

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE BASED ON AN
AUDIT OF PRIMARY GOVERNMENT FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

The management of the Town of Livingston, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of primary government financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the primary government financial statements of the Town of Livingston, Louisiana, for the year ended December 31, 1995, we obtained an understanding of the internal control structure. With respect to internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure 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 primary government financial statements.

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The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana
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It was noted that the Town has a lack of segregation of duties in its system of internal controls. This deficiency in the internal control structure is caused by the small number of personnel that handle the Town's operations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the primary government financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is not a material weakness.

We also noted other matters involving the internal control structure and its operation that we have reported to the management of the Town of Livingston, Louisiana, in a separate letter dated June 7, 1996.

This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.


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June 7, 1996

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VOICE: (504) 229-5955
FAX: (504) 229-5951

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American Institute of
CPAs
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL STRUCTURE USED IN
ADMINISTERING FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996. We have also audited the compliance of the Town of Livingston, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated June 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget (OMB) Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement and whether the Town of Livingston, Louisiana, complied with laws and regulations, noncompliance with which would be material to a major federal financial assistance program.

In planning and performing our audit for the year ended December 31, 1995, we considered the internal control structure of the Town of Livingston, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinions on the primary government financial statements of the Town of Livingston, Louisiana, and on the compliance of the Town of Livingston, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the primary government financial statements in a separate report dated June 7, 1996.

The management of the Town of Livingston, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of primary government financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

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The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana
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For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- 1) Cash Receipts/Revenues
- 2) Cash Disbursements

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended December 31, 1995, the Town of Livingston, Louisiana, expended 98% of its total federal financial assistance under major federal financial assistance programs.

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to each of the Town of Livingston, Louisiana's major federal financial programs, which are identified in the accompanying Schedule of Federal Financial Assistance. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

We noted matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Town of Livingston, Louisiana's ability to administer federal financial assistance programs in accordance with applicable laws and regulations.

It was noted that the Town has a lack of segregation of duties in its system of internal controls. This deficiency in the internal control structure is caused by the small number of personnel that handle the Town's operations.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure policies and procedures used in administering federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

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The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana
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This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Cognizant Agency. However, this report is a matter of public record and its distribution is not limited.

Bruce Harrell & Co.

Bruce Harrell & Company, CPAs
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June 7, 1996

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Kentwood, LA 70444
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FAX: (504) 229-5951

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH LAWS AND REGULATIONS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Town of Livingston, Louisiana, is the responsibility of the Town of Livingston, Louisiana, management. As part of obtaining reasonable assurance about whether the primary government financial statements are free of material misstatement, we performed tests of the Town's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the financial statements was not to provide an opinion on overall compliance with such provisions. Accordingly, we do not express such an opinion.

The results of our tests disclosed no instances of noncompliance that are required to be reported under government auditing standards.

This report is intended for the information of management, the Louisiana Legislative Auditors, and the Federal Cognizant Agency. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Bruce Harrell & Company, CPAs
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June 7, 1996

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CPAs
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO MAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We have also audited the Town of Livingston, Louisiana's compliance with the requirements governing types of services allowed or unallowed; matching; level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1995. The management of the Town of Livingston, Louisiana, is responsible for the Town of Livingston, Louisiana's compliance with those requirements. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit of compliance with those requirements in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Town of Livingston, Louisiana's compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures did not disclose any immaterial instances of noncompliance with the requirements referred to above.

In our opinion, the Town of Livingston, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed; matching; level of effort, or earmarking; reporting; special tests and provisions; claims for advances and reimbursements; and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1995.

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The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana
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This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Cognizant Agency. However, this report is a matter of public record and its distribution is not limited.


Bruce Harrell and Company, CPAs
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June 7, 1996

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109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

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Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH SPECIFIC REQUIREMENTS
APPLICABLE TO NONMAJOR FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

In connection with our audit of the primary government financial statements of the Town of Livingston, Louisiana, and with our consideration of the Town of Livingston, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, *Audits of State and Local Governments*, we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended December 31, 1995. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed; and special tests and provisions that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Livingston, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Livingston, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Cognizant Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs
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June 7, 1996

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Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

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CPAs
Society of Louisiana CPAs

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH GENERAL REQUIREMENTS
APPLICABLE TO FEDERAL FINANCIAL ASSISTANCE PROGRAMS**

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996.

We have applied procedures to test the Town of Livingston, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1995.

Political Activity
Davis-Bacon Act
Civil Rights
Cash Management
Federal Financial Reports
Allowable Costs/Cost Principles
Administrative Requirements

Our procedures were limited to the applicable procedures described in the Office of Management and Budget's *Compliance Supplement for Single Audits of State and Local Governments*. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the Town of Livingston, Louisiana's compliance with the requirements listed in the preceding paragraph. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Livingston, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended for the information of management, the Louisiana Legislative Auditors and the Federal Cognizant Agency. However, this report is a matter of public record and its distribution is not limited.



Bruce Harrell and Company, CPAs
A Professional Accounting Corporation

June 7, 1996



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TOWN OF LIVINGSTON, LOUISIANA

ANNUAL FINANCIAL REPORT
DECEMBER 31, 1995

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

Release Date 8-7-96

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MANAGEMENT LETTER

June 7, 1996

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have examined the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995. In planning and performing our audit, we considered the internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements, and not to provide assurance on the internal control structure. However, we noted certain weaknesses in the internal control structure, that, if corrected, could improve the ability of management of the Town of Livingston to record, process, summarize, and report financial data consistent with the assertions of management. The format below lists "Weakness in Internal Controls" and "Current Year Audit Recommendations," followed by "Management Response to Audit Recommendations."

COMPUTER EQUIPMENT AND CONTROLS

A. Weaknesses in Internal Controls:

The Town of Livingston currently has one 486DX PC, used primarily for processing utility billing transactions, and two additional PCs for processing of general ledger, payables, and word processing applications. The 486DX machine is adequate for intensive applications, such as utility billing, but has only four megabytes of RAM. This inhibits use of Windows-based applications and upgrading of existing software, and often slows processing. Operation of a single-user system also results in greater reliance on backup data maintained on diskette or tape. While the utility billing system is "processing and calculating," customer data can currently be accessed only if diskette files are restored to a second computer. The two remaining computers are a "286" & "386," with limited RAM and storage capabilities, and are quickly approaching functional obsolescence.

B. Current Year Audit Recommendations:

We recommend that the Town consider upgrade of PCs to 486DXs, with a minimum of 12 megabytes of memory. To permit upgrade of existing programs and to permit access to the Utility Billing program by more than one user, we also recommend implementation of Novelle Netware under a Windows environment. We recommend that management be fully briefed on all of the security features of Netware, on how to implement them, and on how to use the reporting features of NetWare to monitor network activity, and that management be instructed in the use of NetWare's administrative and recovery utilities and on how to add programs to the network and the menu system.

C. Management Response to Audit Recommendations:

The Town concurs that the current computer system should be upgraded to increase security and access over the utility billing program, and to allow transition to new programs and upgrades.

It has been our pleasure to perform this financial audit for you. We will be glad to meet with you in trying to provide assistance in implementing the above recommendations.

Respectfully submitted,



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

Town of Livingston, Louisiana
Annual Financial Report
As of and for the Year Ended December 31, 1995

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Town of Livingston, Louisiana
Annual Financial Report
As of and for the Year Ended December 31, 1995

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the accompanying primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, as listed in the table of contents. These financial statements are the responsibility of the Town of Livingston, Louisiana, management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Governmental Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Town of Livingston, Louisiana, as of December 31, 1995, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Livingston, Louisiana, do not purport to, and do not, present fairly the financial position of the Town of Livingston, Louisiana, as of December 31, 1995, 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.

