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# TOWN OF ELTON, LOUISIANA

Financial Report

Year Ended December 31, 1999

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

Release Date 8-23-00

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## INDEPENDENT AUDITORS' REPORT

The Honorable Roger D. Laughlin, Mayor  
and Members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Elton, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Elton, Louisiana'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 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 the Town of Elton, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 24, 2000 on our consideration of the Town of Elton's internal control over financial reporting and on our tests of its compliance with laws, regulations, contracts and grants.

The supplemental information on pages 27-66 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Elton, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, 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.

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The financial information, for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed a qualified opinion on the general purpose financial statements, due to insufficient evidence to support the Town's disclosure with respect to the year 2000 issue, of the Town of Elton, Louisiana.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
April 24, 2000

**GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF ELTON, LOUISIANA

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

	Governmental Fund Types				Proprietary Fund Type	Account Groups			Totals (Memorandum Only)	
	General	Special		Capital Projects		General Fixed Assets	Long-Term Debt	1999		
		Revenue	Debt Service							
<b>ASSETS AND OTHER DEBITS</b>										
Cash	\$ 8,010	\$ 31,029	\$ -	\$ -	\$ 27,579	\$ -	\$ -	\$ 66,618	\$ 134,859	
Interest-bearing deposits	2,502	50,530	-	-	100,071	-	-	208,908	183,928	
Receivables -										
Taxes	3,700	10,926	4,341	-	-	-	-	18,967	17,034	
Accounts	-	-	-	-	23,337	-	-	23,337	23,519	
Other	7,864	-	-	-	-	-	-	7,864	5,038	
Due from other funds	696	-	864	-	-	-	-	1,560	696	
Due from other governmental units	-	-	-	-	-	-	-	-	3,169	
Restricted assets:										
Cash	-	-	-	-	10,169	-	-	10,169	8,089	
Interest-bearing deposits	-	-	-	-	67,246	-	-	67,246	65,471	
Land	-	-	-	-	-	37,858	-	37,858	22,858	
Buildings	-	-	-	-	-	254,125	-	254,125	254,125	
Improvements other than buildings	-	-	-	-	-	316,647	-	316,647	311,296	
Equipment	-	-	-	-	-	104,987	-	104,987	85,990	
Utility property, plant and equipment	-	-	-	-	3,550,367	-	-	3,550,367	3,520,924	
Accumulated depreciation	-	-	-	-	(1,036,674)	-	-	(1,036,674)	(973,276)	
Amount available in debt service funds	-	-	-	-	-	-	61,010	61,010	72,915	
Amount to be provided for retirement	-	-	-	-	-	-	-	-	-	
of general long-term debt	-	-	-	-	-	-	111,990	111,990	144,085	
Total assets and other debits	\$22,772	\$92,485	\$61,010	\$ -	\$2,742,095	\$713,617	\$173,000	\$3,804,979	\$3,880,720	

(continued)

TOWN OF ELTON, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups (Continued)

December 31, 1999

	Governmental Fund Types						Proprietary Fund Type			Account Groups			Totals	
	General	Special Revenue	Debt Service	Capital Projects	Enterprise		Fixed Assets	Long-Term Debt	General	Enterprise		1999	1998	
					Revenue	Debt Service				Enterprise	Enterprise			
<b>LIABILITIES AND FUND EQUITY</b>														
Liabilities:														
Accounts payable	\$ 10,939	\$ -	\$ -	\$ -	\$ -	\$ 11,809	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 22,748	\$ 15,849	
Other liabilities	-	-	-	-	-	3,075	-	-	-	-	-	3,075	1,828	
Due to other funds	864	-	-	-	-	696	-	-	-	-	-	1,560	696	
Payable from restricted assets -														
Revenue bonds	-	-	-	-	-	22,000	-	-	-	-	-	22,000	20,000	
Accrued interest	-	-	-	-	-	1,378	-	-	-	-	-	1,378	1,627	
Customers' deposits	-	-	-	-	-	31,757	-	-	-	-	-	31,757	29,737	
Revenue bonds payable	-	-	-	-	-	123,000	-	-	-	-	-	123,000	145,000	
General obligation bonds payable	-	-	-	-	-	-	-	86,000	-	-	-	86,000	98,000	
Certificates of indebtedness payable	-	-	-	-	-	-	-	87,000	-	-	-	87,000	119,000	
Total liabilities	<u>11,803</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>193,715</u>	<u>-</u>	<u>173,000</u>	<u>-</u>	<u>-</u>	<u>378,518</u>	<u>431,737</u>	<u>431,737</u>	
Equity and other credits:														
Contributed capital (net of accumulated amortization)	-	-	-	-	-	2,181,338	-	-	-	-	-	2,181,338	2,230,353	
Investment in general fixed assets	-	-	-	-	-	-	713,617	-	-	-	-	713,617	674,269	
Retained earnings -														
Reserved for debt retirement	-	-	-	-	-	22,280	-	-	-	-	-	22,280	22,196	
Unreserved	-	-	-	-	-	344,762	-	-	-	-	-	344,762	334,692	
Total retained earnings	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,042</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>367,042</u>	<u>367,042</u>	<u>356,888</u>	
Fund balances -														
Reserved for debt service	-	-	61,010	-	-	-	-	-	-	-	-	61,010	72,915	
Designated for street improvements	-	67,042	-	-	-	-	-	-	-	-	-	67,042	40,939	
Unreserved, undesignated	10,969	25,443	-	-	-	-	-	-	-	-	-	36,412	73,619	
Total fund balances	<u>10,969</u>	<u>92,485</u>	<u>61,010</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>164,464</u>	<u>187,473</u>	<u>187,473</u>	
Total fund equity	<u>10,969</u>	<u>92,485</u>	<u>61,010</u>	<u>-</u>	<u>-</u>	<u>2,548,380</u>	<u>713,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,426,461</u>	<u>3,448,983</u>	<u>3,448,983</u>	
Total liabilities and fund equity	<u>\$ 22,772</u>	<u>\$ 92,485</u>	<u>\$ 61,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,742,095</u>	<u>\$ 713,617</u>	<u>\$ 173,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,804,979</u>	<u>\$ 3,880,720</u>	<u>\$ 3,880,720</u>	

The accompanying notes are an integral part of this statement.



TOWN OF ELTON, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Governmental Fund Types  
Year Ended December 31, 1999

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)	
					1999	1998
<b>Revenues:</b>						
Taxes	\$ 65,193	\$ 130,384	\$ 19,407	\$ -	\$ 214,984	\$ 207,391
Licenses and permits	30,498	-	-	-	30,498	27,898
Intergovernmental	58,139	-	-	-	58,139	265,773
Fines and forfeits	35,434	-	-	-	35,434	32,913
Miscellaneous	21,509	530	1,331	-	23,370	14,999
Total revenues	<u>210,773</u>	<u>130,914</u>	<u>20,738</u>	<u>-</u>	<u>362,425</u>	<u>548,974</u>
<b>Expenditures:</b>						
Current -						
General government	84,921	4,588	1,873	2,774	94,156	83,464
Public safety:						
Police	109,538	-	-	-	109,538	92,850
Highways and streets	90,211	-	-	-	90,211	38,627
Parks and recreation	3,349	-	-	-	3,349	2,424
Animal Control	4,832	-	-	-	4,832	4,142
Debt service -						
Principal retirement	-	-	44,000	-	44,000	41,000
Interest	-	-	10,450	-	10,450	12,525
Capital outlay	27,552	-	-	11,796	39,348	479,709
Total expenditures	<u>320,403</u>	<u>4,588</u>	<u>56,323</u>	<u>14,570</u>	<u>395,884</u>	<u>754,741</u>
Excess (deficiency) of revenues over expenditures	<u>(109,630)</u>	<u>126,326</u>	<u>(35,585)</u>	<u>(14,570)</u>	<u>(33,459)</u>	<u>(205,767)</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	88,020	-	38,250	14,570	140,840	344,242
Operating transfers out	-	(115,820)	(14,570)	-	(130,390)	(344,242)
Total other financing sources (uses)	<u>88,020</u>	<u>(115,820)</u>	<u>23,680</u>	<u>14,570</u>	<u>10,450</u>	<u>-</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(21,610)</u>	<u>10,506</u>	<u>(11,905)</u>	<u>-</u>	<u>(23,009)</u>	<u>(205,767)</u>
Fund balances, beginning	<u>32,579</u>	<u>81,979</u>	<u>72,915</u>	<u>-</u>	<u>187,473</u>	<u>393,240</u>
Fund balances, ending	<u>\$ 10,969</u>	<u>\$ 92,485</u>	<u>\$ 61,010</u>	<u>\$ -</u>	<u>\$ 164,464</u>	<u>\$ 187,473</u>

The accompanying notes are an integral part of this statement.

