

TOWN OF LIVONIA, LOUISIANA
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 1996

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 7-9-97

TOWN OF LIVONIA
POINTE COUPEE PARISH, LOUISIANA
P. O. BOX 307
LIVONIA, LA 70755
(504) 637-2981

MAYOR
Warren C. Pourciau

COUNCIL

Ronald Barlow - Street Commissioner
Kevin Bergeron - Grass Commissioner
Patsy Hutchinson - Gas Commissioner
Glenn Sayger - Drainage Commissioner
Linda Walker - Water Commissioner

LEGAL COUNSEL
Charles R. Browning

TOWN CLERK
Donna Bergeron

CHIEF OF POLICE
Johnny Sparks

MEETING DATE

2nd Tuesday of Every Month
7:00 pm - Town Hall

TOWN OF LIVONIA, LOUISIANA
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FOR THE YEAR ENDED DECEMBER 31, 1996

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George F. Delaune

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OFFICERS ASSOCIATION

INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

The Honorable Warren C. Pourciau, Mayor
and Members of the Town Council
Town of Livonia, Louisiana

I have audited the accompanying general purpose financial statements of the TOWN OF LIVONIA, LOUISIANA, as of and for the year ended December 31, 1996, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Livonia, Louisiana's management. My responsibility is to express an opinion on these general purposes financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Livonia, Louisiana, as of December 31, 1996, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principle.

In accordance with *Government Auditing Standards*, I have also issued a report dated May 13, 1997, on my consideration of the Town of Livonia, Louisiana's internal control and a report dated May 13, 1997, on its compliance with laws and regulations.

My audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Livonia, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

George F. Delaune, CPA

May 13, 1997

EXHIBIT A
TOWN OF LIVONIA, LOUISIANA
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
DECEMBER 31, 1996

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals Memorandum Only
	General	Special Revenue		Debt Service	General Fixed Assets	
ASSETS						
Cash and investments	\$223,931	\$89,695	\$3,097	\$55,173		\$371,896
Receivables -						
Taxes - ad valorem	19,398		1,493			20,891
Taxes - franchise	6,479					6,479
Utility billings and unbilled				34,197		34,197
Accrued interest						11
Due from other governmental units -						
Louisiana - beer taxes	176					176
Louisiana - tobacco taxes	1,311					1,311
Louisiana - video poker	12,298					12,298
Louisiana - public safety		1,463				1,463
Pointe Coupee Parish sales tax		563				563
Due from other funds -						
Public Improvement Bond Fund	153					153
Prepaid expenses				2,492		2,492
Restricted assets -						
Current debt service				6,927		6,927
Future debt service				19,080		19,080
Contingency				42,917		42,917
Consumer meter deposits				12,310		12,310
Property, Plant and Equipment -						
At cost				574,411	\$289,058	863,469
Accumulated depreciation				(302,717)		(302,717)
Amount available in debt service fund					\$4,448	4,448
Amount to be provided for retirement of general long-term debt from -						
Ad valorem taxes					1,052	1,052
TOTAL ASSETS	\$263,746	\$91,721	\$4,601	\$444,790	\$289,058	\$1,099,416

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals Memorandum Only
	General	Special Revenue		Debt Service	General Fixed Assets	
LIABILITIES AND FUND EQUITY						
Liabilities						
Accounts payable	\$8,924		\$19,127			\$28,051
Due to other governmental units - P.C. Parish - Solid Waste System			10,846			10,846
Due to other funds - General Fund				\$153		153
Payable from restricted assets - Revenue bonds			29,000			29,000
Accrued interest			580			580
Consumer deposits			12,050			12,050
Bonds payable					\$5,500	5,500
Total Liabilities	8,924		71,603	153	5,500	86,180
Fund Equity:						
Contributed capital			209,902			209,902
Investment in general fixed assets				\$289,058		289,058
Retained earnings - Reserved for -						
Revenue bond debt service			20,760			20,760
Revenue bond contingency			42,917			42,917
Unreserved			99,608			99,608
Fund balances - Unreserved -						
Designated for debt service				4,448		4,448
Undesignated	254,822	\$91,721				346,543
Total Fund Equity	254,822	91,721	373,187	4,448	289,058	1,013,236
TOTAL LIABILITIES AND FUND EQUITY	\$263,746	\$91,721	\$444,790	\$4,601	\$289,058	\$1,099,416

The accompanying notes are an integral part of this statement.