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The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana
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Our audit was made for the purpose of forming an opinion on the primary government financial statements taken as a whole. The individual fund and account group financial statements, schedules, and supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the primary government financial statements of the Town of Livingston, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly stated in all material respects in relation to the primary government financial statements taken as a whole.


Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 7, 1996

BRUCE HARRELL & CO.
CERTIFIED PUBLIC ACCOUNTANTS
A Professional Accounting Corporation

Bruce C. Harrell, CPA

Warren A. Wool, CPA
Michael P. Estay, CPA
Dale H. Jones, CPA

109 West Minnesota Park
Park Place Suite 7
Hammond, LA 70403
VOICE: (504) 542-6372
FAX: (504) 345-3156

KENTWOOD OFFICE
P.O. Box 45 - 602 Fifth St.
Kentwood, LA 70444
VOICE: (504) 229-5955
FAX: (504) 229-5951

MEMBERS
American Institute of
CPAs
Society of Louisiana CPAs

INDEPENDENT AUDITOR'S REPORT ON SCHEDULE OF FEDERAL FINANCIAL ASSISTANCE

The Honorable Mayor, Dale Erdey
and Members of the Board of Aldermen
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated June 7, 1996. These primary government financial statements are the responsibility of the Town of Livingston, Louisiana, management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, *Audits of State and Local Governments*. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the primary government financial statements of the Town of Livingston, Louisiana, taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the primary government financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the primary government financial statements and, in our opinion, is fairly presented in all material respects in relation to the primary government financial statements taken as a whole.



Bruce Harrell & Company, CPAs
A Professional Accounting Corporation

June 7, 1996

Town of Livingston, Louisiana

**Combined Balance Sheet - All Fund Types and Account Groups
December 31, 1995 and 1994**

	Governmental Fund Type	Proprietary Fund Type	Account Group
	General Fund	Enterprise Fund	General Fixed Assets
Assets			
Cash	\$ 588,820	\$ 676,447	\$ -
Inventory, Natural Gas Storage	-	2,110	-
Taxes Receivable	21,676	-	-
Accounts Receivable (Net of Allowance for Uncollectibles)	-	85,606	-
Royalties Receivable	1,293	-	-
Due From Other Funds	5,150	-	-
Due From Other Governments	12,810	-	-
Restricted Assets	-	188,478	-
Property, Plant and Equipment (Net, Where Applicable, of Accumulated Depreciation)	-	2,091,491	1,233,466
Total Assets	\$ 629,749	\$ 3,044,132	\$ 1,233,466
Liabilities and Fund Equity			
Liabilities:			
Accounts Payable	\$ 7,475	\$ 29,476	\$ -
Other Accrued Expenses	2,255	1,939	-
Current Portion of Long-Term Debt:			
Revenue Bonds Payable	-	31,620	-
Due To Other Funds	-	5,150	-
Payable From Restricted Assets:			
Customer Deposits	-	49,570	-
Long-Term Debt:			
Revenue Bonds Payable	-	742,094	-
Total Liabilities	9,730	859,849	-
Fund Equity:			
Contributed Capital	-	1,027,161	-
Investment in General Fixed Assets	-	-	1,233,466
Retained Earnings:			
Reserved for Bond Retirement	-	65,149	-
Reserved for Bond Contingency	-	65,155	-
Unreserved	-	1,026,818	-
Fund Balance:			
Unreserved - Undesignated	620,019	-	-
Total Fund Equity	620,019	2,184,283	1,233,466
Total Liabilities and Fund Equity	\$ 629,749	\$ 3,044,132	\$ 1,233,466

The accompanying notes are an integral part of these statements.

Totals
(Memorandum Only)

1995	1994
\$ 1,265,267	\$ 1,113,063
2,110	4,603
21,676	19,995
85,606	79,554
1,293	1,318
5,150	6,913
12,810	10,118
188,478	178,461
<u>3,324,957</u>	<u>3,379,443</u>
\$ <u>4,907,347</u>	\$ <u>4,793,468</u>
\$ 36,951	\$ 53,349
4,194	4,820
31,620	30,104
5,150	6,913
49,570	46,275
<u>742,094</u>	<u>773,250</u>
<u>869,579</u>	<u>914,711</u>
1,027,161	1,071,397
1,233,466	1,211,009
65,149	62,457
65,155	62,464
1,026,818	843,525
<u>620,019</u>	<u>627,905</u>
<u>4,037,768</u>	<u>3,878,757</u>
\$ <u>4,907,347</u>	\$ <u>4,793,468</u>

Town of Livingston, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Governmental Fund Type
Year Ended December 31, 1995**

Statement B

	<u>General Fund</u>
Revenues	
Taxes	\$ 198,211
Licenses and Permits	54,403
Intergovernmental	17,839
Fines	17,917
Interest Income	37,047
Royalty Income	9,894
Rental Income	5,000
Sanitation Fees	20,861
Recreation and Parks	15,162
SBA Tree Planting Grant	8,835
Police Grant	1,251
Department of Transportation Grant	6,527
Rural Development Grant, Streets	25,000
Urban Development Grant	10,000
Rural Development Grant, Police	25,000
Miscellaneous	4,049
Total Revenues	<u>456,996</u>
Expenditures	
General and Administrative	171,307
Public Safety	119,687
Streets	102,484
Sanitation	31,197
Health	3,647
Recreation and Parks	25,083
Capital Outlays	11,477
Total Expenditures	<u>464,882</u>
Excess (Deficiency) of Revenues Over Expenditures	(7,886)
Fund Balance at Beginning of Year	627,905
Fund Balance at End of Year	<u>\$ 620,019</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Statement C

Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP Basis) and Actual - Governmental Fund Type
Year Ended December 31, 1995

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Revenues			
Taxes	\$ 195,000	\$ 198,211	\$ 3,211
Licenses and Permits	54,425	54,403	(22)
Intergovernmental	17,300	17,839	539
Fines	18,000	17,917	(83)
Interest Income	25,000	37,047	12,047
Royalty Income	10,000	9,894	(106)
Rental Income	5,000	5,000	-
Sanitation Fees	21,000	20,861	(139)
Recreation and Parks	15,000	15,162	162
SBA Tree Planting Grant	8,835	8,835	-
Police Grant	1,250	1,251	1
Department of Transportation Grant	7,500	6,527	(973)
Rural Development Grant, Streets	25,000	25,000	-
Learn and Serve Grant	1,500	-	(1,500)
Urban Development Grant	10,000	10,000	-
Rural Development Grant, Police	25,000	25,000	-
Sales of Fixed Assets	500	-	(500)
Miscellaneous	1,825	4,049	2,224
Total Revenues	<u>442,135</u>	<u>456,996</u>	<u>14,861</u>
Expenditures			
General and Administrative	187,200	171,307	15,893
Public Safety	115,500	119,687	(4,187)
Streets	103,100	102,484	616
Sanitation	31,500	31,197	303
Health	3,500	3,647	(147)
Recreation and Parks	26,700	25,083	1,617
Capital Outlays	47,000	11,477	35,523
Total Expenditures	<u>514,500</u>	<u>464,882</u>	<u>49,618</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(72,365)</u>	<u>(7,886)</u>	<u>64,479</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

**Statement of Revenues, Expenditures, and Changes in Fund Balance
Budget (GAAP) Basis and Actual - Governmental Fund Type
Year Ended December 31, 1995**

Statement C

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
Other Financing Sources (Uses)			
Operating Transfers In	75,000	-	(75,000)
Total Other Financing Sources (Uses)	75,000	-	(75,000)
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	2,635	(7,886)	(10,521)
Fund Balance at Beginning of Year	627,905	627,905	-
Fund Balance at End of Year	\$ 630,540	\$ 620,019	\$ (10,521)