TOWN OF ELTON, LOUISIANA

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes	\$ 64,000	\$ 65,193	\$ 1,193	\$129,200	\$130,384	\$1,184
Licenses and permits	30,500	30,498	(2)	-	-	-
Intergovernmental	47,150	58,139	10,989	-	-	-
Fines and forfeits	35,500	35,434	(66)	-	-	-
Miscellaneous	21,400	21,509	109	1,500	530	(970)
Total revenues	<u>198,550</u>	<u>210,773</u>	<u>12,223</u>	<u>130,700</u>	<u>130,914</u>	<u>214</u>
<b>Expenditures:</b>						
Current -						
General government	86,875	84,921	1,954	4,900	4,588	312
Public safety:						
Police	109,300	109,538	(238)	-	-	-
Highways and streets	87,710	90,211	(2,501)	-	-	-
Parks and recreation	3,400	3,349	51	-	-	-
Animal control	4,225	4,832	(607)	-	-	-
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	27,200	27,552	(352)	-	-	-
Total expenditures	<u>318,710</u>	<u>320,403</u>	<u>(1,693)</u>	<u>4,900</u>	<u>4,588</u>	<u>312</u>
Excess (deficiency) of revenues over expenditures	<u>(120,160)</u>	<u>(109,630)</u>	<u>10,530</u>	<u>125,800</u>	<u>126,326</u>	<u>526</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	90,006	88,020	(1,986)	-	-	-
Operating transfers out	-	-	-	(118,500)	(115,820)	2,680
Total other financing sources (uses)	<u>90,006</u>	<u>88,020</u>	<u>(1,986)</u>	<u>(118,500)</u>	<u>(115,820)</u>	<u>2,680</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(30,154)</u>	<u>(21,610)</u>	<u>8,544</u>	<u>7,300</u>	<u>10,506</u>	<u>3,206</u>
Fund balances, beginning	<u>32,579</u>	<u>32,579</u>	<u>-</u>	<u>81,979</u>	<u>81,979</u>	<u>-</u>
Fund balances, ending	<u>\$ 2,425</u>	<u>\$ 10,969</u>	<u>\$ 8,544</u>	<u>\$ 89,279</u>	<u>\$ 92,485</u>	<u>\$3,206</u>

The accompanying notes are an integral part of this statement.

Debt Service Funds			Capital Projects Fund		
Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$19,000	\$19,407	\$ 407	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
625	1,331	706	-	-	-
<u>19,625</u>	<u>20,738</u>	<u>1,113</u>	<u>-</u>	<u>-</u>	<u>-</u>
2,025	1,873	152	3,000	2,774	226
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
44,000	44,000	-	-	-	-
10,450	10,450	-	-	-	-
-	-	-	11,700	11,796	(96)
<u>56,475</u>	<u>56,323</u>	<u>152</u>	<u>14,700</u>	<u>14,570</u>	<u>130</u>
<u>(36,850)</u>	<u>(35,585)</u>	<u>1,265</u>	<u>(14,700)</u>	<u>(11,796)</u>	<u>(96)</u>
38,500	38,250	(250)	14,700	14,570	(130)
<u>(14,706)</u>	<u>(14,570)</u>	<u>136</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>23,794</u>	<u>23,680</u>	<u>(114)</u>	<u>14,700</u>	<u>14,570</u>	<u>(130)</u>
(13,056)	(11,905)	1,151	-	2,774	(226)
<u>72,915</u>	<u>72,915</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$59,859</u>	<u>\$61,010</u>	<u>\$1,151</u>	<u>\$ -</u>	<u>\$ 2,774</u>	<u>\$ (226)</u>

TOWN OF ELTON, LOUISIANA

Comparative statement of Revenues, Expenses, and Changes in Retained Earnings -  
 Proprietary Fund Type  
 Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water charges	\$116,047	\$114,544
Sewer service charges	94,850	96,976
Sanitation charges	56,517	54,616
Miscellaneous	3,489	7,363
Total operating revenues	<u>270,903</u>	<u>273,499</u>
Operating expenses:		
Water department	113,683	102,234
Water depreciation	28,326	29,284
Sewer department	62,437	63,160
Sewer depreciation	35,072	34,098
Sanitation department	57,817	50,797
Total operating expenses	<u>297,335</u>	<u>279,573</u>
Operating loss	<u>(26,432)</u>	<u>(6,074)</u>
Nonoperating revenues (expenses):		
Interest income	6,022	6,154
Interest and fiscal charges	<u>(8,000)</u>	<u>(9,063)</u>
Total nonoperating expenses	<u>(1,978)</u>	<u>(2,909)</u>
Net loss before operating transfers	<u>(28,410)</u>	<u>(8,983)</u>
Operating transfers in (out):		
Operating transfers in	4,550	-
Operating transfers out	<u>(15,000)</u>	<u>-</u>
Total operating transfers out	<u>(10,450)</u>	<u>-</u>
Net loss	<u>(38,860)</u>	<u>(8,983)</u>
Add: Depreciation of fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital -	<u>49,014</u>	<u>49,014</u>
Increase in retained earnings	10,154	40,031
Retained earnings, beginning	<u>356,888</u>	<u>316,857</u>
Retained earnings, ending	<u><u>\$367,042</u></u>	<u><u>\$356,888</u></u>

The accompanying notes are an integral part of this statement.

TOWN OF ELTON, LOUISIANA

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

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	<u>\$(26,432)</u>	<u>\$ (6,074)</u>
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation	63,398	63,382
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	182	(2,174)
Decrease in prepaid expenses	-	2,613
Increase (decrease) in accounts payable	3,818	(894)
Increase in due to other governments	<u>1,247</u>	<u>22</u>
Total adjustments	<u>68,645</u>	<u>62,949</u>
Net cash provided by operating activities	<u>42,213</u>	<u>56,875</u>
Cash flows from noncapital financing activities:		
Operating transfers to other funds	<u>(10,450)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(29,442)	(14,165)
Principal paid on revenue bond maturities	(20,000)	(19,000)
Interest paid on revenue bonds	(8,250)	(9,200)
Increase in meter deposits	<u>2,020</u>	<u>2,235</u>
Net cash used by capital and related financing activities	<u>(55,672)</u>	<u>(40,130)</u>
Cash flows from investing activities:		
Purchase of investments	(121,747)	(115,528)
Proceeds from maturities of investments	115,528	101,098
Interest received on interest-bearing deposits	<u>6,022</u>	<u>6,304</u>
Net cash used by investing activities	<u>(197)</u>	<u>(8,126)</u>

(continued)

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows (Continued)  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Net increase (decrease) in cash and cash equivalents	(24,106)	8,619
Cash and cash equivalents, beginning of period	<u>107,425</u>	<u>98,806</u>
Cash and cash equivalents, end of period	<u><u>\$ 83,319</u></u>	<u><u>\$ 107,425</u></u>
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 21,950	\$ 25,305
Cash - restricted	8,089	5,811
Interest-bearing deposits - unrestricted	127,443	107,267
Interest-bearing deposits - restricted	65,471	61,521
Less: Certificates of deposit with a maturity over three months when purchased	<u>(115,528)</u>	<u>(101,098)</u>
Total cash and cash equivalents	<u>107,425</u>	<u>98,806</u>
Cash and cash equivalents, end of period -		
Cash - unrestricted	27,579	21,950
Cash - restricted	10,169	8,089
Interest-bearing deposits - unrestricted	100,071	127,443
Interest-bearing deposits - restricted	67,246	65,471
Less: Certificates of deposit with a maturity over three months when purchased	<u>(121,747)</u>	<u>(115,528)</u>
Total cash and cash equivalents	<u>83,318</u>	<u>107,425</u>
Net increase (decrease)	<u><u>\$ (24,107)</u></u>	<u><u>\$ 8,619</u></u>

The accompanying notes are an integral part of this statement.