EXHIBIT B
TOWN OF LIVONIA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1996

	General	Special Revenue	Debt Service	Totals Memorandum Only
Revenues:				
Taxes	\$54,107	\$82,920	\$1,524	\$138,551
Licenses and permits	39,919			39,919
Intergovernmental revenue	87,089			87,089
Fines and forfeitures	118,381			118,381
Miscellaneous revenues	10,582	1,500	205	12,287
Total Revenues	310,078	84,420	1,729	396,227
Expenditures:				
Current -				
General government	59,599	1,244	47	60,890
Public safety	136,574			136,574
Streets and drainage	73,044			73,044
Capital outlays -				
General government	1,560			1,560
Public safety	27,110			27,110
Debt service -				
Principal retirements			2,000	2,000
Interest and fiscal charges			439	439
Total Expenditures	297,887	1,244	2,486	301,617
Excess (Deficiency) of Revenues Over Expenditures	12,191	83,176	(757)	94,610
Other Financing Sources (Uses):				
Operating transfers in	87,000			87,000
Operating transfers out		(87,000)		(87,000)
Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses	99,191	(3,824)	(757)	94,610
Fund Balance - January 1	155,631	95,546	5,205	256,382
FUND BALANCE - DECEMBER 31	\$254,822	\$91,722	\$4,448	\$350,992

The accompanying notes are an integral part of this statement.

EXHIBIT C
TOWN OF LIVONIA, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL AND SPECIAL REVENUE FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 1996

	General Fund		Special Revenue Fund - Sales Tax		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
Revenues:					
Taxes	\$53,863	\$54,107	\$82,700	\$82,920	\$220
Licenses and permits	35,099	39,919			4,820
Intergovernmental revenue	67,542	87,089			19,547
Fines and forfeitures	104,851	118,381			13,530
Miscellaneous revenues	9,999	10,582	1,400	1,500	100
Total Revenues	271,354	310,078	84,100	84,420	320
Expenditures:					
Current -					
General government	70,225	59,599	780	1,244	(464)
Public safety	128,152	136,574			(8,422)
Streets and drainage	76,815	73,044			3,771
Capital outlays -					
General government	1,500	1,560			(60)
Public safety	27,110	27,110			
Streets and drainage	1,000				1,000
Total Expenditures	304,803	297,887	780	1,244	(464)
Excess (Deficiency) of Revenues Over Expenditures	(33,449)	12,191	83,320	83,176	(144)
Other Financing Sources (Uses):					
Operating transfers in	87,000	87,000			
Operating transfers out			(87,000)	(87,000)	
Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses	53,551	99,191	(3,680)	(3,824)	(144)
Fund Balance - January 1	155,631	155,631			95,546
FUND BALANCE - DECEMBER 31	\$209,182	\$254,822	(\$3,680)	\$91,722	\$95,402

The accompanying notes are an integral part of this statement.

EXHIBIT D
TOWN OF LIVONIA, LOUISIANA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
BUDGET AND ACTUAL (GAAP BASIS) - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1996

	Enterprise			1995
	1996		Variance Favorable (Unfavorable)	
	Budget	Actual		
Operating Revenues:				
Charges for services -				
Natural gas sales	\$116,000	\$119,721	\$3,721	\$89,424
Water sales	64,000	64,201	201	64,545
Billing and collection fees	7,000	6,830	(170)	7,099
Miscellaneous revenues	6,345	7,165	820	5,733
Total Operating Revenues	<u>193,345</u>	<u>197,917</u>	<u>4,572</u>	<u>166,801</u>
Operating Expenses:				
Natural gas expenses	76,201	78,557	(2,356)	48,911
Water expenses	51,229	48,109	3,120	52,458
General and administrative	71,626	75,328	(3,702)	72,972
Total Operating Expenses	<u>199,056</u>	<u>201,994</u>	<u>(2,938)</u>	<u>174,341</u>
Operating Loss	<u>(5,711)</u>	<u>(4,077)</u>	<u>1,634</u>	<u>(7,540)</u>
Non-operating Revenues (Expenses):				
Interest earned	3,205	4,010	805	4,490
Bad debts recovered		53	53	
Miscellaneous revenues	2,600	2,800	200	78
Interest and fiscal charges	(4,027)	(3,907)	120	(4,329)
Total Non-operating Revenues (Expenses)	<u>1,778</u>	<u>2,956</u>	<u>1,178</u>	<u>239</u>
Net Loss	<u>(3,933)</u>	<u>(1,121)</u>	<u>2,812</u>	<u>(7,301)</u>
Retained Earnings - January 1	164,407	164,407		171,708
RETAINED EARNINGS - DECEMBER 31	<u>\$160,474</u>	<u>\$163,286</u>	<u>\$2,812</u>	<u>\$164,407</u>

The accompanying notes are an integral part of this statement.

EXHIBIT E
TOWN OF LIVONIA, LOUISIANA
STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1996

	Enterprise	
	1996	1995
<i>Cash Flows from Operating Activities:</i>		
Operating loss	(\$4,077)	(\$7,540)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	19,337	15,376
Other non-operating revenues	2,853	78
Changes in assets and liabilities -		
Decrease (increase) in receivables	(3,231)	(2,604)
Decrease (increase) in prepaid insurance	(646)	58
Decrease (increase) in restricted assets	(3,816)	(6,632)
Increase (decrease) in accounts payable	7,698	4,410
Increase (decrease) in due to other governmental units	964	(52)
Increase (decrease) in payroll deductions		(95)
Increase (decrease) in consumer meter deposit liability	2,550	100
Net Cash Provided by Operating Activities	<u>21,632</u>	<u>3,099</u>
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Acquisition of capital assets	(44,110)	
Principal paid on revenue bonds	(13,000)	(12,000)
Interest paid on revenue bonds	(2,520)	(3,240)
Fiscal agent charges paid	(1,347)	(1,328)
Net Cash (Used) for Capital and Related Financing Activities	<u>(60,977)</u>	<u>(16,568)</u>
<i>Cash Flows from Investing Activities:</i>		
Interest on investments	4,010	4,490
Net Cash Provided from Investing Activities	<u>4,010</u>	<u>4,490</u>
Net Decrease in Cash and Cash Equivalents	(35,335)	(8,979)
Cash and Cash Equivalents at January 1	<u>90,508</u>	<u>99,487</u>
CASH AND CASH EQUIVALENTS AT DECEMBER 31	<u>\$55,173</u>	<u>\$90,508</u>