(Concluded)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Statement D

**Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Proprietary Fund Type
Year Ended December 31, 1995**

	<u>Enterprise Fund</u>
Operating Revenues	
Gas Sales	\$ 202,392
Less Cost of Gas Sold	(62,555)
Gross Profit on Gas Sales	<u>139,837</u>
Water Sales	213,954
Sewer Service Charges	50,188
Service Connection Charges	13,278
Delinquent Charges	12,772
Other Operating Revenues	2,471
Total Operating Revenues	<u><u>432,500</u></u>
 Operating Expenses	
Salaries	70,088
Contract Repairs	12,469
Materials and Supplies	26,594
Sewer Expense	11,325
Office Expense	9,213
Payroll Taxes	6,089
Professional Services	10,678
Depreciation	90,508
Utilities	20,805
Insurance	18,207
Other Operating Expenses	8,964
Total Operating Expenses	<u><u>284,940</u></u>
 Operating Income (Loss)	<u>147,560</u>
 Nonoperating Revenues (Expenses)	
Interest Revenue	36,828
Interest Expense	(39,948)
Total Nonoperating Revenues (Expenses)	<u><u>(3,120)</u></u>
 Net Income	144,440
Unreserved Retained Earnings at Beginning of Year	843,525
Amortization of Contributions	44,236
Increases in Reserves	(5,383)
Unreserved Retained Earnings at End of Year	<u><u>\$ 1,026,818</u></u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

**Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 1995**

Statement E

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Operating Income	\$ 147,560
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	90,508
Increase in Accounts Receivable	(6,052)
Increase in Current Liabilities Payable From Restricted Assets	3,295
Decrease in Inventory	2,493
Decrease in Accounts Payable	(14,467)
Decrease in Other Accrued Liabilities	(367)
Decrease in Due to Other Funds	(1,763)
Net Cash Provided (Used) by Operating Activities	<u>221,207</u>
Cash Flows From Capital and Related Financing Activities	
Capital Improvements	(13,566)
Principal Repayments, Revenue Bonds Payable	(29,640)
Interest Revenue	36,828
Interest Expense	(39,948)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(46,326)</u>
Net Increase (Decrease) in Cash	174,881
Cash at Beginning of Year	690,043
Cash at End of Year	<u>\$ 864,924</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana
Notes to Financial Statements

As of and for the Year Ended December 31, 1995

Introduction

The Town of Livingston was incorporated November 4, 1955, under the provisions of the Lawrason Act. The Town operates under a Mayor - Board of Aldermen form of government. The accounting and reporting policies of the Town of Livingston conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:513 and 24:517 and to the guides set forth in the *Louisiana Governmental Audit Guide*, and to the AICPA Industry Audit Guide, *Audits of State and Local Governmental Units*.

1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

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

Based on the previous criteria, the Town of Livingston has determined that the following component unit is part of the reporting entity:

Component Unit	Fiscal Year End	Criteria Used
Livingston Intergovernmental Commission	12/95	3

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

The Town of Livingston has chosen to issue financial statements of the primary government (Town) only; therefore the previously listed component unit is not included in the accompanying financial statements.

GASB Statement No. 14 provides for the issuance of primary government financial statements that are separate from those of the reporting entity. However, the primary government's financial statements are not a substitute for the reporting entity's financial statements. The accompanying primary government financial statements have been prepared in conformity with generally accepted accounting principles as applied to governmental units. These financial statements are not intended to and do not report on the reporting entity but rather are intended to reflect only the financial statements of the primary government.

Considered in the determination of component units of the reporting entity were the Livingston Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges of the 21st Judicial District. It was determined that these governmental entities are not component units of the Town of Livingston reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Livingston.

B. Fund Accounting

The Town of Livingston uses funds and account groups to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the Town of Livingston are classified into two categories, governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each fund type follows:

Governmental Funds

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, and the acquisition or construction of general fixed assets. The governmental fund includes:

General Fund - the general operating fund of the municipality and accounts for all financial resources, except those required to be accounted for in other funds.

Proprietary Funds

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

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

Enterprise Funds - account for operations (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and 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.

C. Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures.

Revenues

Governmental funds utilize the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both available and measurable. Licenses and permits, charges for services, fines and forfeits, and miscellaneous revenues are recorded as revenues when received in cash. General property taxes, self-assessed taxes, and investment earnings are recorded when earned (when they are measurable and available).

Expenditures

Expenditures are recognized in the accounting period in which the fund liability is incurred, if measurable, except expenditures for debt service and other long-term obligations which are recognized when paid.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses). The transfers are recorded at the time the money is transferred.

The proprietary fund is accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

D. Budgets and Budgetary Accounting

The Town follows these procedures and those required by the Local Budget Act No. 504 of the 1980 Legislature and its amendments in establishing the budgetary data reflected in these financial statements:

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

1. The Town clerk prepares a proposed budget and submits same to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving the increase in expenditures resulting from revenues exceeding amounts estimated, require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Enterprise Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen.

E. Encumbrances

The Town of Livingston does not use encumbrance accounting.

F. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those other investments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

G. Short-term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

H. Advances to Other Funds

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriations. The Town of Livingston does not have any of these type advances.

I. Inventories

Purchase of various operating supplies are regarded as expenditures at the time purchased, and inventories of such supplies (if any) are not recorded as assets at the close of the fiscal year.

Inventory in the proprietary fund consists of natural gas reserves purchased and are recorded as an expense when consumed. The inventory is valued at the lower of cost (first-in, first-out) or market.

J. Prepaid Items

The Town of Livingston does not have any prepaid items.

K. Restricted Assets

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets in the balance sheet because their use is limited by applicable bond covenants.

L. Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All assets are stated at cost. Where cost could not be determined from the available records, estimated historical cost was used to record the estimated value of the assets.

Fixed assets used in the proprietary fund are included on the balance sheet of the funds. Depreciation of exhaustible fixed assets used by the proprietary fund is charged as an expense against operations, and accumulated depreciation is reported on the proprietary fund's balance sheet. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

M. Annual Vacation and Sick Leave

All employees, during their first and second year of service, will receive one (1) week paid vacation each year. One week of vacation can be taken after the first six months of the first year. Employees with two (2) or more years service will receive two (2) weeks paid vacation each year. Employees with 10 years or more will receive three (3) weeks. Employees with 20 years or more will receive four (4) weeks. Preference will be posted by January 15 of each year. Vacations will be approved by the department head and the Mayor. Vacation will be

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

calculated on a calendar year. An employee hired after the first six months of a year will receive one (1) week during following calendar year. Vacation time accrued must be taken by the end of the fiscal year.

Sick leave is as follows:

1. After six months employment, an employee may receive eight hours sick leave each month. After two years employment, the sick leave will increase to ten hours each month. All employees who have been employed by the Town five years or longer will receive twelve hours sick leave each month. An employee may accumulate a maximum of one thousand four hundred forty hours sick leave. No pay shall be granted for sick days if employee resigns or is terminated. No sick days shall be taken in lieu of vacations.
2. After three (3) consecutive working days of sick leave, a doctor's certificate shall be required.
3. After sick leave, annual leave, and personal holiday have been exhausted, employee may be granted emergency leave by Mayor and Board of Alderman.
4. Employee must notify secretary or department head at the beginning of the work day on day one of sickness.

In accordance with Financial Accounting Standards Board (FASB) Statement Number 43, no liability has been accrued for unused employee sick leave.