## TOWN OF ELTON, LOUISIANA

### Notes to Financial Statements

#### (1) Summary of Significant Accounting Policies

The Town of Elton was incorporated under the provisions of the Lawrason Act. The Town operates under the Mayor-Board of Aldermen form of government.

The accounting and reporting policies of the Town of Elton conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

##### A. Financial Reporting Entity

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

Governmental Accounting Standards Board (GASB) Statement No. 14 established criteria for determining which component units should be considered part of the Town of Elton for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the municipality.
2. Organizations for which the municipality does not appoint a voting majority but are fiscally dependent on the municipality.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature of significance of the relationship.

## TOWN OF ELTON, LOUISIANA

### Notes to Financial Statements (Continued)

As required by generally accepted accounting principals, these financial statements present the Town of Elton (the primary government) and its component units. By applying the above criteria, there are no component units of the Town of Elton.

#### 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 comprise 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. Account groups are a reporting device used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds. The various funds and account groups are grouped, in the financial statements in this report, into five generic fund types and two broad fund categories as follows:

##### Governmental Fund Types -

###### 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 Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific 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.

###### Capital Projects Funds –

Capital projects funds are used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other governmental funds



## TOWN OF ELTON, LOUISIANA

### Notes to Financial Statements (Continued)

#### Proprietary Fund Type –

##### 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 purposes. The Town of Elton's enterprise fund is the Utility Fund.

##### Account Groups -

##### General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

##### General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

#### C. 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 measurement 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. Sales taxes are considered "measurable" when in the hands of the intermediary 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. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on deposits. Franchise fees, licenses and permits, and fines are recognized when received because they are not objectively measurable.

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables resulting from utility services rendered between the date of meter reading and billing and the end of the month, are not recorded due to immateriality at December 31, 1999 and 1998.

D. 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 elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical costs if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

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

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

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

Utility System and Improvements	30-70 years
Equipment	5-10 years

## TOWN OF ELTON, LOUISIANA

### Notes to Financial Statements (Continued)

#### E. Budget and Budgetary Accounting

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

1. Prior to December 15, the Town Clerk submits to the Mayor and Board of Aldermen a proposed operating budget for the period commencing the following January 1.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

#### F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the Town as an extension of formal budgetary integration in the funds.

#### G. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market. All short-term investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash, and at the date of purchase, they have a maturity date no longer than three months.

## TOWN OF ELTON, LOUISIANA

### Notes to Financial Statements (Continued)

#### H. Bad Debts

Uncollectible amounts due for ad valorem taxes and customer's utility receivables are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible receivables is recorded due to immateriality at December 31, 1999 and 1998.

#### I. Compensated Absences

Vacation and sick leave are recorded as expenditures of the period in which paid. Vacation must be taken in the year accrued and cannot be carried over. Sick leave is accumulated by employees at a rate dependent upon number of years of employment. Although sick leave is available for employees when needed, it does not vest nor is it payable at termination of employment; therefore, no liability has been recorded in the accounts as of December 31, 1999 and 1998.

#### J. Capitalization of Interest Expense

It is the policy of the Town of Elton to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. No interest was capitalized for the years ended December 31, 1999 and 1998.

#### K. Total Columns and 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 cash flows 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. 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.

#### M. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers or other funds. Reserves represent those portions of fund equity not appropriate for expenditure or legally separated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

TOWN OF ELTON, LOUISIANA  
Notes to Financial Statements (Continued)

N. Due To and Due From Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

O. Restricted Assets

The Utility Fund based on certain bond covenants, is required to establish and maintain amounts of resources (consisting of cash and temporary investments) that can be used to service outstanding debt.

(2) Cash and Interest-Bearing 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 other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of the state banks organized under Louisiana law and national banks having principal offices in Louisiana. At December 31, 1999, the Town had cash and interest-bearing deposits (book balances) totaling \$352,941 as follows:

Demand deposits	\$ 76,787
Money market accounts and certificates of deposit	<u>276,154</u>
 Total	 <u><u>\$ 352,941</u></u>

These deposits are stated at cost, which approximates market. Under state law, these deposits, (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. Deposit balances (bank balances) at December 31, 1999 were secured as follows:

Bank balances	<u>\$362,290</u>
Federal deposit insurance	\$207,755
Pledged securities (Category 3)	<u>154,535</u>
 Total FDIC insurance and pledged securities	 <u><u>\$362,290</u></u>

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

Pledged securities in Category 3 include uninsured or unregistered investments, for which securities are held by the broker or dealer, or by its trust department or agent, but not in the Town's name. Even though the pledged securities are considered uncollateralized (Category 3), Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(3) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the Tax Assessors of Jefferson Davis and Allen Parishes. Town property tax revenues are budgeted in the year billed.

For the year ended December 31, 1999, taxes of 15.19 mills were levied on property with assessed valuations totaling \$2,128,670 and were dedicated as follows:

General corporate purposes	6.99 mills
Debt Service purposes:	
Sewer department	4.10 mills
Town sewer	4.10 mills
	<u>15.19 mills</u>

Total taxes levied were \$36,878. Taxes receivable at December 31, 1999 and 1998 were \$8,041 and \$7,936 respectively.

(4) Interfund Receivables and Payables

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 696	\$ 864
Debt Service Fund	864	-
Enterprise Fund	-	696
	<u>          </u>	<u>          </u>
Totals	<u>\$ 1,560</u>	<u>\$ 1,560</u>

(5) Due from Other Governmental Units

The amount due from other governmental units at December 31, 1998 consists of \$3,169 due from the State of Louisiana Office of Finance and Support Services for reimbursement of LCDBG Street Improvements project expenditures during fiscal year ending December 31, 1998.

TOWN OF ELTON, LOUISIANA  
Notes to Financial Statements (Continued)

(6) Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>01/01/99</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>12/31/99</u>
Land	\$ 22,858	\$ 15,000	\$ -	\$ 37,858
Buildings	254,125	-	-	254,125
Improvements other than buildings	311,296	5,351	-	316,647
Equipment	<u>85,990</u>	<u>18,997</u>	<u>-</u>	<u>104,987</u>
 Total general fixed assets	 <u><u>\$674,269</u></u>	 <u><u>\$39,348</u></u>	 <u><u>\$ -</u></u>	 <u><u>\$713,617</u></u>

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

	<u>1999</u>	<u>1998</u>
Water department:		
Land	\$ 10,000	\$ -
Plant and lines	1,272,242	1,265,593
Equipment	34,265	34,265
Autos and trucks	8,526	8,526
Office equipment	<u>15,409</u>	<u>10,643</u>
Total	<u>1,340,442</u>	<u>1,319,027</u>
Sewer department:		
Plant and lines	2,182,596	2,175,843
Equipment	<u>27,329</u>	<u>26,054</u>
Total	<u>2,209,925</u>	<u>2,201,897</u>
Less: Accumulated depreciation	<u>(1,036,674)</u>	<u>(973,276)</u>
 Net Utility Fund property, plant and equipment	 <u><u>\$2,513,693</u></u>	 <u><u>\$2,547,648</u></u>

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at December 31:

	<u>1999</u>	<u>1998</u>
Revenue bond sinking fund	\$ 8,454	\$10,148
Revenue bond reserve fund	22,088	20,190
Capital additions and contingency fund	15,116	13,485
Customers' deposits	<u>31,757</u>	<u>29,737</u>
 Total restricted assets	 <u><u>\$77,415</u></u>	 <u><u>\$73,560</u></u>

(8) Long-Term Debt

The following is a summary of long-term debt transactions of the Town for the year ended December 31, 1999.