The accompanying notes are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1996

NOTE 1 - INTRODUCTION

The Town of Livonia, Louisiana (the "Town") was incorporated in 1959, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Town operates under a Mayor-Board of Aldermen Council form of government and provides the following services--public safety (police), streets, public improvements, and general administrative services. In addition, the Town owns and operates a gas and water enterprise activity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

As the municipal governing authority, for reporting purposes, the Town of Livonia 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 Livonia 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 include:

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.

As required by generally accepted accounting principles, these financial statements present the Town of Livonia (the primary government). There are no component units that are required to be included with the reporting entity.

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Other Organizations

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Town of Livonia reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Livonia.

Also, excluded from the reporting entity:

Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

Fund Accounting

The municipality 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 municipality 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 existing fund type follow:

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Governmental Fund

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

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.

Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt service funds--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

Proprietary Fund Type

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

Enterprise funds--account for operations (a) where the intent of the governing body is that the costs (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.

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 generally are included on the balance sheet. Operating statements for 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:

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Revenues

1. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
2. Sales and use tax revenues are recorded in the month they are received by the parish tax collector.
3. Federal and state grants and reimbursements are recorded when the Town is entitled to the funds.
4. Fines, forfeitures, and court costs are recorded in the year they are received by the Town or parish tax collector.
5. Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.
6. Substantially all other revenues are recorded when received by the Town.

Expenditures

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when the actual transfers occurs.

Budgets

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Aldermen and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in minutes published in the official journal.

The Board exercises budgetary control at the line item level. Unexpended appropriations lapse at the year end and must be reappropriated in the next year's proposed budget to be expended.

Encumbrances

The Town does not follow the encumbrance method of accounting.

Cash and Cash Equivalents

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the municipality may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with a bank organized under Louisiana law, or any other state of the United States, or under the laws of the United States.

Accounts Receivable and Bad Debts

The Town uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

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.

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

Restricted Assets

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

Under the terms of the bond indenture on outstanding Utility Revenue Bonds dated September 1, 1968, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

All of the revenues to be earned from the operating of the system shall be deposited in a separate and special bank account known and designated as "*Gas and Water Revenue Fund*", and said fund shall be established, maintained and administered in the following order of priority and for the following express purposes:

1. The payment of all reasonable expenses of administration, operations and maintenance of the system.
2. The establishment and maintenance of the *Sinking Fund* through monthly deposits of an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due.
3. There shall also be set aside into a *Bond Reserve Fund* through monthly deposits of an amount at least equal to twenty percent (20%) of the amount required to be paid into the aforesaid *Sinking Fund* specified in paragraph 2. above, until there has been accumulated in the *Reserve Fund* an amount equal to the maximum principal and interest requirements in any succeeding year (\$15,900 - Year 1998). Such fund shall be retained solely for the purpose of paying the principal and interest on bonds payable and interest coupons for which sufficient funds are not on deposit in the aforesaid *Sinking Fund* and as to which there would otherwise be default.
4. Funds will also be set aside into a *Depreciation and Contingencies Fund* each month in a sum equal to a five percent (5%) of the gross revenues of the system for the preceding month, providing that such sum is available after provision is made for the payment in 1., 2., 3. above. In addition to caring for extensions, additions, operations of the system, the money in said *Depreciation and Contingencies Fund* shall also be used to pay the principal and the interest on the bonds for which there is not sufficient money in the *Sinking Fund* or *Reserve Fund*.

TOWN OF LIVONIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

No further monthly payment into the *Depreciation and Contingencies Fund* need be made when there shall be in said fund the sum of \$75,00.

5. Any money remaining in the Gas and Water Revenue Fund in excess of \$7,500 after making the above required payments may be used by the Town for the purpose of calling and/or purchasing and paying bonds payable from the revenues of the system, or for such other lawful corporate purposes as the governing authority of the Town approves.

General Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than building, including roads, streets, drainage systems, and lighting systems, are not capitalized with other fixed assets. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Property, Plant and Equipment - Proprietary Fund

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is charged as an expense against operations. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings	20 Years
Natural Gas System	20 Years
Water System	5 - 50 Years
Vehicles	6 Years
Tractors and Equipment	5 Years

Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick leave recorded in the governmental funds is that amount,

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liability is reported in the General Long-Term Debt Account Group. The guidelines of Financial Accounting Standards Board Statement (FASB) No. 43 "Accounting for Compensated Absences" were applied in determining the liability for both governmental and proprietary funds.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted from the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

Reserves

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

Unreserved Retained Earnings

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

Designated Fund Balances

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

Unreserved-Undesignated Fund Balances

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

TOWN OF LIVONIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

Interfund Transactions

All interfund transfers are reported as operating transfers.