N. Long-term Obligations

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due. At December 31, 1995, the Town of Livingston had no long-term obligations in governmental funds. Long-term obligations expected to be financed from propriety fund operations are accounted for in those funds.

O. Fund Equity

Contributed Capital

Contributed capital is recorded in propriety funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition of or construction of capital assets. Contributed capital is amortized based on the depreciation recognized in that portion of the assets acquired or constructed from such resources.

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

P. Interfund Transactions

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursement to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the Town of Livingston are reported as operating transfers.

Q. Bad Debts

The Town of Livingston does not have an allowance for uncollectible ad valorem taxes because the amounts, if any, are immaterial. Uncollectible amounts due for customer's utility receivables are charged to operations when that determination is made. An allowance account of \$1,000 was set up in prior years to allow for the uncollectibility of certain receivables.

R. Total Columns on Combined Statements

Total Columns on the combined statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Interfund transactions have not been eliminated from the total column of each financial statement.

2. Cash and Cash Equivalents

At December 31, 1995, the Town has cash and cash equivalents (book balances) totaling \$1,453,745, as follows:

Demand Deposits	\$ 100
Interest-Bearing Demand Deposits	343,247
Money Market Accounts	-
Time Deposits	1,110,398
Total Cash and Cash Equivalents	<u>\$ 1,453,745</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1995, the Town has \$1,443,567 in

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

deposits (collected bank balances). These deposits are secured from risk by \$100,000 of federal deposit insurance and \$1,353,745 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

3. Ad Valorem and Public Utility Franchise Taxes

On October 4, 1995, the Town approved an ordinance to reassess a 5.19 millage ad valorem tax for 1995. This is a permanent tax per constitutional authority, and is subject to annual renewal by the Town board. Total ad valorem taxes levied for the year ended December 31, 1995, were \$10,724. These taxes were due upon taxpayers' receipt of their tax bill and became delinquent January 1, 1996. Interest on unpaid ad valorem taxes is added to the tax bill during March, 1996. Due to immateriality and cost factor of collections, no liens are put against assessed property upon uncollectibility of taxes.

On October 1, 1972, the Town approved the issuance of a public utilities franchise to Gulf States Utilities Company to provide electricity within the limits of the Town of Livingston. For this franchise, Gulf States Utilities Company remits 4.5% of its net taxable gross receipts from the sale of electricity within the corporate limits.

On September 10, 1981, the Town approved the issuance of a public utilities franchise to provide cable television and closed-circuit electronic services within the Town's corporate limits. For this franchise, the cable television corporation remits 4% of its net taxable gross subscription receipts within the corporate limits.

Total ad valorem taxes and public utilities franchise taxes collected for the year ended December 31, 1995, were \$67,321.

Taxes receivable at December 31, 1995 consisted of the following:

	<u>1995</u>
Ad Valorem Taxes Receivable, Current Roll	\$ 7,654
Public Utility Franchise Taxes Receivables	14,022
Total Taxes Receivable	<u>\$ 21,676</u>

The Town does not have an allowance for uncollectible ad valorem taxes because the amounts, if any, are immaterial.

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

9. Property, Plant and Equipment

A summary of Proprietary Fund Type Property, Plant and Equipment at December 31, 1995, follows:

Description	Years Life	Cost	Accumulated Depreciation	Net	Current-Year Depreciation
Buildings:					
Warehouse, 1/3 Interest	20	\$ 3,202	\$ 3,202	\$ -	\$ -
Sewer Plant Shop	20	2,446	1,050	1,396	122
Total Buildings		<u>5,648</u>	<u>4,252</u>	<u>1,396</u>	<u>122</u>
Other Improvements:					
Original Gas & Water System:					
Still in Use	30	30,163	30,163	-	-
Replaced by New System	30	271,464	271,464	-	-
Natural Gas System	40	281,744	100,957	180,787	7,006
Water System	40	688,474	221,180	467,294	17,045
Water Well	40	135,903	37,810	98,093	3,398
Water Tank	40	207,005	57,049	149,956	5,175
Tank Improvements	15	30,000	22,000	8,000	2,000
Sewer System	40	2,042,171	891,571	1,150,600	51,008
Sewer System	10	7,850	6,084	1,766	785
Sewer Extension	40	23,722	8,449	15,273	593
Sewer Lift Station	40	22,056	6,341	15,715	551
Fence, Oxidation Pond	10	4,740	4,740	-	-
Sewer Pump	5	6,290	6,290	-	-
Water Well Improvements	10	3,724	3,192	532	372
Water Well Fence	10	3,160	2,739	421	316
Total Buildings & Improvements		<u>3,764,114</u>	<u>1,674,281</u>	<u>2,089,833</u>	<u>88,371</u>
Equipment:					
Office Furniture & Fixtures	10	2,272	2,272	-	-
Computer and Software	7	10,431	8,773	1,658	745
Machinery & Equipment	10	296	296	-	-
Equipment	7	1,201	1,201	-	114
Utility Trucks:					
1987 Ford	7	13,246	13,246	-	-
1991 Ford	4	12,258	12,258	-	1,276
Radio	4	796	796	-	-
Total Equipment		<u>40,500</u>	<u>38,842</u>	<u>1,658</u>	<u>2,135</u>
Total Property, Plant and Equipment		<u>\$ 3,804,614</u>	<u>\$ 1,713,123</u>	<u>\$ 2,091,491</u>	<u>\$ 90,508</u>
Changes During Year:					
Balance, Beginning of Year		\$ 3,791,049	\$ 1,622,615	\$ 2,168,434	
Additions		13,565	-	13,565	
Deletions		-	-	-	
Depreciation		-	90,508	(90,508)	
Balance, End of Year		<u>\$ 3,804,614</u>	<u>\$ 1,713,123</u>	<u>\$ 2,091,491</u>	

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

All assets are depreciated under the straight-line method.

Activity for general fixed assets capitalized by the Town are summarized below:

Description	Balances 01/01/95	Additions	Deletions	Balances 12/31/95
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Buildings	697,414	4,196	-	701,610
Equipment	459,595	18,261	-	477,856
Totals	<u>\$ 1,211,009</u>	<u>\$ 22,457</u>	<u>\$ -</u>	<u>\$ 1,233,466</u>

10. Changes in Long-Term Debt

The following is a summary of bond transactions of the Town of Livingston for the year ended December 31, 1995:

	Proprietary Fund Bonds/Notes
Bonds Payable, January 1, 1995	\$ 803,354
Bonds/Notes Retired	(29,640)
Bonds/Notes Issued	-
Bonds Payable, December 31, 1995	<u>\$ 773,714</u>

Bonds Payable at December 31, 1995, are comprised of the following individual issues:

Proprietary Fund Bonds	Current Amount	Long-term Amount	Total Principal
\$1,100,000 Utility Revenue Bonds numbers 1 and 2, dated 2/25/75, due in monthly installments of \$5,386 through 2015, interest at 5% (these issues are secured by the income and revenues derived from the operation of the town's utility system).	\$ 29,401	\$ 688,682	\$ 718,083
\$56,000 General Obligation Ad Valorem Tax Bonds, dated 2/20/75, due in monthly installments of \$275 through 2015, interest at 5% (these issues are secured by a dedication of an unlimited ad valorem tax of the Town).	1,480	35,479	36,959
\$28,000 General Obligation Ad Valorem Tax Bonds, of Sewer District No. 1 of the Town, dated 2/20/75, due in monthly installments of \$138 through 2015, interest at 5% (these issues are secured by a dedication of an unlimited ad valorem tax of the District).	739	17,933	18,672
General Obligation Bonds Payable	<u>2,219</u>	<u>53,412</u>	<u>55,631</u>
Total Proprietary Fund Bonds Payable	<u>\$ 31,620</u>	<u>\$ 742,094</u>	<u>\$ 773,714</u>

