7,360,765</u>
\$ 50	\$ -	\$ 64,912	\$ 73,817
-	-	10,902	10,902
-	-	-	3,700
-	-	-	10,763
-	-	-	8,973
50	-	75,814	108,155
2,305,268	275,587	1,088,278	7,252,610
<u>\$ 2,305,318</u>	<u>\$ 275,587</u>	<u>\$ 1,164,092</u>	<u>\$ 7,360,765</u>

Livingston Intergovernmental Commission

**Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Fiduciary Fund Type - Expendable Trust Funds
Year Ended December 31, 1999**

	<u>Derailment Operating Expense</u>	<u>Derailment Environmental Surveillance</u>	<u>Derailment Health Surveillance</u>
Revenues			
Investment Income:			
Net Increase (Decrease) In Fair Value Of Investments	\$ (47,873)	\$ (62,229)	\$ (39,461)
Interest Earned	51,280	87,229	56,248
Total Revenues	<u>3,407</u>	<u>25,000</u>	<u>16,787</u>
 Expenditures			
Commissioner Per Diem	7,100	-	-
Salaries	16,530	40,390	49,900
Employee Group Insurance	2,836	7,172	5,997
Payroll Taxes	2,318	3,417	4,388
Workmens' Compensation Insurance	97	1,622	316
Supplies & Materials	594	346	713
Advertising & Printing	1,089	-	248
Electricity	1,729	969	5,507
Telephone	676	584	1,683
Sanitation	1,158	2,503	3,573
Miscellaneous	1,941	44	270
Repairs & Maintenance	647	10	3,659
Legal & Accounting	6,903	6,248	8,021
Health Surveillance Contract	-	-	50,000
Medical Examinations	-	-	2,411
Environmental Surveillance Contract	-	21,000	-
Site Surveillance	-	23,873	-
Property & Liability Insurance	942	-	2,529
Transfer of Land to Town of Livingston	-	56,000	-
Total Expenditures	<u>44,560</u>	<u>164,178</u>	<u>139,215</u>
 Excess Revenues (Expenditures)	 <u>(41,153)</u>	 <u>(139,178)</u>	 <u>(122,428)</u>
 Other Financing Sources (Uses)			
Gain (Loss) on Fixed Asset Disposal	(2,045)	21,294	(24,529)
Operating Transfers In (Out)	-	-	121,907
Total Other Financing Sources (Uses)	<u>(2,045)</u>	<u>21,294</u>	<u>97,378</u>
 Excess Revenues & Other Financing Sources (Expenditures & Other Financing Uses)	 (43,198)	 (117,884)	 (25,050)
Fund Balance, Beginning Of Year	772,863	1,468,321	1,502,416
Prior Period Adjustment (Note 10)	-	26,009	-
Initial Funding of Trust	-	-	-
Fund Balance, End Of Year	<u>\$ 729,665</u>	<u>\$ 1,376,446</u>	<u>\$ 1,477,366</u>

The accompanying notes are an integral part of these statements.

Schedule 2

<u>Derailment Thirty-Year Indemnity</u>	<u>Derailment Contingency Fund</u>	<u>Combustion, Inc. Health Surveillance</u>	<u>Total</u>
\$ (91,966)	\$ -	\$ (20,789)	\$ (262,318)
1,467	2,821	64,373	263,418
<u>(90,499)</u>	<u>2,821</u>	<u>43,584</u>	<u>1,100</u>
-	-	-	7,100
-	-	-	106,820
-	-	-	16,005
-	-	-	10,123
-	-	-	2,035
-	-	66	1,719
-	-	-	1,337
-	-	-	8,205
-	-	-	2,943
-	-	-	7,234
-	100	-	2,355
-	-	-	4,316
38,078	-	-	59,250
-	-	333,333	383,333
-	-	-	2,411
-	-	-	21,000
-	-	-	23,873
-	-	-	3,471
-	-	-	56,000
<u>38,078</u>	<u>100</u>	<u>333,399</u>	<u>719,530</u>
<u>(128,577)</u>	<u>2,721</u>	<u>(289,815)</u>	<u>(718,430)</u>
-	-	-	(5,280)
-	-	(121,907)	-
-	-	(121,907)	(5,280)
(128,577)	2,721	(411,722)	(723,710)
2,433,845	-	-	6,177,445
-	-	-	26,009
-	272,866	1,500,000	1,772,866
<u>\$ 2,305,268</u>	<u>\$ 275,587</u>	<u>\$ 1,088,278</u>	<u>\$ 7,252,610</u>

Livingston Intergovernmental Commission

Schedule 3

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

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

Reference Number: 98-1

Year Finding Initially Occurred: 1998

Description of Finding: Livingston Intergovernmental Commission has not inventoried computer systems and other electronic equipment that may be affected by the year 2000 issue. It was also noted that management of the Commission cannot assure that parties with which the Commission does business will be year 2000 ready.

Corrective Action Taken: Yes

Corrective Action Taken: The Commission reviewed hardware and software systems for year 2000 compliance, and purchased new hardware and software systems in 1999 which have proven to be year 2000 compliant.

Section II - Management Letter

No section II findings.

Livingston Intergovernmental Commission

Schedule 4

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

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

No section I findings.

Section II - Management Letter

No section II findings.

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

Board of Commissioners
Livingston Intergovernmental Commission
Livingston, Louisiana

We have audited the general purpose financial statements of Livingston Intergovernmental Commission, a component unit of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated February 3, 2000. We conducted our audit in accordance with generally accepted auditing 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 Livingston Intergovernmental Commission's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed 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 Livingston Intergovernmental Commission's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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Board of Commissioners
Livingston Intergovernmental Commission
Page 2

This report is intended solely for the information of the Commission and the Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.


Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

February 3, 2000