Comparative Data

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

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 or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS

At December 31, 1996, the status of deposited funds and collateralized balances are as follows:

	Balance per Bank Statement	Secured by FDIC	Pledged Collateral	Unsecured/ Uncollat- eralized
Demand Accounts -				
Operating funds	\$375,767	\$200,038	\$575,000	
Consumer meter deposits	12,325	12,050		
Revenue bond contingency fund	42,917	42,917		
Total	367,385	255,005	575,000	
Trustee Accounts -				
Public Improv bond sinking fund	3,059	3,059		
Revenue bond sinking fund	6,902	6,902		
Revenue bond reserve fund	19,010	19,010		
Total	28,971	28,971		
Grand Total	\$395,860	\$283,976	\$575,000	

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

These deposits are stated at cost, which approximates market. Under state law, these deposits 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.

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 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 that the fiscal agent has failed to pay deposited funds upon demand.

NOTE 4 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	1-1-96	Additions	Deletions	12-31-96
Land	\$6,137			\$6,137
Buildings and improvements	127,629			127,629
Furniture and equipment	63,303	\$5,975	(\$3,813)	65,465
Vehicles	21,572	22,695	(4,567)	39,700
Tractors and Equipment	59,564		(9,437)	50,127
Totals	\$278,205	\$28,670	(\$17,817)	\$289,058

A summary of changes in proprietary fund type property, plant and equipment follows:

	1-1-96	Additions	Deletions	12-31-96
Land	\$3,000			\$3,000
Buildings	18,136			18,136
Natural gas system	102,121			102,121
Water system	389,168			389,168
Vehicles	16,247	\$1,406	\$-4,868	12,785
Tractors and equipment	8,879	38,170	-8,082	38,967
Computer equipment	5,999	4,234		10,233
	543,550	43,810	-12,950	574,411
Less accumulated depreciation	296,329	\$19,337	\$-12,949	302,717
	\$247,221			\$271,694

TOWN OF LIVONIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

NOTE 5 - CHANGES IN LONG-TERM OBLIGATIONS

The following is a summary of bond transactions of the Town for the year ended December 31, 1996:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Redemptions</u>	<u>Ending Balances</u>
General Obligation Bonds - 1968 Public Improvement	\$7,500		\$2,000	\$5,500
Enterprise Fund Revenue Bonds - 1968 Gas and Water Utility	42,000		13,000	29,000
	<u>\$49,500</u>		<u>\$15,000</u>	<u>\$34,500</u>

Bonds payable at December 31, 1996 are comprised of the following issues:

General Obligation Bond:

\$34,500 - 1968 Public Improvement Bonds due in annual installments of \$1,000 to \$3,000 through September 1, 1998; interest at 5.5% to 5.6% (this issue secured by levy and collection of ad valorem taxes) \$5,500

Enterprise Fund Debt:

\$190,000 - 1968 Gas and Water Utility Revenue Bonds due in installments of \$6,000 to \$15,000 through September 1, 1998; interest at 6% \$29,000

The annual requirements to amortize all debt outstanding as of December 31, 1996, including interest payments of \$6,056 are as follows:

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

Year Ending	<u>General Obligation</u>		<u>Revenue</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
12/31						
1997	\$2,500	\$308	\$14,000	\$1,740	\$16,500	\$2,048
1998	3,000	168	15,000	900	18,000	1,068
	<u>\$5,500</u>	<u>\$476</u>	<u>\$29,000</u>	<u>\$2,640</u>	<u>\$34,500</u>	<u>\$3,116</u>

TOWN OF LIVONIA, LOUISIANA
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
 DECEMBER 31, 1996

NOTE 6 - EXCESS RESTRICTED FUNDS - UTILITY REVENUE BONDS

As of December 31, 1996, the Town had excess deposits as follows:

	<u>On Deposit</u>	<u>Requirements</u>	<u>Excess</u>
Revenue bond sinking fund	\$6,902	\$9,913	\$-3,011
Revenue bond reserve fund	19,010	15,900	3,110
Revenue bond contingency fund	42,917	7,500	30,469
	<u>\$68,829</u>	<u>\$33,313</u>	<u>\$30,568</u>

NOTE 7 - AD VALOREM TAXES

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Town. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1991 taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable.

**TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996**

Ad valorem taxes as presented in these financial statements are as follows:

Fund	Mills	Property Assessed Valuations	Taxes Assessed For	
			General Purpose	Debt Service
General Fund	6.63	\$3,000,808	\$19,896	
Public Improvement Bonds	0.51	3,000,808		\$1,531
			<u>\$19,896</u>	<u>\$1,531</u>

NOTE 8 - SALES TAX DEDICATION

Proceeds of a 1% sales and use tax levied by the Town, after administrative and collection costs, can be spent for any and all lawful purposes.