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

The annual requirements to amortize all debt outstanding at December 31, 1995, including interest payments of \$361,696 are as follows:

Year Ending December 31	Proprietary Fund Bonds
1996	\$ 69,588
1997	69,588
1998	69,588
1999	69,588
2000	69,588
2001 - 2005	347,940
2006 - 2010	347,940
2011 - 2013	91,590
	\$ 1,135,410

11. Flow of Funds and Restrictions on Use - Utilities Revenues

The voters of the Town of Livingston approved the issuance of \$1,100,000 Utility Revenue Bonds, \$56,000 General Obligation Ad Valorem Tax Bonds of the Town and \$28,000 General Obligation Ad Valorem Tax Bonds of Sewer District No. 1 of the Town in an election held August 24, 1974. The governing authority of the Town adopted a resolution on January 13, 1975, authorizing issuance of the above utility bonds. On February 20, 1975, the Town sold \$1,184,000 of the authorized bonds to Rural Community and Economic Development (RECD) of the United States of America. The bonds were issued for forty (40) years payable with interest at the rate of 5% per annum. The bonds and any installments may be paid prior to the due date and maturity thereof at a price of par and accrued interest to the date of prepayment. The proceeds of the bonds are restricted to use for redeeming \$198,640 of "1958 Water and Gas Revenue Bonds" of the Town and construction and improvements to the combined utility system and are subject to the provisions of the above resolution adopted January 13, 1975. As of June 30, 1978, Rural Community and Economic Development had advanced all of the bond proceeds to the Town.

Under the terms of the bond proceeds to the Town, the revenue bonds are payable as to principal and interest solely from the income and revenue derived from the operation of the combined utility system of the Town after provision has been made for payment of the reasonable and necessary expenses of administering, operating, and maintaining the system. The ad valorem tax bonds of the Town are secured by a dedication of an unlimited ad valorem tax of the Town. The ad valorem tax bonds of Sewer District No.1 are secured by an unlimited ad valorem tax of the District. These bonds do not constitute an indebtedness or pledge of the general credit of the Town within the meaning of any constitutional or statutory limitation of indebtedness.

The Town is to maintain its present gas rates and increase these rates when the wholesale price of natural gas increases by adding a fuel adjustment cost equal to the difference per 1,000 cubic feet. The Town has minimum water rates it must charge under this agreement.

Each month the Town will reserve into a "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest and principal due on the next bond payment due date, and a proportionate sum as may be required as the bonds respectfully become due. Money in the sinking funds shall be deposited as trust funds and shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due, and may

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

be used only for such payments. Alternately, RECD has set up a payment schedule whereby the Town can make such payments directly to its office, thus eliminating the need for the "Bond and Interest Sinking Fund".

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to 5% of the monthly bond payment (\$290) after the construction becomes revenue-producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund as to which there would otherwise be default. The balance in the fund at December 31, 1995 was \$65,149.

Funds will also be reserved into a "Depreciation and Contingency Fund", after completion of the project, at the rate of \$275 per month. Money in this fund will be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds. The balance in the fund at December 31, 1995, was \$65,155.

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

As of December 31, 1995, the Town has not assessed any ad valorem taxes to be used for payment of the ad Valorem tax bond issues. The Town has elected to make the payments out of current utility revenues.

12. Contributions - Proprietary Fund Type

Contributions toward the cost of the utility plant and engineering services have been received as follows:

	12/31/95
Municipality - General Fund	\$ 82,334
Special Revenue Fund - Federal Revenue Sharing	4,740
U.S. Government - Environmental Protection Agency	1,497,908
State of Louisiana	160,000
Livingston Parish School Board	32,235
Private Sources	4,922
Total Contributions	1,782,139
Less Accumulated Amortization	(754,798)
Net Contributed Capital	\$ 1,027,161

13. 2% Fire Insurance Rebate

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 22:1580 and is eligible for and receives a pro rata share of the fire insurance tax collected by the state. The amounts received by the fire department are based on the population in the Town and unincorporated areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of "rendering more efficient and efficacious" the active volunteer fire department as the Town shall direct.

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

14. Oil, Gas, and Mineral Lease

On January 4, 1983, the Town leased all of its lands, streets, alleys, public ways and places containing 141.60 acres, more or less to Callon Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by any method, including but not limited to, geophysical and geological exploration for formations of structures and prospecting and drilling for, mining, and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

In consideration for the lease for an initial period of three years, the Town received the sum of \$63,720 as a bonus and first year rental. The lessee has the right to renew the lease annually thereafter for \$31,860 if he so desires. The Town reserved 25% of the royalty rights under the lease.

The rights herein granted are limited as to depth and said rights extend only from the surface of the earth to 100 feet below the base of the Wilcox formation, or its stratigraphic equivalent. All rights for minerals lying below said depth to the center of the earth are expressly reserved to the lessor.

During the fiscal year ended June 30, 1984, Callon Petroleum made a successful well out of the Crown Zellerbach SS-C-No.1. The Town's twenty-five percent (25%) royalties rights equaled 3.170731% of the well's production. The Town began receiving its share of royalty payments in July, 1984. In December, 1984, the Town received a \$13,851 delay rent payment from Callon Petroleum for its remaining property not held by the productive well. During the fiscal year ended June 30, 1985, two more successful wells were completed from which the Town receives oil royalty payments. Since June 30, 1985, the fourth successful well was completed in which the Town also receives royalty payments.

The rights under the above lease are currently assigned to Force Energy Gas Exploration, Inc. During the fiscal year ending December 31, 1995, the Town of Livingston recorded \$9,894 in royalty income.

The royalties received under the oil, gas, and mineral leases are reported in the Town's general fund.

15. Retirement Commitments

The Town of Livingston's employees participate in the Federal Social Security Program. The Town's contributions for the year ended December 31, 1995, were \$14,370 for General Fund employees and \$5,729 for the Enterprise Fund employees. Future deficits in the system will be financed by the United States Government, and the Town has no further liability in the system. Data concerning the actuarial status of the system is not available.

The Town of Livingston entered the Municipal Employees Police Retirement System of Louisiana effective June 1, 1993. A description of the Municipal Police Employees' Retirement System is as follows:

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may

Town of Livingston, Louisiana
Notes to Financial Statements
(Continued)
As of and for the Year Ended December 31, 1995

retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Fund Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Livingston is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Livingston are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Livingston's contributions to the Police Retirement System for the years ending December 31, 1995, and 1994, were \$5,456, and \$5,694, respectively, equal to the required contributions for each year.

16. Garment Building Lease

The Town entered into a new 2-year lease as lessor with LDS, Inc. commencing on September 15, 1995. This lease on the garment building owned by the Town requires LDS, Inc. to pay a monthly rental of \$1,250.