	<u>General Obligation Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Revenue Bonds</u>	<u>Total</u>
Long-term debt payable, January 1, 1999	\$ 98,000	\$119,000	\$165,000	\$382,000
Long-term debt issued	-	-	-	-
Long-term debt retired	<u>(12,000)</u>	<u>(32,000)</u>	<u>(20,000)</u>	<u>(64,000)</u>
Long-term debt payable, December 31, 1999	<u><u>\$ 86,000</u></u>	<u><u>\$ 87,000</u></u>	<u><u>\$145,000</u></u>	<u><u>\$318,000</u></u>



TOWN OF ELTON, LOUISIANA  
Notes to Financial Statements (Continued)

Long-term debt payable at December 31, 1999, is comprised of the following individual issues:

General Obligation Bonds:

\$224,000 Sewerage District No. 1 sewer bonds dated October 22, 1980; due in annual installments of \$2,000 to \$9,000 through October 22, 2005; interest at 5 percent; payable from ad valorem taxes \$ 86,000

Certificates of Indebtedness:

\$150,000 certificates of indebtedness dated October 1, 1997; due in annual installments of \$15,000 to \$18,000 through April 1, 2002; interest at 5 percent; payable from sales taxes \$ 87,000

Revenue Bonds:

\$394,000 Sewer Utility Bonds dated October 22, 1980; due in annual installments of \$8,000 to \$27,000 through October 22, 2005; interest at 5 percent \$ 145,000

The annual requirements to amortize all debt outstanding at December 31, 1999, including interest payments of \$49,050 are as follows:

<u>Year Ending December 31,</u>	<u>General Obligation Bonds</u>	<u>Certificates of Indebtedness</u>	<u>Revenue Bonds</u>	<u>Total</u>
2000	\$ 16,300	\$37,925	\$ 29,250	\$ 83,475
2001	15,700	37,225	28,150	81,075
2002	17,100	18,450	28,050	63,600
2003	16,400	-	28,900	45,300
2004	17,700	-	28,650	46,350
2005	18,900	-	28,350	47,250
	<u>\$102,100</u>	<u>\$93,600</u>	<u>\$171,350</u>	<u>\$367,050</u>

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

(9) Dedication of Sales Tax Proceeds

Proceeds of a 1 percent sales and use tax (accounted for in the 1975 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (1999 collections \$65,192; 1998 collections \$60,129) are dedicated to the following purposes:

Opening, constructing, paving, resurfacing, and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishings therefore; purchasing equipment and furnishings therefore; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana, title to which all shall be in the public.

Proceeds of a 1 percent sales and use tax (accounted for in the 1991 Sales Tax Fund – a special revenue fund) levied by the Town of Elton (1999 collections \$65,192; 1998 collections \$60,129) are dedicated to the following purpose:

Maintenance, repair and upkeep of the streets in the Town of Elton, Louisiana and payment of the 1998 certificates of indebtedness.

(10) Flow of Funds; Restrictions on Use - Utilities Revenues

Revenue Bond

Under the terms of the Sewer Utility Revenue indenture dated October 22, 1980, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operation of the sewer utility system, are pledged and dedicated to the retirement of said bonds, and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the "Bond and Interest Sinking Fund" an amount constituting 1/12 of the next maturing installment of principal and interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

There shall also be set aside into a "Sewer Utility Bond Reserve Fund" an amount equal to 5% of the amount required to be paid into the Sinking Fund during the current fiscal year until there shall have been accumulated in the reserve account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amount may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Sewer Utility Depreciation and Contingency Fund" at the rate of \$118 each month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

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

(11) Employee Retirement

All employees of the Town of Elton participate in the Social Security System. For the years ended December 31, 1999 and 1998, the Town and its employees contributed a percentage of each employee's salary to the System (7.65% contributed by the Town, 7.65% by the employees). The Town's contribution during the years ended December 31, 1999 and 1998 amounted to \$11,954 and \$11,569, respectively.

(12) Segment Information for the Enterprise Fund

The Town of Elton maintains one enterprise fund with three departments which provide water, sewer and sanitation services. Segment information for the year ended December 31, 1999, was as follows:

	<u>Water Department</u>	<u>Sewer Department</u>	<u>Sanitation Department</u>	<u>Total Enterprise Fund</u>
Operating revenues	\$119,536	\$94,850	\$ 56,517	\$270,903
Operating expenses	<u>142,009</u>	<u>97,509</u>	<u>57,817</u>	<u>297,335</u>
Operating income (loss)	<u><u>\$ (22,473)</u></u>	<u><u>\$ (2,659)</u></u>	<u><u>\$ (1,300)</u></u>	<u><u>\$ (26,432)</u></u>

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

(13) Contributed Capital

Amounts contributed to the Utility Fund for acquisition or construction of fixed assets are recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the enterprise fund are as follows:

	<u>Municipality</u>	<u>Federal Grants</u>	<u>Total</u>
Total contributed capital	\$314,952	\$2,050,360	\$2,365,312
Less: Accumulated amortization	<u>-</u>	<u>183,974</u>	<u>183,974</u>
Net contributed capital	<u>\$314,952</u>	<u>\$1,866,386</u>	<u>\$2,181,338</u>

(14) Compensation of Town Officials

A detail of compensation paid to the Mayor and Board of Aldermen for the year ended December 31, 1999 follows:

Roger D. Laughlin, Mayor	\$ 4,800
Aldermen:	
Mary Woods	1,250
George Foster	1,250
Clarence Lemoine	1,250
Durffey Fontenot	1,250
Sherman Ortego	<u>1,250</u>
	<u>\$ 11,050</u>

TOWN OF ELTON, LOUISIANA

Notes to Financial Statements (Continued)

(15) Risk Management

The Town is exposed to various risk of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Town maintains commercial insurance coverage for each of those risks of loss. Management believes coverage is sufficient to preclude any significant uninsured losses to the Town.

(16) Pending Litigation

There are no lawsuits pending against the Town of Elton involving monetary liability at December 31, 1999.

(17) Water Contract

Under a contract dated January 1, 1998, the Town of Elton is required to purchase its water from the East Allen Parish Waterworks District until December 31, 1999. During the fiscal year ended December 31, 1999, the Town's water purchases amounted to \$46,198. These purchases included \$3,753 owed at December 31, 1999 for water purchased for the month of December.

**SUPPLEMENTARY INFORMATION**

**SCHEDULES 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 ELTON, LOUISIANA  
GENERAL FUND

Comparative Balance Sheet  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Cash	\$ 8,010	\$25,435
Interest-bearing deposits	2,502	2,447
Ad valorem taxes receivable	3,700	3,652
Other receivables	7,864	5,038
Due from other funds	<u>696</u>	<u>696</u>
Total assets	<u><u>\$22,772</u></u>	<u><u>\$37,268</u></u>
<b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$10,939	\$ 4,689
Due to other funds	<u>864</u>	<u>-</u>
Total liabilities	11,803	4,689
Fund balances:		
Unreserved, undesignated	<u>10,969</u>	<u>32,579</u>
Total liabilities and fund balances	<u><u>\$22,772</u></u>	<u><u>\$37,268</u></u>

TOWN OF ELTON, LOUISIANA  
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Revenues:</b>				
Taxes	\$ 64,000	\$ 65,193	\$ 1,193	\$ 67,834
Licenses and permits	30,500	30,498	(2)	27,898
Intergovernmental	47,150	58,139	10,989	52,585
Fines and forfeits	35,500	35,434	(66)	32,913
Miscellaneous	21,400	21,509	109	12,382
Total revenues	<u>198,550</u>	<u>210,773</u>	<u>12,223</u>	<u>193,612</u>
<b>Expenditures:</b>				
General government	86,875	84,921	1,954	78,346
Public safety - police	109,300	109,538	(238)	92,850
Highways and streets	87,710	90,211	(2,501)	38,627
Parks and recreation	3,400	3,349	51	2,424
Animal control	4,225	4,832	(607)	4,142
Capital outlay	27,200	27,552	(352)	740
Total expenditures	<u>318,710</u>	<u>320,403</u>	<u>(1,693)</u>	<u>217,129</u>
Deficiency of revenues over expenditures	<u>(120,160)</u>	<u>(109,630)</u>	<u>10,530</u>	<u>(23,517)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	90,006	88,020	(1,986)	40,000
Operating transfers out	-	-	-	(224)
Total other financing sources (uses)	<u>90,006</u>	<u>88,020</u>	<u>(1,986)</u>	<u>39,776</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(30,154)</u>	<u>(21,610)</u>	<u>8,544</u>	<u>16,259</u>
Fund balances, beginning	<u>32,579</u>	<u>32,579</u>	<u>-</u>	<u>16,320</u>
Fund balances, ending	<u><u>\$ 2,425</u></u>	<u><u>\$ 10,969</u></u>	<u><u>\$ 8,544</u></u>	<u><u>\$ 32,579</u></u>