NOTE 9 - CYPRESS PIPELINE COMPANY SERVICE AGREEMENT

On January 1, 1985, the Town signed a natural gas contract with Monterey Pipeline Company to purchase all of its natural gas requirements up to a maximum volume of 256,000 cubic feet of gas per day. The agreement has been amended several times with the latest dated October 5, 1991 effective from July 1, 1992 to January 1, 1995, upon expiration the agreement will continue in force on a year-to-year basis until terminated by either party.

NOTE 10 - UTILITY SERVICE AGREEMENT

An agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the Town of Livonia provides for the billing of customers on the Town's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the Town retains a \$.75 per customer as a billing fee. The amount owed to the Solid Waste Disposal System as of December 31, 1996 is \$10,846.

NOTE 11 - CENTRALIZED COLLECTION AGENCY AGREEMENT

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1,

**TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996**

1992, the agreement authorizes the Town to compensate the collection agency 1.25% of the gross amounts collected.

NOTE 12 - FRANCHISE AGREEMENTS

The Town has granted three franchises:

Cable Television

A non-exclusive cable television franchise was granted to Green's Incorporated on October 13, 1981 for a period of 15 years. The agreement was extended on February 14, 1995 for an additional 15 year period. The annual franchise fee for this franchise shall be \$500 or 3% of the annual gross subscriber revenues (whichever is greater).

Telephone

On January 18, 1968, the Town granted a telephone franchise with Star Telephone Company, Inc. for a period of three years ending December 9, 1996. The annual franchise fee for this franchise is 2% of the Company's gross receipts.

Electric

On October 1, 1972, the Town renewed a franchise to Gulf States Utilities Company to supply electric energy to the Town and the inhabitants thereof for a period of 60 years. In consideration, the Town shall receive a fee of 4.5% of the gross receipts from sales of electricity within the corporate limits of the Town from October 1, 1972 to September 30, 1982. Then from November 1, 1982 to September 30, 2032 a fee of 5%.

NOTE 13 - INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 1996 were as follows:

	Transfers	
	In	Out
General Fund from Sales Tax Fund	\$87,000	
Sales Tax Fund to General Fund		\$87,000
	\$87,000	\$87,000

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

NOTE 14 - PENSION PLAN AND RETIREMENT COMMITMENTS

Social Security System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System, are members of the Federal Social Security System, administered by the State of Louisiana. The total payroll for employees of the Town covered by the System for the year 1996 was \$105,913.

The total contribution to the System is 12.4% of taxable payroll of which the Town and employees contribute 6.2% each. For the year 1996, the Town contributed \$6,533 to the System.

Medicare System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System and elected officials before 1986, are members of the Federal Medicare System. The total payroll for employees of the Town covered by the System for the year 1996 was \$116,362.

The total contribution to the system is 2.9% of taxable payroll of which the Town and employees contribute 1.45% each. For the year 1996, the Town contributed \$1,676 to the System.

Municipal Police Employees' Retirement System of Louisiana -

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 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.

Funding Policy: Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Livonia is required to contribute at an actuarially determined rate.

TOWN OF LIVONIA, LOUISIANA
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
DECEMBER 31, 1996

The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Livonia 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 Livonia contributions to the System for the years ending December 31, 1996, 1995, and 1994, were \$2,796, \$3,421, and \$5,023, respectively, equal to the required contributions for each year.

NOTE 15 - CONTINGENT LIABILITIES

There is no pending litigation against the Town.

NOTE 16 - COMPENSATION PAID TO BOARD MEMBERS

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the outgoing mayor and board members is as follows:

Mayor	- Warren Pourciau	\$6,000
Council Members	- Leroy Achee, Sr.	1,800
	- Ronald J. Barlow	1,800
	- Kevin W. Bergeron	1,800
	- Dudley J. Jarreau	1,800
	- Linda C. Walker	1,800
		<u>\$15,000</u>

NOTE 17 - FEDERAL FINANCIAL ASSISTANCE

There are no active awards for the year ended December 31, 1996.

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SUPPLEMENTAL INFORMATION

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**SCHEDULE 1
TOWN OF LIVONIA, LOUISIANA
GENERAL FUND
SCHEDULE OF REVENUES - BUDGET AND ACTUAL (GAAP BASIS)
FOR THE YEAR ENDED DECEMBER 31, 1996**