**FINANCIAL STATEMENTS
OF INDIVIDUAL FUNDS
AND ACCOUNT GROUPS**

GENERAL FUND

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

Town of Livingston, Louisiana

Schedule 1

Comparative Balance Sheet
Governmental Fund Type
December 31, 1995 and 1994

	General Fund	
	1995	1994
Assets		
Cash	\$ 588,820	\$ 601,481
Taxes Receivable:		
Ad Valorem Taxes Receivable	7,654	4,905
Public Utility Franchise Taxes Receivable	14,022	15,090
Royalties Receivable	1,293	1,318
Due From Other Funds:		
Due From Enterprise Fund	5,150	6,913
Due From Other Governments:		
Due From Louisiana Tobacco Tax Distribution	1,349	1,352
Due From Louisiana Beer Tax Distribution	722	636
Due From Louisiana Video Poker Tax Distribution	663	558
Due From Livingston Parish School Board Sales Tax Distribution	10,076	7,572
Total Assets	<u>\$ 629,749</u>	<u>\$ 639,825</u>
Liabilities and Fund Balance		
Liabilities:		
Accounts Payable	\$ 7,475	\$ 9,406
Other Accrued Expenses	2,255	2,514
Total Liabilities	<u>9,730</u>	<u>11,920</u>
Fund Balance:		
Unreserved - Undesignated	620,019	627,905
Total Fund Balance	<u>620,019</u>	<u>627,905</u>
Total Liabilities and Fund Balance	<u>\$ 629,749</u>	<u>\$ 639,825</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - Governmental Fund Type
 Year Ended December 31, 1995
 With Comparative Actual Amounts for Year Ended December 31, 1994

	General Fund			
	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Revenues				
Taxes:				
Sales and Use Taxes	\$ 128,000	\$ 130,890	\$ 2,890	\$ 114,902
Ad Valorem Taxes	10,500	11,532	1,032	11,024
Public Utility Franchise Taxes	56,500	55,789	(711)	54,734
Licenses and Permits:				
Business Privilege Licenses	51,000	50,958	(42)	53,148
Beer Permits	225	226	1	173
Building and Trailer Permits	3,200	3,219	19	392
Intergovernmental:				
Louisiana Tobacco Tax Distribution	5,400	5,395	(5)	5,406
Louisiana Beer Tax Distribution	1,200	1,342	142	1,092
Louisiana Fire Insurance Rebate	2,500	2,510	10	2,287
Louisiana Road Maintenance	4,200	4,191	(9)	3,638
Louisiana Video Poker Tax Distribution	4,000	4,401	401	558
Fines	18,000	17,917	(83)	30,715
Interest Income	25,000	37,047	12,047	20,085
Royalty Income	10,000	9,894	(106)	15,207
Rental Income	5,000	5,000	-	652
Sanitation Fees	21,000	20,861	(139)	20,462
Recreation and Parks	15,000	15,162	162	14,874
SBA Tree Planting Grant	8,835	8,835	-	-
FEMA Grant	-	-	-	5,000
Hurricane Andrew Grant	-	-	-	382
Police Grant	1,250	1,251	1	1,214
Department of Transportation Grant	7,500	6,527	(973)	4,000
Rural Development Grant, Streets	25,000	25,000	-	-
Learn and Serve Grant	1,500	-	(1,500)	-
Urban Development Grant	10,000	10,000	-	-
Rural Development Grant, Police	25,000	25,000	-	-
Sales of Fixed Assets	500	-	(500)	-
Miscellaneous	1,825	4,049	2,224	14,294
Total Revenues	442,135	456,996	14,861	374,239

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance
 Budget (GAAP Basis) and Actual - Governmental Fund Type
 Year Ended December 31, 1995
 With Comparative Actual Amounts for Year Ended December 31, 1994

	General Fund			
	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		
Expenditures				
General and Administrative	\$ 187,200	\$ 171,307	\$ 15,893	\$ 158,000
Public Safety:				
Police Department	93,000	94,882	(1,882)	93,440
Fire Department	22,500	24,805	(2,305)	23,808
Streets	103,100	102,484	616	67,550
Sanitation	31,500	31,197	303	26,030
Health	3,500	3,647	(147)	3,770
Recreation and Parks	26,700	25,083	1,617	29,685
Capital Outlays	47,000	11,477	35,523	20,444
Total Expenditures	<u>514,500</u>	<u>464,882</u>	<u>49,618</u>	<u>422,727</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(72,365)</u>	<u>(7,886)</u>	<u>64,479</u>	<u>(48,488)</u>
Other Financing Sources (Uses)				
Operating Transfers In	75,000	-	(75,000)	69,000
Total Other Financing Sources (Uses)	<u>75,000</u>	<u>-</u>	<u>(75,000)</u>	<u>69,000</u>
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	2,635	(7,886)	(10,521)	20,512
Fund Balance (Deficit) Beginning of Year	627,905	627,905	-	607,393
Fund Balance (Deficit) End of Year	<u>\$ 630,540</u>	<u>\$ 620,019</u>	<u>\$ (10,521)</u>	<u>\$ 627,905</u>

(Concluded)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 3

Schedule of Expenditures Compared to Budget (GAAP Basis)
 Governmental Fund Type
 Year Ended December 31, 1995
 With Comparative Actual Amounts for Year Ended December 31, 1994

	General Fund			
	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
General and Administrative				
Salaries, Mayor and Aldermen	\$ 19,200	\$ 19,600	\$ (400)	\$ 19,113
Salaries, Clerk and Office	19,500	19,436	64	17,969
Court Recorder	900	900	-	900
Office Expenses	2,550	1,914	636	932
Telephone and Utilities	2,000	1,834	166	1,376
Advertising and Printing	2,000	1,770	230	2,805
Professional Services	19,500	15,857	3,643	19,849
Dues, Subscriptions, and Meetings	6,750	6,576	174	5,095
Insurance (All Departments)	62,000	56,724	5,276	58,498
Payroll Tax (All Departments)	14,800	15,106	(306)	15,440
Gasoline (All Departments)	9,500	8,316	1,184	8,173
Repairs	4,000	3,645	355	174
Tree Planting	10,000	9,715	285	-
Beautification	2,000	1,328	672	-
Grounds Maintenance	4,000	1,596	2,404	3,350
Miscellaneous	8,500	6,990	1,510	4,326
Capital Outlays	-	-	-	1,510
Total General and Administrative	<u>187,200</u>	<u>171,307</u>	<u>15,893</u>	<u>159,510</u>
Public Safety				
Police Department:				
Salaries	74,000	74,647	(647)	78,631
Retirement Expense	5,500	5,456	44	5,694
Supplies	1,500	1,271	229	1,202
Automobile Expense	8,000	9,640	(1,640)	6,538
Other Police Expense	4,000	3,868	132	1,375
Capital Outlays	23,000	1,337	21,663	1,505
Total Police Department	<u>116,000</u>	<u>96,219</u>	<u>19,781</u>	<u>94,945</u>
Fire Department:				
Salaries	13,000	12,744	256	16,324
Fire Department Expense	9,500	12,061	(2,561)	7,484
Capital Outlays	4,000	1,099	2,901	744
Total Fire Department	<u>26,500</u>	<u>25,904</u>	<u>596</u>	<u>24,552</u>
Total Public Safety	<u>142,500</u>	<u>122,123</u>	<u>20,377</u>	<u>119,497</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 3

Schedule of Expenditures Compared to Budget (GAAP Basis)
 Governmental Fund Type
 Year Ended December 31, 1995
 With Comparative Actual Amounts for Year Ended December 31, 1994

	General Fund			
	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Street Department				
Salaries	\$ 37,500	\$ 39,098	\$ (1,598)	\$ 37,122
Commissioner Fees	3,200	3,180	20	3,180
Electricity, Street Lights	13,000	12,549	451	11,712
Street Materials and Supplies	2,800	2,292	508	2,987
Street Repairs and Maintenance	25,000	26,225	(1,225)	1,029
Street Sign Inventory	7,500	6,527	973	4,000
Equipment Expense	1,500	1,005	495	2,205
Other Street Department Expense	12,600	11,608	992	5,315
Capital Outlays	5,000	4,825	175	15,100
Total Street Department	<u>108,100</u>	<u>107,309</u>	<u>791</u>	<u>82,650</u>
Sanitation				
Collection Fees	31,500	31,197	303	26,030
Total Sanitation	<u>31,500</u>	<u>31,197</u>	<u>303</u>	<u>26,030</u>
Health				
Animal Control	3,500	3,647	(147)	3,770
Total Health	<u>3,500</u>	<u>3,647</u>	<u>(147)</u>	<u>3,770</u>
Recreation and Parks				
Salaries	3,200	3,200	-	2,380
Supplies	3,500	2,988	512	4,692
Other Recreation and Parks Expense	2,500	1,836	664	5,749
Program Expense	17,500	17,059	441	16,863
Capital Outlays	15,000	4,216	10,784	1,586
Total Recreation and Parks	<u>41,700</u>	<u>29,299</u>	<u>12,401</u>	<u>31,270</u>
Total Expenditures	<u>\$ 514,500</u>	<u>\$ 464,882</u>	<u>\$ 49,618</u>	<u>\$ 422,727</u>

(Concluded)

The accompanying notes are an integral part of these statements.