TOWN OF ELTON, LOUISIANA  
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Taxes:				
Ad valorem	\$ 16,500	\$ 16,588	\$ 88	\$ 16,493
Franchise tax	47,500	48,605	1,105	51,341
Total taxes	<u>64,000</u>	<u>65,193</u>	<u>1,193</u>	<u>67,834</u>
Licenses and permits:				
Occupational licenses	<u>30,500</u>	<u>30,498</u>	<u>(2)</u>	<u>27,898</u>
Intergovernmental:				
State of Louisiana -				
State revenue sharing	6,500	6,371	(129)	8,686
Beer taxes	2,800	3,059	259	3,911
Tobacco taxes	6,650	6,643	(7)	6,643
Video poker	16,500	27,366	10,866	18,645
Supplemental pay	10,800	10,800	-	10,800
Jeff Davis Parish Police Jury	3,900	3,900	-	3,900
Total intergovernmental	<u>47,150</u>	<u>58,139</u>	<u>10,989</u>	<u>52,585</u>
Fines and forfeits	<u>35,500</u>	<u>35,434</u>	<u>(66)</u>	<u>32,913</u>
Miscellaneous:				
Rent	-	-	-	150
Interest income	200	234	34	229
Fire protection fees	6,500	6,635	135	6,477
Other	14,700	14,640	(60)	5,526
Total miscellaneous	<u>21,400</u>	<u>21,509</u>	<u>109</u>	<u>12,382</u>
Total revenues	<u>\$198,550</u>	<u>\$210,773</u>	<u>\$ 12,223</u>	<u>\$193,612</u>

TOWN OF ELTON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<b>Current:</b>				
<b>General government -</b>				
Coroner fees	\$ 1,100	\$ 1,056	\$ 44	\$ 350
Dues and subscriptions	500	805	(305)	560
Fire assessments	6,500	6,635	(135)	6,477
Insurance	19,500	20,231	(731)	19,692
Janitorial supplies	2,300	2,185	115	1,733
Legal and professional	8,500	6,500	2,000	5,637
Mayor's expense	700	687	13	1,530
Miscellaneous	400	261	139	96
Office expense	4,300	4,727	(427)	3,656
Payroll taxes	1,900	1,910	(10)	1,890
Publishing and recording	800	799	1	711
Rent - fire hydrant	3,900	3,900	-	3,900
Salaries	25,000	24,977	23	25,214
Telephone	2,750	2,729	21	1,977
Meetings, workshops, and conventions	2,925	1,041	1,884	-
Repairs and maintenance	1,700	1,713	(13)	651
Utilities	4,100	4,765	(665)	4,272
Total general government	<u>86,875</u>	<u>84,921</u>	<u>1,954</u>	<u>78,346</u>
<b>Public safety - police -</b>				
Auto expense	4,800	5,666	(866)	4,357
Insurance	6,000	5,918	82	3,843
Salaries	73,500	73,815	(315)	68,191
Miscellaneous	100	42	58	-
Payroll taxes	5,700	5,646	54	5,415
Supplies	2,500	2,251	249	2,050
Repairs and maintenance	11,500	11,501	(1)	5,017
State court costs	1,200	1,061	139	1,449
Training academy	600	580	20	500
Telephone	2,500	2,142	358	2,028
Uniforms	900	916	(16)	-
Total public safety	<u>109,300</u>	<u>109,538</u>	<u>(238)</u>	<u>92,850</u>

(continued)

TOWN OF ELTON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Highways and streets -				
Auto expense	1,100	1,270	(170)	1,556
Insurance	-	349	(349)	-
Miscellaneous	350	200	150	-
Payroll taxes	560	374	186	551
Repairs and maintenance	63,500	66,917	(3,417)	18,105
Salaries	5,100	4,895	205	3,669
Supplies	3,600	3,135	465	1,522
Utilities	<u>13,500</u>	<u>13,071</u>	<u>429</u>	<u>13,224</u>
Total highways and streets	<u>87,710</u>	<u>90,211</u>	<u>(2,501)</u>	<u>38,627</u>
Parks and recreation -				
Miscellaneous	100	-	100	-
Repairs and maintenance	1,800	1,716	84	929
Utilities	<u>1,500</u>	<u>1,633</u>	<u>(133)</u>	<u>1,495</u>
Total parks and recreation	<u>3,400</u>	<u>3,349</u>	<u>51</u>	<u>2,424</u>
Animal Control -				
Insurance	-	285	(285)	-
Payroll taxes	525	230	295	446
Salaries	3,000	3,000	-	3,000
Supplies	<u>700</u>	<u>1,317</u>	<u>(617)</u>	<u>696</u>
Total animal control	<u>4,225</u>	<u>4,832</u>	<u>(607)</u>	<u>4,142</u>
Capital outlay:				
General Government -				
Improvements	4,200	4,506	(306)	-
Land	15,000	15,000	-	-
Highways and streets -				
Equipment	-	-	-	740
Public Safety - Police				
Equipment	4,300	4,378	(78)	-
Improvements	<u>3,700</u>	<u>3,668</u>	<u>32</u>	<u>-</u>
Total capital outlay	<u>27,200</u>	<u>27,552</u>	<u>(352)</u>	<u>740</u>
Total expenditures	<u>\$318,710</u>	<u>\$320,403</u>	<u>\$(1,693)</u>	<u>\$217,129</u>

## **SPECIAL REVENUE FUNDS**

### **1975 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the opening, constructing, paving, resurfacing and improving streets, sidewalks and bridges, constructing and purchasing street lighting facilities; constructing and improving drains, drainage canals and sub-surface drainage; constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; constructing and purchasing garbage disposal and health and sanitation equipment and facilities; constructing public buildings; purchasing, constructing and improving public parks and recreational facilities and acquiring the necessary equipment and furnishing thereof; purchasing equipment for civil defense; improving any work of permanent public improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Elton, Louisiana.

### **1991 Sales Tax Fund**

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to the maintenance, repairs, and upkeep of streets in the Town of Elton, Louisiana.

TOWN OF ELTON, LOUISIANA  
Special Revenue Funds

Combining Balance Sheet  
December 31, 1999  
With Comparative Totals for December 31, 1998

	1975 Sales Tax	1991 Sales Tax	Totals	
	<u>          </u>	<u>          </u>	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash	\$ 19,980	\$ 11,049	\$ 31,029	\$ 72,881
Interest-bearing deposits	-	50,530	50,530	-
Taxes receivable	<u>5,463</u>	<u>5,463</u>	<u>10,926</u>	<u>9,098</u>
 Total assets	 <u>\$ 25,443</u>	 <u>\$ 67,042</u>	 <u>\$ 92,485</u>	 <u>\$ 81,979</u>
 <b>FUND BALANCES</b>				
Fund balances:				
Designated for street improvements	\$ -	\$ 67,042	\$ 67,042	\$ 40,939
Unreserved, undesignated	<u>25,443</u>	<u>-</u>	<u>25,443</u>	<u>41,040</u>
Total fund balances	<u>\$ 25,443</u>	<u>\$ 67,042</u>	<u>\$ 92,485</u>	<u>\$ 81,979</u>





## **DEBT SERVICE FUNDS**

### **Public Improvement Bonds dated 10/22/80**

To accumulate monies for payment of the 1980 \$224,000 Public Improvement Sewer Bonds. Debt Service is financed by the levy of a specific ad valorem tax.