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Taxes:				
General property	\$19,333	\$19,853	\$520	\$19,249
Electric franchise	30,420	30,108	(312)	26,310
Cable TV franchise	1,851	1,852	1	1,855
Telephone franchise	2,259	2,294	35	2,133
Total Taxes	\$53,863	\$54,107	\$244	\$49,547
Licenses and Permits:				
Occupational - local business	\$12,915	\$14,604	\$1,689	\$15,074
Occupational - insurance	19,374	20,395	1,021	15,755
Liquor and beer permits	2,810	4,920	2,110	600
Total Licenses and Permits	\$35,099	\$39,919	\$4,820	\$31,429
Intergovernmental Revenues:				
La - Tobacco taxes	\$5,245	\$5,245		\$5,245
La - Beer taxes	1,057	874	(\$183)	1,016
La - Video poker	60,000	68,394	8,394	48,419
La - Law Enforcement	1,240	1,240		1,251
La - Public Safety - police supplemental		11,336	11,336	
La - Rural Development				10,000
Total Intergovernmental Revenues	\$67,542	\$87,089	\$19,547	\$65,931
Fines and Forfeitures:				
Traffic fines	\$104,851	\$118,381	\$13,530	\$69,663
Miscellaneous Revenues:				
Interest earned	\$3,930	\$4,453	\$523	\$3,011
La - Department of Transportation	3,343	3,343		3,343
Sale of fixed assets	1,000	1,000		2,500
Mowing and backhoe rental	563	563		450
Other	1,163	1,223	60	1,153
Total Miscellaneous Revenues	\$9,999	\$10,582	\$583	\$10,457

SCHEDULE 2
TOWN OF LIVONIA, LOUISIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1996

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
General Government:				
Mayor's per diem	\$6,000	\$6,000		\$6,000
Council members per diem	9,000	9,000		9,000
Salary - clerk	10,334	10,334		10,295
Salary - office personnel	6,066	6,000	66	5,856
Benefits	2,102	2,063	39	2,019
Attorney fee	500		500	
Assessor fee	1,130	634	496	603
Audit fee	1,350	1,350		1,350
Professional fees	500	350	150	430
Conventions, conferences, seminars	1,450	1,115	335	1,133
Utilities	2,485	2,350	135	2,416
Insurance	3,542	3,542		3,383
Telephone	1,170	1,004	166	983
Publishing and recording	2,670	2,399	271	2,082
Municipal code supplement	8,000		8,000	
Mayor's expense account	1,000	1,000		1,000
Dues and subscriptions	461	410	51	592
Tourism and promotion	440	447	(7)	244
Beautification program	2,900	2,669	231	327
Maintenance of building	1,600	1,595	5	2,103
Janitorial and other supplies	2,500	2,313	187	2,729
Equipment maintenance	987	772	215	1,344
Office expense and postage	2,050	2,210	(160)	2,273
Animal ordinance expense	575	741	(166)	1,153
Miscellaneous expenses	1,414	1,301	113	1,135
Total General Government	\$70,226	\$59,599	\$10,627	\$58,450
Public Safety - Police:				
Salary - Chief of Police	\$22,527	\$22,527		\$22,027
Salary - police officers	45,938	45,938		44,836
Salary - part-time	8,600	8,566	34	5,829
State supplemental pay		11,336	(11,336)	
Benefits	17,703	16,507	1,196	17,008
Conventions and conferences	800	560	240	796
Insurance	11,749	11,183	566	9,709
Telephone and paging system	1,915	1,883	32	1,800
Vehicle - gas and oil	4,100	4,243	(143)	2,195
Vehicle - repairs	8,700	8,245	455	13,327
Supplies and maintenance	1,800	1,828	(28)	1,052
Repairs - radios and equipment	2,200	2,035	165	2,081
Other services and charges	2,120	1,723	397	2,679
Total Public Safety - Police	\$128,152	\$136,574	(\$8,422)	\$123,339

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Streets and Drainage:				
Salary - foreman	\$4,563	\$4,563		\$3,816
Salary - laborers	4,000	3,918	82	3,465
Benefits	2,183	2,083	100	1,516
Professional fees - engineer		3,235	(3,235)	7,500
Professional fees - grass cutting	6,000	6,000		
Street lighting	13,425	13,160	265	12,597
Insurance	2,037	2,034	3	2,078
Satellite truck system	8,000	8,000		8,096
Concrete and asphalt	24,000	19,352	4,648	60,328
Gravel, limestone and shell	5,000	3,460	1,540	698
Dirt and sand	150	70	80	240
Culverts	880	428	452	345
Drainage	200	60	140	539
Road and street signs	1,600	1,529	71	
Vehicle - gas and oil	1,180	1,218	(38)	1,179
Vehicle - repairs	200	682	(482)	57
Equipment maintenance	1,350	1,189	161	1,330
Small tools and supplies	300	288	12	64
Chemicals - weed control	1,622	1,622		263
Other services and charges	125	153	(28)	111
Total Streets and Drainage	\$76,815	\$73,044	\$3,771	\$104,222
Capital Outlays:				
General government	\$1,500	\$1,560	(\$60)	
Public safety - police	27,110	27,110		\$3,377
Street and drainage	1,000		1,000	
Total Capital Outlays	\$29,610	\$28,670	\$940	\$3,377

SCHEDULE 3
TOWN OF LIVONIA, LOUISIANA
SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (GAAP BASIS)
PROPRIETARY FUND TYPE - ENTERPRISE FUND
FOR THE YEAR ENDED DECEMBER 31, 1996

