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TOWN OF MOUNT LEBANON

FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the auditor, or reviewer, of 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 11-10-99

**TOWN OF MOUNT LEBANON
GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1999**

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To the Board of Alderman
Town of Mount Lebanon
Mount Lebanon, Louisiana

The accompanying pages are the general purpose financial statements of the Town of Mount Lebanon, Louisiana for the year ended June 30, 1999. A compilation is limited to presenting in the form of financial statements information that is the representation of management of Town of Mount Lebanon, Louisiana. The accompanying financial statements have been reviewed and, accordingly, do not express an opinion or any other form of assurance on them.

Suzy Blackwelder
October 25, 1999

TOWN OF MOUNT LEBANON
COMBINED BALANCE SHEETS - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 1999

	Governmental Fund Type		Proprietary Fund Type	(Memo Only) Total All Types
	General	Special Revenue	Water	
ASSETS				
CURRENT ASSETS				
Cash and Cash Equivalents	10043		\$ 46126	\$ 56169
Savings and Certificates	16000		5376	21376
Accounts Receivable			1469	1469
Total Current Assets	<u>\$ 26043</u>	<u>\$ -0-</u>	<u>\$ 52971</u>	<u>\$ 79014</u>
RESTRICTED ASSETS				
Sinking Fund			2040	2040
Reserve Fund			5769	5769
Depreciation & Contingency Fund			5092	5092
Total Restricted Assets			<u>12901</u>	<u>12901</u>
FIXED ASSETS				
Plant, Property, and Equipment			61800	61800
Accumulated Depreciation			(51002)	(51002)
Total Fixed Assets			<u>10798</u>	<u>10798</u>
TOTAL ASSETS	<u>\$ 26043</u>	<u>\$ -0-</u>	<u>\$ 76670</u>	<u>\$ 102713</u>
LIABILITIES & FUND EQUITY				
CURRENT LIABILITIES				
Accrued Interest			875	875
Notes Payable - Current			2000	2000
Total Current Liabilities	<u>-0-</u>	<u>-0-</u>	<u>2875</u>	<u>2875</u>
LONG TERM LIABILITIES				
Revenue Bonds Payable			35000	35000
TOTAL LIABILITIES	<u>-0-</u>	<u>-0-</u>	<u>37875</u>	<u>37875</u>
FUND EQUITY				
Retained Earnings:				
Reserved-Debt Service			12901	12901
Unreserved			23019	23019
Fund Balance:				
Unreserved-Undesignated	<u>26043</u>			<u>26043</u>
Total Fund Equity	<u>\$ 26043</u>	<u>-0-</u>	<u>\$ 35920</u>	<u>\$ 61963</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 26043</u>	<u>\$ -0-</u>	<u>\$ 76670</u>	<u>\$ 102713</u>

**TOWN OF MOUNT LEBANON
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUND
FOR THE YEAR ENDED JUNE 30, 1999**

	<u>General</u>	<u>Revenue Sharing</u>	<u>Total</u>
<u>Revenues</u>			
Bienville Parish	\$	\$ 90	\$ 90
Tobacco Tax	552		552
Gas Franchise Tax	285		285
Electric Franchise Tax	938		938
Interest Earned	662		662
J. C. Penney	\$ 80		80
Total Revenue	<u>\$ 2517</u>	<u>\$ 90</u>	<u>\$ 2607</u>
<u>Expenditures</u>			
Mayor's Salary	\$ 420		\$ 420
Aldermen's Salary	920		780
Utilities	1060		1060
Safe Deposit Box	25		25
Miscellaneous	380		380
Total Expenditures	<u>\$ 2804</u>	<u>\$ - 0 -</u>	<u>\$ 2804</u>
Excess Expenditures Over Revenues	\$ (288)	\$ 90	\$ 198
Fund Balance at Beginning of Year	\$ 26201		\$ 18142
Operating Transfer	90	(90)	
FUND BALANCE AT END OF YEAR	<u>\$ 26003</u>	<u>\$ - 0 -</u>	<u>\$ 26003</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF MOUNT LEBANON
STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN RETAINED EARNINGS
PROPRIETARY FUNDS
AS OF JUNE 30, 1999

	<u>Water Fund</u>
<u>Operating Revenue</u>	
Water Sales	\$ 13041
 Total Operating Revenues	 <u>\$ 13041</u>
<u>Operating Expenses</u>	
Depreciation	\$ 1566
Insurance	1107
Office Supplies & Expense	24
Repairs & Maintenance	10546
Salaries - Bookkeeping	3300
Utilities	1306
Mowing	120
Postage	470
 Total Operating Expenses	 <u>\$ 18439</u>
Operating Income (Loss)	<u>\$ (5398)</u>
 Non-operating Revenue (Expenses)	
Interest Income	\$ 1552
Interest Expense	<u>(1850)</u>
 Total Non-operating Revenue (Expense)	 <u>\$ (298)</u>
Net Income (Loss)	\$ (5696)
 Beginning Retained Earnings	 \$ 46048
Ending Retained Earnings	<u><u>\$ 40352</u></u>

The accompanying notes are an integral part of these financial statements.