### **Certificates of Indebtedness, Series 1997**

To accumulate monies for payment of the 1997 \$150,000 Certificates of Indebtedness. Debt service is financed by the levy of a 1% sales and use tax.

TOWN OF ELTON, LOUISIANA  
Debt Service Funds

Combining Balance Sheet  
December 31, 1999  
With Comparative Totals for December 31, 1998

	1980 Public Improvement Bond	1997 Certificates of Indebtedness	Totals	
	<u>          </u>	<u>          </u>	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>				
Cash	\$ -	\$ -	\$ -	\$ 14,593
Interest-bearing deposits	45,216	10,589	55,805	54,038
Receivables (net, where applicable, of allowance for uncollectibles):				
Taxes	4,341	-	4,341	4,284
Due from other funds	<u>864</u>	<u>-</u>	<u>864</u>	<u>-</u>
 Total assets	 <u>\$50,421</u>	 <u>\$ 10,589</u>	 <u>\$ 61,010</u>	 <u>\$ 72,915</u>
<b>FUND BALANCES</b>				
Fund balances:				
Reserved for debt service	<u>\$50,421</u>	<u>\$ 10,589</u>	<u>\$ 61,010</u>	<u>\$ 72,915</u>

TOWN OF ELTON, LOUISIANA  
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1980 Public Improvement Bond			1997 Certificates of Indebtedness		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
<b>Revenues:</b>						
Taxes -						
Ad valorem	\$19,000	\$19,407	\$ 407	\$ -	\$ -	\$-
Miscellaneous -						
Interest on deposits	450	1,119	669	175	212	37
Total revenues	<u>19,450</u>	<u>20,526</u>	<u>1,076</u>	<u>175</u>	<u>212</u>	<u>37</u>
<b>Expenditures:</b>						
Current -						
General government:						
Miscellaneous	-	-	-	25	23	2
Professional fees	2,000	1,850	150	-	-	-
Total general government	<u>2,000</u>	<u>1,850</u>	<u>150</u>	<u>25</u>	<u>23</u>	<u>2</u>
Debt service -						
Principal retirement	12,000	12,000	-	32,000	32,000	-
Interest	4,900	4,900	-	5,550	5,550	-
Total debt service	<u>16,900</u>	<u>16,900</u>	<u>-</u>	<u>37,550</u>	<u>37,550</u>	<u>-</u>
Total expenditures	<u>18,900</u>	<u>18,750</u>	<u>150</u>	<u>37,575</u>	<u>37,573</u>	<u>2</u>
Excess (deficiency) of revenues over expenditures	<u>550</u>	<u>1,776</u>	<u>1,226</u>	<u>(37,400)</u>	<u>(37,361)</u>	<u>39</u>
<b>Other financing sources (uses):</b>						
Operating transfers in	-	-	-	38,500	38,250	(250)
Operating transfers out	-	-	-	(14,706)	(14,570)	136
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>23,794</u>	<u>23,680</u>	<u>(114)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	550	1,776	1,226	(13,606)	(13,681)	(75)
Fund balances, beginning	<u>48,645</u>	<u>48,645</u>	<u>-</u>	<u>24,270</u>	<u>24,270</u>	<u>-</u>
Fund balances, ending	<u>\$49,195</u>	<u>\$50,421</u>	<u>\$1,226</u>	<u>\$10,664</u>	<u>\$10,589</u>	<u>\$ (75)</u>

1999 Totals		Variance - Favorable (Unfavorable)	1998
Budget	Actual		Actual
\$ 19,000	\$ 19,407	\$ 407	\$ 19,299
<u>625</u>	<u>1,331</u>	<u>706</u>	<u>1,262</u>
<u>19,625</u>	<u>20,738</u>	<u>1,113</u>	<u>20,561</u>
25	23	2	-
<u>2,000</u>	<u>1,850</u>	<u>150</u>	<u>-</u>
<u>2,025</u>	<u>1,873</u>	<u>152</u>	<u>-</u>
44,000	44,000	-	41,000
<u>10,450</u>	<u>10,450</u>	<u>-</u>	<u>12,525</u>
<u>54,450</u>	<u>54,450</u>	<u>-</u>	<u>53,525</u>
<u>56,475</u>	<u>56,323</u>	<u>152</u>	<u>53,525</u>
<u>(36,850)</u>	<u>(35,585)</u>	<u>1,265</u>	<u>(32,964)</u>
38,500	38,250	(250)	38,237
<u>(14,706)</u>	<u>(14,570)</u>	<u>136</u>	<u>(120,844)</u>
<u>23,794</u>	<u>23,680</u>	<u>(114)</u>	<u>(82,607)</u>
(13,056)	(11,905)	1,151	(115,571)
<u>72,915</u>	<u>72,915</u>	<u>-</u>	<u>188,486</u>
<u>\$ 59,859</u>	<u>\$ 61,010</u>	<u>\$ 1,151</u>	<u>\$ 72,915</u>

## **CAPITAL PROJECTS FUND**

To account for financial resources to be used for the repairs of various streets within the Town.

TOWN OF ELTON, LOUISIANA  
 Capital Projects Fund  
 LCDBG Fund

Comparative Balance Sheet  
 December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
<b>ASSETS</b>		
Due from other governments	<u>\$ -</u>	<u>\$3,169</u>
 <b>LIABILITIES AND FUND BALANCES</b>		
Liabilities:		
Accounts payable	\$ -	\$3,169
Fund balances:		
Unreserved, undesignated	<u>-</u>	<u>-</u>
 Total liabilities and fund balances	 <u>\$ -</u>	 <u>\$3,169</u>

TOWN OF ELTON, LOUISIANA  
Capital Projects Fund  
LCDGB Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -  
Budget (GAAP Basis) and Actual  
Year Ended December 31, 1999  
With Comparative Actual Amounts for Year Ended December 31, 1998

	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Intergovernmental revenue - state grant	\$ -	\$ -	\$ -	\$ 213,188
Expenditures:				
General Government -				
Repairs and maintenance	3,000	2,774	226	-
Capital outlay - street overlay -				
Construction costs	-	-	-	428,813
Engineering	-	-	-	27,995
Administration	-	-	-	22,161
Equipment	11,700	11,796	(96)	-
Total expenditures	<u>14,700</u>	<u>14,570</u>	<u>130</u>	<u>478,969</u>
Deficiency of revenues over expenditures	<u>(14,700)</u>	<u>(14,570)</u>	<u>130</u>	<u>(265,781)</u>
Other financing sources :				
Operating transfers in -				
Transfer from General Fund	-	-	-	224
Transfer from 1991 Sales Tax Fund	-	-	-	144,937
Transfer from 1997 Certificates of Indebtedness Debt Service Fund	14,700	14,570	(130)	120,844
Total operating transfers in	<u>14,700</u>	<u>14,570</u>	<u>(130)</u>	<u>266,005</u>
Excess of revenues and other sources over expenditures	-	-	-	224
Fund balances (deficit), beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>(224)</u>
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

## **ENTERPRISE FUND**

### **Utility Fund -**

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



TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Balance Sheet  
December 31, 1999 and 1998

	1999	1998
<b>ASSETS</b>		
Current assets:		
Cash	\$ 27,579	\$ 21,950
Interest-bearing deposits	100,071	127,443
Receivables -		
Accounts	23,337	23,519
Total current assets	150,987	172,912
Restricted assets:		
Revenue bond and interest sinking fund -		
Interest-bearing deposits	8,454	10,148
Revenue bond reserve fund -		
Interest-bearing deposits	22,088	20,190
Capital additions and contingencies fund -		
Interest-bearing deposits	15,116	13,485
Customers' deposits -		
Cash	10,169	8,089
Interest-bearing deposits	21,588	21,648
Total restricted assets	77,415	73,560
Property, plant and equipment, at cost, net of accumulated depreciation (1999 \$1,036,674; 1998 \$973,276)	2,513,693	2,547,648
Total assets	<b>\$2,742,095</b>	<b>\$2,794,120</b>