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
Operating Expenses:				
Natural Gas Expenses -				
Safety and ordorization	\$920	\$180	\$740	\$183
Cathodic protection survey	275	275		275
Leakage survey	275	275		275
Drug testing policy fees	390	418	(28)	314
Insurance	2,342	2,195	147	1,848
Natural gas purchases	63,500	65,663	(2,163)	37,831
Maintenance of meters	1,900	1,653	247	2,053
Maintenance of lines	3,200	4,551	(1,351)	2,728
Supplies and small tools	1,200	1,163	37	1,142
Miscellaneous supplies	25	10	15	88
Depreciation	2,174	2,174		2,174
Total Natural Gas Expenses	\$76,201	\$78,557	(\$2,356)	\$48,911
Water Expenses -				
Current used in pumping	\$9,950	\$9,582	\$368	\$9,179
Insurance	1,374	1,304	70	1,138
Maintenance of pumping equipment	2,000	7	1,993	
Maintenance of lines and meters	4,500	4,369	131	18,321
Maintenance of water tower	20,500	20,387	113	11,802
Maintenance of generator	185	185		
Supplies and small tools	780	612	168	560
Chlorine	1,650	1,521	129	1,487
Miscellaneous supplies	330	354	(24)	11
Depreciation	9,960	9,788	172	9,960
Total Water Expenses	\$51,229	\$48,109	\$3,120	\$52,458

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
General and Administrative -				\$20,209
Salary - superintendent	\$18,639	\$18,639		11,943
Salary - maintenance	10,527	10,527		7,047
Salary - clerk	6,890	6,890		6,207
Salary - office personnel	6,550	6,477	73	8,240
Benefits	6,511	6,392	119	1,350
Professional fees - audit	1,350	1,350		325
Professional fees - accounting	400	350	50	240
Uniform expense	250	190	60	398
Utilities	550	491	59	3,193
Insurance	3,605	3,175	430	547
Telephone	540	545	(5)	185
Paging system	320	301	19	234
Printing	915	878	37	32
Travel	230	212	18	50
Continuing education	650	576	74	822
Dues	788	811	(23)	1,795
Maintenance of buildings	1,400	1,408	(8)	149
Janitorial and other supplies	325	275	50	1,002
Vehicle - gas and oil	1,250	1,198	52	928
Maintenance of trucks	2,200	2,104	96	1,000
Maintenance of equipment	670	976	(306)	829
Maintenance of computer	430	430		929
Office supplies and stationery	1,243	1,433	(190)	1,809
Postage	2,000	1,993	7	266
Miscellaneous	150	331	(181)	3,243
Depreciation	3,243	7,376	(4,133)	
Total General and Administrative	\$71,626	\$75,328	(\$3,702)	\$72,972

SCHEDULE 4
TOWN OF LIVONIA, LOUISIANA
PUBLIC UTILITY SYSTEM
SCHEDULE OF CHANGES IN ASSETS RESTRICTED
FOR REVENUE BOND DEBT SERVICE
FOR YEAR ENDED DECEMBER 31, 1996

	Current Debt Service	Future Debt Service Reserve	Contingency	Total
Cash and Investments - January 1	<u>\$6,448</u>	<u>\$18,272</u>	<u>\$37,969</u>	<u>\$62,689</u>
Cash Receipts:				
Transfers from -				
Operations	15,593		4,100	19,693
Interest received	<u>452</u>	<u>902</u>	<u>848</u>	<u>2,202</u>
Total Cash Receipts	<u>16,045</u>	<u>902</u>	<u>4,948</u>	<u>21,895</u>
Total Cash and Investments Available	<u>22,493</u>	<u>19,174</u>	<u>42,917</u>	<u>84,584</u>
Cash Disbursements:				
Principal payments	13,000			13,000
Interest payments	2,520			2,520
Trustee fees	<u>46</u>	<u>94</u>		<u>140</u>
Total Cash Disbursements	<u>15,566</u>	<u>94</u>		<u>15,660</u>
CASH and INVESTMENTS-DECEMBER 31	<u>\$6,927</u>	<u>\$19,080</u>	<u>\$42,917</u>	<u>\$68,924</u>

SCHEDULE 5
TOWN OF LIVONIA, LOUISIANA
GENERAL FUND REVENUES, EXPENDITURES, AND TRANSFERS
LAST TEN YEARS
(UNAUDITED)