PROPRIETARY FUND

Enterprise Fund

Utility Fund:

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

Town of Livingston, Louisiana

Schedule 4

Comparative Balance Sheet
Proprietary Fund Type
December 31, 1995 and 1994

	Enterprise Fund	
	1995	1994
Assets		
Current Assets:		
Cash	\$ 676,447	\$ 511,582
Inventory, Natural Gas Storage	2,110	4,603
Accounts Receivable (Net of Allowance for Uncollectibles)	85,606	79,554
Total Current Assets	<u>764,163</u>	<u>595,739</u>
Restricted Assets:		
Bond Reserve Fund	65,149	62,457
Bond Depreciation and Contingency Fund	65,155	62,464
Customer Deposits	58,174	53,540
Total Restricted Assets	<u>188,478</u>	<u>178,461</u>
Property, Plant and Equipment:		
Buildings	3,202	5,648
Natural Gas, Water, and Sewer Systems	3,760,826	3,746,154
Machinery and Equipment	40,586	39,247
Less Accumulated Depreciation	(1,713,123)	(1,622,615)
Net Property, Plant and Equipment	<u>2,091,491</u>	<u>2,168,434</u>
Total Assets	<u>\$ 3,044,132</u>	<u>\$ 2,942,634</u>
Liabilities and Fund Equity		
Current Liabilities (Payable From Current Assets):		
Accounts Payable	\$ 29,476	\$ 43,943
Other Accrued Liabilities	1,939	2,306
Revenue Bonds Payable, RECD	31,620	30,104
Due To General Fund	5,150	6,913
Total Current Liabilities (Payable From Current Assets)	<u>68,185</u>	<u>83,266</u>
Current Liabilities (Payable From Restricted Assets):		
Customer Deposits Payable	49,570	46,275
Total Current Liabilities (Payable From Restricted Assets)	<u>49,570</u>	<u>46,275</u>
Long-Term Liabilities:		
Revenue Bonds Payable, RECD	742,094	773,250
Total Long-Term Liabilities	<u>742,094</u>	<u>773,250</u>
Total Liabilities	<u>859,849</u>	<u>902,791</u>
Fund Equity:		
Contributed Capital	1,782,139	1,782,139
Less Accumulated Amortization	(754,978)	(710,742)
Retained Earnings:		
Reserved for Bond Retirement	65,149	62,457
Reserved for Bond Depreciation and Contingency	65,155	62,464
Unreserved	1,026,818	843,525
Total Fund Equity	<u>2,184,283</u>	<u>2,039,843</u>
Total Liabilities and Fund Equity	<u>\$ 3,044,132</u>	<u>\$ 2,942,634</u>

The accompanying notes are an integral part of these statements.

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings
Budget (GAAP Basis) and Actual - Proprietary Fund Type
Year Ended December 31, 1995
With Comparative Actual Amounts for Year Ended December 31, 1994

	Enterprise Fund			
	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Operating Revenues				
Gas Sales	\$ 184,100	\$ 202,392	\$ 18,292	\$ 182,498
Less Cost of Gas Sold	(66,500)	(62,555)	3,945	(73,763)
Gross Profit on Gas Sales	117,600	139,837	22,237	108,735
Water Sales	210,000	213,954	3,954	197,822
Sewer Service Charges	58,000	50,188	(7,812)	66,479
Service Connection Charges	13,500	13,278	(222)	15,354
Delinquent Charges	12,800	12,772	(28)	12,710
Other Operating Revenues	2,400	2,471	71	2,117
Total Operating Revenues	<u>414,300</u>	<u>432,500</u>	<u>18,200</u>	<u>403,217</u>
Operating Expenses				
Salaries:				
Maintenance Salaries	40,000	38,398	1,602	33,257
Office Salaries	30,000	31,690	(1,690)	28,791
Contract Repairs	14,000	12,469	1,531	15,912
Materials and Supplies	32,000	26,594	5,406	23,174
Truck Expense	1,700	3,837	(2,137)	3,792
Sewer Expense	11,300	11,325	(25)	7,838
Office Expense	10,400	9,213	1,187	10,442
Maintenance	2,800	1,410	1,390	-
Payroll Taxes	6,200	6,089	111	5,577
Professional Services	15,000	10,678	4,322	9,319
Depreciation	94,000	90,508	3,492	92,226
Utilities	21,900	20,805	1,095	22,803
Insurance	22,900	18,207	4,693	17,990
Bad Debt Expense	1,000	1,459	(459)	1,039
Other Operating Expenses	2,300	2,258	42	1,927
Total Operating Expenses	<u>305,500</u>	<u>284,940</u>	<u>20,560</u>	<u>274,087</u>
Operating Income (Loss)	<u>108,800</u>	<u>147,560</u>	<u>38,760</u>	<u>129,130</u>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 5

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings
 Budget (GAAP Basis) and Actual - Proprietary Fund Type
 Year Ended December 31, 1995
 With Comparative Actual Amounts for Year Ended December 31, 1994

	Enterprise Fund			1994 Actual
	1995 Budget	1995 Actual	Variance Favorable (Unfavorable)	
Nonoperating Revenues (Expenses)				
Bad Debt Recovery	\$ 200	\$ -	\$ (200)	\$ 402
Interest Revenue	31,500	36,828	5,328	23,105
Other Nonoperating Revenues	300	-	(300)	1,422
Interest Expense	(41,000)	(39,948)	1,052	(40,858)
Total Nonoperating Revenues (Expenses)	<u>(9,000)</u>	<u>(3,120)</u>	<u>5,880</u>	<u>(15,929)</u>
Operating Transfers In (Out)	<u>(75,000)</u>	-	75,000	<u>(69,000)</u>
Net Income (Loss)	<u>\$ 24,800</u>	144,440	<u>\$ 119,640</u>	<u>\$ 44,201</u>
Unreserved Retained Earnings, Beginning		843,525		
Amortization of Contributions		44,236		
Increases in Reserves		(5,383)		
Unreserved Retained Earnings, Ending		<u>\$ 1,026,818</u>		

(Concluded)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 6

**Statement of Cash Flows
Proprietary Fund Type
Year Ended December 31, 1995**

	<u>Enterprise Fund</u>
Cash Flows From Operating Activities	
Operating Income	\$ 147,560
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	90,508
Increase in Accounts Receivable	(6,052)
Increase in Current Liabilities Payable From Restricted Assets	3,295
Decrease in Inventory	2,493
Decrease in Accounts Payable	(14,467)
Decrease in Other Accrued Liabilities	(367)
Decrease in Due to Other Funds	(1,763)
Net Cash Provided (Used) by Operating Activities	<u>221,207</u>
 Cash Flows From Capital and Related Financing Activities	
Capital Improvements	(13,566)
Principal Repayments, Revenue Bonds Payable	(29,640)
Interest Revenue	36,828
Interest Expense	(39,948)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(46,326)</u>
 Net Increase in Cash	174,881
Cash at Beginning of Year	690,043
Cash at End of Year	<u>\$ 864,924</u>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 7