	<u>1999</u>	<u>1998</u>
<b>LIABILITIES AND FUND EQUITY</b>		
<b>Liabilities:</b>		
Current liabilities (payable from current assets) -		
Accounts payable	\$ 11,809	\$ 7,991
Due to other funds	696	696
Due to other governmental units	3,075	1,828
Total current liabilities (payable from current assets)	<u>15,580</u>	<u>10,515</u>
Current liabilities (payable from restricted assets) -		
Revenue bonds payable	22,000	20,000
Interest payable	1,378	1,627
Customers' deposits	31,757	29,737
Total current liabilities (payable from restricted assets)	<u>55,135</u>	<u>51,364</u>
Long-term liabilities:		
Revenue bonds payable	<u>123,000</u>	<u>145,000</u>
Total liabilities	<u>193,715</u>	<u>206,879</u>
<b>Fund equity:</b>		
Contributed capital -		
Federal government, net of accumulated amortization	1,866,386	1,915,401
Municipality	314,952	314,952
Total contributed capital	<u>2,181,338</u>	<u>2,230,353</u>
Retained earnings -		
Reserved for revenue bond retirement	22,280	22,196
Unreserved	344,762	334,692
Total retained earnings	<u>367,042</u>	<u>356,888</u>
Total fund equity	<u>2,548,380</u>	<u>2,587,241</u>
Total liabilities and fund equity	<u>\$2,742,095</u>	<u>\$2,794,120</u>

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Charges for services -		
Water sales	\$ 116,047	\$ 114,544
Sewer charges	94,850	96,976
Sanitation charges	56,517	54,616
Miscellaneous	3,489	7,363
Total operating revenues	<u>270,903</u>	<u>273,499</u>
Operating expenses:		
Water department	142,009	131,518
Sewer department	97,509	97,258
Sanitation department	57,817	50,797
Total operating expenses	<u>297,335</u>	<u>279,573</u>
Operating loss	<u>(26,432)</u>	<u>(6,074)</u>
Nonoperating revenues (expenses):		
Interest income	6,022	6,154
Interest and fiscal charges	(8,000)	(9,063)
Total nonoperating expenses	<u>(1,978)</u>	<u>(2,909)</u>
Loss before operating transfers in	<u>(28,410)</u>	<u>(8,983)</u>
Operating transfers in (out):		
Operating transfers in	4,550	-
Operating transfers out	(15,000)	-
Total operating transfers out	<u>(10,450)</u>	<u>-</u>
Net loss	(38,860)	(8,983)
Add: Depreciation of fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	<u>49,014</u>	<u>49,014</u>
Increase in retained earnings	10,154	40,031
Retained earnings, beginning	<u>356,888</u>	<u>316,857</u>
Retained earnings, ending	<u><u>\$367,042</u></u>	<u><u>\$ 356,888</u></u>

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Water department:		
Bank charges	\$ 108	\$ 56
Depreciation	28,326	29,284
Insurance	3,632	4,745
Legal and professional fees	1,267	2,019
Office	3,261	3,001
Payroll taxes	2,588	2,714
Repairs and maintenance	21,993	7,852
Salaries	33,820	33,629
Supplies	-	375
Truck	453	410
Utilities	623	607
Water purchases	45,938	46,826
Total water department	<u>142,009</u>	<u>131,518</u>
 Sewer department:		
Bad debts	965	496
Bank charges	190	216
Depreciation	35,072	34,098
Insurance	4,066	5,285
Legal and professional fees	1,312	1,625
Licenses and permits	-	450
Miscellaneous	2,076	534
Office	1,468	444
Payroll taxes	1,207	1,361
Repairs and maintenance	8,453	6,705
Supplies	2,675	1,383
Salaries	15,785	17,788
Sewer analysis	2,185	2,130
Utilities	22,055	24,743
Total sewer department	<u>97,509</u>	<u>97,258</u>

(continued)

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Sanitation department:		
Bad debts	661	323
Bank charges	148	221
Collection fees	<u>57,008</u>	<u>50,253</u>
Total sanitation department	<u>57,817</u>	<u>50,797</u>
Total operating expenses	<u><u>\$297,335</u></u>	<u><u>\$279,573</u></u>

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows  
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash flows from operating activities:		
Operating loss	\$(26,432)	\$ (6,074)
Adjustments to reconcile operating loss to net cash provided by operating activities -		
Depreciation	63,398	63,382
Changes in current assets and liabilities:		
Decrease (increase) in accounts receivable	182	(2,174)
Decrease in prepaid expenses	-	2,613
Increase (decrease) in accounts payable	3,818	(894)
Increase in due to other governments	1,247	22
Total adjustments	<u>68,645</u>	<u>62,949</u>
Net cash provided by operating activities	<u>42,213</u>	<u>56,875</u>
Cash flows from noncapital financing activities:		
Operating transfers to other funds	<u>(10,450)</u>	<u>-</u>
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(29,442)	(14,165)
Principal paid on revenue bond maturities	(20,000)	(19,000)
Interest paid on revenue bonds	(8,250)	(9,200)
Increase in meter deposits	2,020	2,235
Net cash used by capital and related financing activities	<u>(55,672)</u>	<u>(40,130)</u>
Cash flows from investing activities:		
Purchase of investments	(121,747)	(115,528)
Proceeds from maturities of investments	115,528	101,098
Interest received on interest-bearing deposits	6,022	6,304
Net cash used by investing activities	<u>(197)</u>	<u>(8,126)</u>

(continued)

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows (Continued)  
Years Ended December 31, 1999 and 1998

	1999	1998
Net increase (decrease) in cash and cash equivalents	(24,106)	8,619
Cash and cash equivalents, beginning of period	107,425	98,806
Cash and cash equivalents, end of period	\$ 83,319	\$107,425
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:		
Cash and cash equivalents, beginning of period -		
Cash - unrestricted	\$ 21,950	\$ 25,305
Cash - restricted	8,089	5,811
Interest-bearing deposits - unrestricted	127,443	107,267
Interest-bearing deposits - restricted	65,471	61,521
Less: Certificates of deposit with a maturity over three months when purchased	(115,528)	(101,098)
Total cash and cash equivalents	107,425	98,806
Cash and cash equivalents, end of period -		
Cash - unrestricted	27,579	21,950
Cash - restricted	10,169	8,089
Interest-bearing deposits - unrestricted	100,071	127,443
Interest-bearing deposits - restricted	67,246	65,471
Less: Certificates of deposit with a maturity over three months when purchased	(121,747)	(115,528)
Total cash and cash equivalents	83,318	107,425
Net increase (decrease)	\$ (24,107)	\$ 8,619

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service  
Year Ended December 31, 1999

	<u>Bond and Interest Sinking</u>	<u>Bond Reserve</u>	<u>Capital Additions and Contingencies</u>	<u>Total</u>
Cash and interest-bearing deposits, January 1, 1999	<u>\$10,148</u>	<u>\$20,190</u>	<u>\$13,485</u>	<u>\$43,823</u>
Cash receipts:				
Transfers from operating cash	26,113	1,423	1,416	28,952
Interest on deposits	<u>443</u>	<u>475</u>	<u>215</u>	<u>1,133</u>
Total cash receipts	<u>26,556</u>	<u>1,898</u>	<u>1,631</u>	<u>30,085</u>
 Total cash and interest- bearing deposits	 <u>36,704</u>	 <u>22,088</u>	 <u>15,116</u>	 <u>73,908</u>
Cash disbursements:				
Principal payment	20,000	-	-	20,000
Interest payments	<u>8,250</u>	<u>-</u>	<u>-</u>	<u>8,250</u>
Total cash disbursements	<u>28,250</u>	<u>-</u>	<u>-</u>	<u>28,250</u>
 Cash and interest-bearing deposits, December 31, 1999	 <u>\$ 8,454</u>	 <u>\$22,088</u>	 <u>\$15,116</u>	 <u>\$45,658</u>



## **GENERAL FIXED ASSETS ACCOUNT GROUP**

To account for fixed assets not used in proprietary fund operations.