**TOWN OF MOUNT LEBANON
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
FOR THE YEAR ENDED JUNE 30, 1999**

<u>Cash Flows From Operating Activities</u>		
Operating Income (Loss)		\$ (5398)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Depreciation	\$ 1566	
Increase in Accounts Receivable	3	
Increase in Accounts Payable	-0-	1551
		<hr/>
Net Loss From Operations		(3847)
 <u>Cash Flows From Capital and Related Financing Activities</u>		
		-0-
Net Cash Provided From Capital and Related Financing Activities		
 <u>Cash Flows From Investing Activities</u>		
Interest Payments	(1850)	
Principal Payments on Notes Payable	(2000)	
Interest Income	1552	
		<hr/>
Net Cash From Investing Activities		(2298)
Net Decrease in Cash		(6133)
Cash at Beginning of Year		<hr/> 70535
Cash at End of Year		<hr/> \$ 64402

CASH SHOWN ON BALANCE SHEET

<u>Current Assets</u>	
Cash and Equivalent	\$ 46125
Savings and Certificates	5376
Restricted Cash	<hr/> 12901
	\$ 64402

TOWN OF MOUNT LEBANON
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 1998

(1) Summary of significant Accounting Policies -

The accounting and reporting policies of the Town of Mount Lebanon conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Municipal Audit and Accounting Guide, and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

FINANCIAL REPORTING ENTITY

This report includes all funds and account groups which are controlled by or dependent on the Town executive and legislative branches (the Mayor and Board of Aldermen).

Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

A. FUND ACCOUNTING

The accounts of the Town of Mount Lebanon 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 one generic fund type and one broad fund category as follows:

GOVERNMENTAL FUNDS

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 - the Special Revenue Fund is the operating fund for specific monies received for specific purposes.

PROPRIETARY FUND

Enterprise Fund - 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 primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purpose.

ACCOUNT GROUP

Fixed Assets Account Group - The accounting and reporting treatment applied to the fixed assets 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. Their reported fund balance (net current assets) is considered a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements, are not capitalized. No depreciation has been provided on general fixed assets.

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated.

General Long Term Debt - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. Long-Term liabilities expected to be financed from Enterprise Fund operations are accounted for in those Enterprise Funds.

B. 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 related 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. Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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

C. Budgets and Budgetary Accounting

The Town did not adopt a budget for the General fund for the Fiscal year ended June 30, 1999, as required by Governmental Generally Accepted Accounting Principles.

Consequently, no budget to actual comparison is included in this report.

D. Fixed Assets - Proprietary Fund

Depreciation of all exhaustive fixed assets used by the proprietary funds is charged as an expense against operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful life using the straight-line method over the estimated useful lives of 5-40 years.

E. Accumulated Unpaid Vacation, Sick Pay and Other Employee Benefits and Pensions Amounts.

The Town has no employees, therefore no accrued benefits are recorded.

F. Total Columns on combined statements.

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

(2) - Cash and Cash Equivalents

Statutes require that the Town invest surplus cash balances in obligations of the United States Treasury, time certificates of deposits, and any other federally-insured investments.

At June 30, 1999, all of the cash in bank accounts was covered by federal depository insurance.

(3) - Fixed Assets

There were no general fixed assets.

The breakdown of proprietary fixed assets is shown below.

	<u>Water</u>
Pipes & Valves	\$ 20,872
Pump	11,212
Booster Station	20,054
Meters	5,516
Service Line	2,516
Locator Wire	1,630
	<hr/>
	61,800
Accumulated Depreciation	(51,002)
	<hr/>
Net Fixed Assets	<u>\$ 10,798</u>

(4) - Long-Term Debt - Water Fund

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

Note Payable, July 1, 1998	\$ 37,000
Note Retired	(2,000)

Note payable, June 30, 1999	\$ 35,000
	=====

The terms of the note provide for an annual principal payment of \$ 2,000, plus interest on the loan balance. During the current fiscal year the Town paid additional principal payments of \$ 2,000.

(5) - Per Diem

Per Diem Payments are as follows:

Mr. Nolte	\$ 420
Mr. Eaton	420
Mr. Welch	240
Mr. Lyles	60
Mr. Jowers	200

	\$ 1340
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