Schedule of Changes in Assets Restricted for RECD Debt Service
 Proprietary Fund Type
 Year Ended December 31, 1995

	Enterprise Fund		Total
	Bond Reserve Fund	Depreciation Contingency Fund	
Cash Balance, Beginning of Year	\$ 62,457	\$ 62,464	\$ 124,921
Cash Receipts:			
Interest Earned	2,692	2,691	5,383
Cash Disbursements	-	-	-
Cash Balance, End of Year	\$ 65,149	\$ 65,155	\$ 130,304

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 8

Schedule of Gas Sales and Purchases
Proprietary Fund Type
Year Ended December 31, 1995 and 1994

	Enterprise Fund	
	12/31/95	12/31/94
Gas Sales and Purchases (Dollars):		
Gas Sales	\$ 202,392	\$ 182,498
Gas Purchases	(62,555)	(73,763)
Gross Profit	<u>\$ 139,837</u>	<u>\$ 108,735</u>
Gross Profit Percentage of Sales	69.1%	59.6%

Gas Purchases Unaccounted For (Thousands of Cubic Feet):

Gas Purchases	26,373	25,737
Gas Sales	25,994	25,218
Gas Unaccounted For	<u>379</u>	<u>519</u>
Cost of Gas Unaccounted For	\$ 898	\$ 1,490

Number of Customers at December 31, 1995:

In Service - Residential Customers	369	366
In Service - Commercial Customers	48	47
In Service - Industrial Customers	-	1
Total Customers	<u>417</u>	<u>414</u>

Gas Sales and Purchases Per Service Category at 12/31/95:

	Enterprise Fund		
	Residential	Commercial	Industrial
Gas Sales Per Thousand Cubic Feet	\$ 7.93	\$ 7.27	\$ -
Gas Purchases Per Thousand Cubic Feet (Average Cost)	(2.37)	(2.37)	-
Gross Profit Per Thousand Cubic Feet	<u>\$ 5.56</u>	<u>\$ 4.90</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for property, plant and equipment not used in proprietary fund operations.

Town of Livingston, Louisiana

Schedule 9

Schedule of General Fixed Assets
December 31, 1995

General Fixed Assets, at Cost

Land	\$ 54,000
Buildings and Improvements	697,414
Equipment	482,052
Total General Fixed Assets	<u>\$ 1,233,466</u>

Investment in General Fixed Assets From

General Fund	\$ 569,513
Federal Revenue Sharing	29,279
Antirecession	2,201
Public Improvement Bonds	65,075
Federal Grants	396,756
State Grants	89,588
Gifts	56,580
Special Assessment Fund	24,474
Total Investment in General Fixed Assets	<u>\$ 1,233,466</u>

The Town does not capitalize certain improvements, such as streets and sidewalks.

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 10

Schedule of Changes in General Fixed Assets
Year Ended December 31, 1995

	Land	Buildings & Improvements	Equipment	Total
Balance, Beginning of Year	\$ 54,000	\$ 697,414	\$ 459,595	\$ 1,211,009
Additions From:				
General Fund	-	-	22,457	22,457
Deductions From:				
General Fund	-	-	-	-
Balance, End of Year	<u>\$ 54,000</u>	<u>\$ 697,414</u>	<u>\$ 482,052</u>	<u>\$ 1,233,466</u>

The accompanying notes are an integral part of these statements.

SUPPLEMENTAL INFORMATION

Town of Livingston, Louisiana

**Schedule of Federal Financial Assistance
Year Ended December 31, 1995**

Federal Grantor Pass-Through Grantor Program Name	Federal CFDA Number	Program or Award Amount	Cash/ Accrued Revenue Beginning	Receipts/ Revenue Recognized
Small Business Administration Through Louisiana Office of Forestry Tree Planting Program	59.045	\$ 8,835	\$ -	\$ 8,835
		<u>8,835</u>	<u>-</u>	<u>8,835</u>
United States Department of Transportation Through Louisiana Highway Safety Commission Traffic Sign Program	20.300	6,527	-	6,527
		<u>\$ 6,527</u>	<u>\$ -</u>	<u>\$ 6,527</u>

Federal Grantor Pass-Through Grantor Program Name	Federal CFDA Number	Loan Amounts	Loan Balances Beginning	Principal Receipts
United States Department of Agriculture Through United States Department of Agriculture Water and Waste Disposal Systems for Rural Communities				
Loan Repayment (Loan #91-01)		56,000	38,345	-
Loan Repayment (Loan #92-01)		28,000	19,365	-
Loan Repayment (Loan #93-03)		843,000	588,474	-
Loan Repayment (Loan #97-04)	10.418	257,000	157,171	-
		<u>\$ 1,184,000</u>	<u>\$ 803,355</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

<u>Disbursements/ Expenditures</u>	<u>Cash/ Accrued Revenue Ending</u>
\$ (8,835)	\$ -
<u>(8,835)</u>	<u>-</u>
(6,527)	-
\$ <u>(6,527)</u>	\$ <u>-</u>

<u>Principal Repayments</u>	<u>Loan Balances Ending</u>
(1,386)	36,959
(693)	18,672
(20,240)	568,234
(7,321)	149,850
\$ <u>(29,640)</u>	\$ <u>773,715</u>

Town of Livingston, Louisiana

Schedule 12

Schedule of Insurance
Year Ended December 31, 1995

Insurance Company	Coverage	Amount	Period
JTT Hartford Policy Number 43UECKI7231	Commercial Property: Town Hall Building Machinery & Equipment Business Property Fire Station Maintenance Shop	\$ 224,400 Blanket Limit	12/10/95 - 12/10/96
American Liberty Insurance Policy Number T207924	Public Employee Fidelity Bond	\$ 25,000	01/23/95 - 01/23/96
EMC Insurance Company Policy Number S089816	RECD Fidelity Bond: Mayor Clerk	\$ 150,000 150,000	09/22/95 - 09/22/96
Audubon Indemnity Company Policy Number APD80039603	Commercial Auto: Physical Damage	\$ 259,422	05/25/95 - 05/25/96
EMC Insurance Company Policy Number 1X2091596	Commercial Property: Industrial Building Rental Income	\$ 300,000 15,000	12/10/95 - 12/10/96
Risk Management, Inc. Policy Number WC104	Workers' Compensation	\$ Statutory Limits	01/01/95 - 01/01/96
Risk Management, Inc. Policy Number LML195	Automobile Liability: Owned Hired Non-Owned General Liability: Premises/Operations Completed Operations Medical Payments Fire Legal Liability Police Professional Liability Errors & Omissions Liability	\$ 500,000 Combined Single Limit	05/23/95 - 05/23/96
Western Surety Company Policy Number 13572465	Notary Bond	\$ 5,000	07/26/95 - 07/26/96
National Casualty Company Policy Number 4094953892	Sports Accident Insurance: Death & Specific Loss Medical Expense	\$ 12,500 10,000	04/27/95 - 10/27/95
MetraHealth Policy Number 797548	Medical Accidental Death Weekly Indemnity	\$ 10,000 10,000 100	12/15/95 - 12/15/96

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule of Per Diem Payments
Year Ended December 31, 1995

Schedule 13

	Total Salaries and Fees Received
Dale Erdey, Mayor	\$ 12,850
Edward Crane, Mayor Pro-Tem	4,530
Pauline Duffy, Alderwoman	1,350
Dudley Herring, Alderman	1,350
Clovance Fontenot, Alderman	1,350
Herbert McDonald, Alderman	1,350
Total	<u>\$ 22,780</u>

The accompanying notes are an integral part of these statements.