TOWN OF ELTON, LOUISIANA

Comparative Statement of General Fixed Assets  
December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets, at cost:		
Land	\$ 37,858	\$ 22,858
Buildings	254,125	254,125
Improvements other than buildings	316,647	311,296
Equipment	<u>104,987</u>	<u>85,990</u>
Total general fixed assets	<u>\$ 713,617</u>	<u>\$ 674,269</u>
Investment in general fixed assets:		
Property acquired from -		
General Fund revenues	\$ 148,602	\$ 121,050
Federal revenue sharing funds	30,854	30,854
Special revenue fund revenues	13,458	13,458
Debt service fund revenues	25,000	25,000
Assessment certificates	111,041	111,041
Federal grants	19,963	8,167
State grants	326,619	326,619
Private gifts	<u>38,080</u>	<u>38,080</u>
Total investment in general fixed assets	<u>\$ 713,617</u>	<u>\$ 674,269</u>

TOWN OF ELTON, LOUISIANA

Statement of Changes in General Fixed Assets  
Year Ended December 31, 1999

	<u>Land</u>	<u>Buildings</u>	<u>Improvements Other Than Buildings</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	\$22,858	\$254,125	\$311,296	\$ 85,990	\$674,269
Additions:					
General Fund revenues	15,000	-	5,351	18,997	39,348
Deletions	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
General fixed assets, end of year	<u>\$37,858</u>	<u>\$254,125</u>	<u>\$316,647</u>	<u>\$ 104,987</u>	<u>\$713,617</u>

## **GENERAL LONG-TERM DEBT ACCOUNT GROUP**

To account for unmatured principal amounts on general long-term debt expected to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds.

TOWN OF ELTON, LOUISIANA

Comparative Statement of General Long-Term Debt  
December 31, 1999 and 1998

	1980 Public Improvement Bond	1997 Certificates of Indebtedness	Totals	
			1999	1998
<b>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT</b>				
Amount available in debt service funds for retirement	\$ 50,421	\$ 10,589	\$ 61,010	\$ 72,915
Amount to be provided from -				
Ad valorem taxes	35,579	-	35,579	49,355
Sales taxes	-	76,411	76,411	94,730
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total available and to be provided	<u>\$ 86,000</u>	<u>\$ 87,000</u>	<u>\$ 173,000</u>	<u>\$ 217,000</u>
<b>GENERAL LONG-TERM DEBT PAYABLE</b>				
General obligation bonds payable	\$ 86,000	\$ -	\$ 86,000	\$ 98,000
Certificates of indebtedness payable	-	87,000	87,000	119,000
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total general long-term debt payable	<u>\$ 86,000</u>	<u>\$ 87,000</u>	<u>\$ 173,000</u>	<u>\$ 217,000</u>

**INTERNAL CONTROL**

**AND**

**COMPLIANCE**

# KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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

The Honorable Roger D. Laughlin, Mayor  
and members of the Board of Aldermen  
Town of Elton, Louisiana

We have audited the general purpose financial statements of the Town of Elton, Louisiana (the Town) as of and for the year ended December 31, 1999, and have issued our report thereon dated April 24, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the Town'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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying summary schedule of current and prior year audit findings and corrective action plan as item 99-1(C).

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. 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 the Town's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. This reportable condition is described as 99-1(IC) in the accompanying summary schedule of current and prior year audit findings and corrective action plan.

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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. 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 believe the reportable condition described above is a material weakness.

This report is intended solely for the information and use of management, others within the organization, and members of the Board of Aldermen and is not intended to be and should not be used by anyone other than these specified parties.

***Kolder, Champagne, Slaven & Rainey, LLC***  
Certified Public Accountants

Lafayette, Louisiana  
April 24, 2000



TOWN OF ELTON, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings  
and Corrective Action Plan  
December 31, 1999

Reference Number	Fiscal Year Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Date of Completion
<b>CURRENT YEAR (12/31/99) --</b>						
<u>Compliance</u>						
99-1(C)	1999	During 1999, the Town purchased supplies from the Mayor's local business. This violates R.S. 42:1112 regarding transactions with the Town by one of its public servants who has a substantial economic interest in that business.	Yes	The Town of Elton submitted a plan to the Louisiana Board of Ethics in October, 1999, pursuant to Chapter 15 of the Rules for the Board of Ethics. The plan, if approved by the Board of Ethics, would have allowed purchases from the Mayor's business under certain circumstances. To date, this plan has not been approved by the Board of Ethics and the Town is working with the Board to get this matter resolved.	Verian Ortego, Assistant Town Clerk	12/31/00
<u>Internal Control</u>						
99-1(IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Verian Ortego, Assistant Town Clerk	N/A
<b>PRIOR YEAR (12/31/98) --</b>						
98-1(C)	12/31/98	The Town of Elton was in noncompliance with Louisiana Revised Statute 39:1310 of the Louisiana Local Government Act when total expenditures in the Sales Tax Funds and Capital Projects Fund exceeded total budget expenditures by more than five percent for the year ended 12/31/99.	Yes	N/A	Verian Ortego, Assistant Town Clerk	N/A
98-1 (IC)	Unknown	Due to the small number of employees, the Town did not have adequate segregation of functions within the accounting system.	N/A	No response is considered necessary.	Verian Ortego, Assistant Town Clerk	N/A

**OTHER SUPPLEMENTARY INFORMATION**

TOWN OF ELTON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
December 31, 1999

Records maintained by the Town indicated the following number of customers were being served during the month of December, 1999 :

<u>Department</u>	<u>1999</u>
Water (metered)	547
Sewer	514
Garbage	526

TOWN OF ELTON, LOUISIANA

Combined Schedule of Interest-Bearing Deposits - All Funds  
December 31, 1999

	<u>Financial Institution</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
<b>General Fund:</b>				
Money market account	(A)	N/A	Variable	<u>\$ 2,502</u>
<b>Special Revenue Fund:</b>				
Certificate of Deposit	(A)	05/28/00	4.25%	<u>50,530</u>
<b>Debt Service Funds:</b>				
1980 Public Improvement Bond Fund:				
Certificate of Deposit	(A)	03/24/00	4.25%	16,078
Money market account	(A)	N/A	Variable	29,138
1997 Certificates of Indebtedness Fund:				
Money market account	(A)	N/A	Variable	<u>10,589</u>
Total debt service funds				<u>55,805</u>
<b>Utility Fund:</b>				
Unrestricted assets -				
Certificate of Deposit	(A)	04/23/00	4.00%	2,500
Certificate of Deposit	(A)	11/16/00	4.25%	40,835
Certificate of Deposit	(A)	07/29/00	4.25%	15,583
Certificate of Deposit	(A)	11/21/00	4.25%	13,803
Certificate of Deposit	(A)	01/30/00	4.25%	2,693
Certificate of Deposit	(A)	10/17/00	4.25%	2,722
Certificate of Deposit	(A)	03/02/00	4.00%	2,599
Money market account	(A)	N/A	Variable	<u>19,336</u>
Total unrestricted assets				<u>100,071</u>
Restricted assets -				
Money market account	(H)	N/A	Variable	15,116
Money market account	(A)	N/A	Variable	8,454
Money market account	(A)	N/A	Variable	22,088
Certificate of deposit	(A)	11/21/99	4.25%	<u>21,588</u>
Total restricted assets				<u>67,246</u>
Total utility fund				<u>167,317</u>
Total - all funds				<u>\$276,154</u>

Investments with:

(A) American Bank, Welsh, Louisiana

(H) Hibernia National Bank, New Orleans, Louisiana

TOWN OF ELTON, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
December 31, 1999

<u>Description of Coverage</u>	<u>Coverage Amounts</u>
Workmen's Compensation: Employer's liability	Statutory \$ 100,000
All risk coverage on water tower	130,000
Sewer equipment coverage	257,107
Surety Bonds:	
Mayor	40,000
Town clerk	30,000
Assistant town clerk	7,000
Fire and wind coverage on Town of Elton buildings:	
Senior citizens building	25,000
City hall and police station	218,000
Contents of city hall and police station	15,000
Old depot building	50,000
Law enforcement and officer liability:	
All coverage (other than products - completed operations and errors and omissions injury) aggregate	500,000
Error or omission, aggregate	500,000
Automobile coverage:	
General liability, aggregate	500,000
Bodily injury and property damage	1,000
Uninsured motorist	50,000