	12/31/87	12/31/88	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93	12/31/94	12/31/95	12/31/96
Revenues and Transfers:										
Taxes	\$38,569	\$39,158	\$41,919	\$44,637	\$44,851	\$45,138	\$48,747	\$53,485	\$49,547	\$54,107
Licenses and permits	22,962	28,905	25,287	23,720	23,675	24,751	34,997	40,821	31,429	39,919
Intergovernmental revenues	20,608	8,659	6,588	7,009	11,349	20,688	12,895	41,752	65,930	87,089
Fines and forfeitures	52,720	68,955	82,076	69,133	76,115	107,885	83,126	78,654	69,663	118,381
Miscellaneous revenues	5,141	11,566	13,970	15,827	14,755	13,910	9,621	6,904	10,458	10,582
Transfers from other funds	49,744	12,000	28,643	21,203	222,000	27,000	53,000	56,000	86,000	87,000
Total Revenues and Transfers	189,744	169,243	198,483	181,529	392,745	239,372	242,386	277,616	313,027	397,078
Expenditures and Transfers:										
General government	31,774	32,482	29,032	34,052	36,788	46,604	55,553	59,471	58,450	59,599
Police department	64,696	69,839	76,381	81,219	85,310	108,713	107,284	111,161	123,339	136,574
Fire department										
Streets and sanitation	27,695	29,566	28,434	46,156	46,478	60,926	53,344	78,468	104,222	73,044
Capital outlays	3,914	14,078	25,522	10,134	273,974	16,713	42,878	12,558	3,277	28,570
Transfers to other funds				5,964						
Total Expenditures and Transfers	128,079	145,965	159,369	176,625	442,550	232,957	259,059	261,968	289,388	297,887
Excess (Deficiency) of Revenues and Transfers Over Expenditures and Transfers	\$61,665	\$23,278	\$39,114	\$4,904	(\$49,805)	\$6,415	(\$16,673)	\$15,648	\$23,639	\$99,191

**SCHEDULE 6
TOWN OF LIVONIA, LOUISIANA
TAXABLE PROPERTY VALUATIONS
(UNAUDITED)**

<u>Year</u>	<u>Real Estate</u>	<u>Movables</u>	<u>Public Service</u>	<u>Totals</u>
1984	\$1,696,825	\$201,985	\$497,296	\$2,396,106
1985	1,725,949	213,590	533,509	2,473,048
1986	1,759,715	213,765	426,073	2,399,553
1987	1,763,360	255,285	463,967	2,482,612
1988	1,657,610	208,735	466,460	2,332,805
1989	1,696,540	198,750	482,764	2,378,054
1990	1,721,760	204,695	413,721	2,340,176
1991	1,738,635	215,281	412,386	2,366,302
1992	1,799,925	251,155	397,906	2,448,986
1993	1,858,685	369,978	416,839	2,645,502
1994	1,906,400	439,030	469,232	2,814,662
1995	1,927,235	381,267	397,222	2,705,724
1996	2,214,135	410,653	376,020	3,000,808

**SCHEDULE 7
TOWN OF LIVONIA, LOUISIANA
PUBLIC UTILITY SYSTEM
SUMMARY OF OPERATIONS**

	Gas System		Water System	
	1996	1995	1996	1995
Sales	\$119,721	\$89,424	\$64,201	\$64,545
MCF Gas Sold	20,174	18,363	-	-
Total number of customers billed	4,326	4,258	8,031	7,998
Average number of customers billed per month	361	355	669	667
Average annual revenue per customer	\$332.10	\$252.02	\$95.93	\$96.84
Average monthly revenue per customer	\$27.67	\$21.00	\$7.99	\$8.07
Average MCF gas billed per customer	4.66	4.31	-	-
Average revenue per MCF of gas billed	\$5.93	\$4.87	-	-
Number of customers at beginning of year	359	355	671	661
Number of customers at end of year	370	359	672	671

	1996		1995	
	Amount	MCF	Amount	MCF
Gas Sales	\$119,721	20,174	\$89,424	18,363
Gas Purchases	65,663	21,026	37,831	19,622
Gross Profit on Sales	<u>\$54,058</u>		<u>\$51,593</u>	
MCF Gas Unaccounted For - Sales (Purchases)		<u>(852)</u>		<u>(1,259)</u>
Percent Unaccounted For - Gas Gain (Loss)		<u>-4.0521%</u>		<u>-6.4163%</u>

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

The Honorable Warren C. Pourciau
and Members of the Town Council
Town of Livonia, Louisiana

I have audited the general purpose financial statements of the **TOWN OF LIVONIA, LOUISIANA** (the "Town"), as of and for the year ended December 31, 1996, and have issued my report thereon dated May 13, 1997.

I conducted my audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the Town is responsible for establishing and maintaining an internal control structure. In fulfilling that 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 general purpose 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 polices and procedures may deteriorate.

In planning and performing my audit of the general purpose financial statements of the Town for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With

respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a 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 general purpose financial statements being audited may occur and not be detected within a timely period by personnel in the normal course of performing their assigned functions. I noted no matters involving the internal control structure and its operations that I consider to be material weaknesses as defined above, except that the Town's operations are too small to have an adequate internal control structure.

This condition was considered in determining the nature, timing, and extent of the audit tests to be applied in my audit of the 1996 financial statements, and this report does not affect my report on the financial statements dated May 13, 1997.

This report is intended solely for the use of management and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

May 13, 1997

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

The Honorable Warren C. Pourciau
and Members of the Town Council
Town of Livonia, Louisiana

I have audited the general purpose financial statements of the TOWN OF LIVONIA, LOUISIANA (the "Town"), as of and for the year ended December 31, 1996, and have issued my report thereon dated May 13, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

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

The results of my 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 and the Legislative Auditor for the State of Louisiana. However, this report is a matter of public record and its distribution is not limited.

George F. Delaune, CPA

May 13, 1997