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**TOWN OF LIVONIA, LOUISIANA**  
**ANNUAL FINANCIAL REPORT**  
**FOR THE YEAR ENDED DECEMBER 31, 1995**

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

**MAYOR  
Warren C. Pourclau**

**COUNCIL**

<b>Leroy Achee</b>	<b>-</b>	<b>Gas Commissioner</b>
<b>Dudley Jarreau</b>	<b>-</b>	<b>Drainage Commissioner</b>
<b>Kevin Bergeron</b>	<b>-</b>	<b>Water Commissioner</b>
<b>Ronald Barlow</b>	<b>-</b>	<b>Streets Commissioner</b>
<b>Linda Walker</b>	<b>-</b>	<b>Collections Commissioner</b>

**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  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 1995

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# George F. Delaune

CERTIFIED PUBLIC ACCOUNTANT

Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone  
OFFICE (504) 638-3387  
FAX (504) 638-8145  
PAGER 352-0359  
CELLULAR 937-9735

Office  
305 PENNSYLVANIA AVENUE  
NEW ROADS, LA 70760-3657

Member  
AMERICAN INSTITUTE OF CPAs  
LOUISIANA SOCIETY OF CPAs  
GOVERNMENT FINANCE  
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, 1995, 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, 1995, 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 June 3, 1996, on my consideration of the Town of Livonia, Louisiana's internal control and a report dated June 3, 1996, 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*

June 3, 1996



EXHIBIT A  
TOWN OF LIVONIA, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1995

	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals Memorandum Only
	General	Special Revenue		Debt Service	Enterprise	
<b>ASSETS</b>						
Cash and investments	\$118,579	\$93,520	\$3,853	\$90,507		\$306,459
Receivables -						
Taxes - ad valorem	19,287		1,489			20,776
Taxes - franchise	6,757					6,757
Utility billings and unbilled				30,966		30,966
Accrued interest			16			16
Due from other governmental units -						
Louisiana - beer taxes	588					588
Louisiana - tobacco taxes	1,311					1,311
Louisiana - video poker	11,136					11,136
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				1,846		1,846
Restricted assets -						
Current debt service				6,448		6,448
Future debt service				18,272		18,272
Contingency				37,969		37,969
Consumer meter deposits				14,730		14,730
Property, Plant and Equipment -						
At cost				543,551	\$278,205	821,756
Accumulated depreciation				(296,329)		(296,329)
Amount available in debt service fund					\$5,205	5,205
Amount to be provided for retirement of general long-term debt from -						
Ad valorem taxes					2,295	2,295
<b>TOTAL ASSETS</b>	<b>\$157,811</b>	<b>\$95,546</b>	<b>\$5,358</b>	<b>\$447,960</b>	<b>\$278,205</b>	<b>\$992,380</b>



	Governmental Fund Types		Proprietary Fund Type	Account Groups		Totals Memorandum Only
	General	Special Revenue		Debt Service	General Fixed Assets	
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$2,179		\$11,430			\$13,609
Due to other governmental units - P.C. Parish - Solid Waste System			9,883			9,883
Due to other funds - General Fund					153	153
Payable from restricted assets - Revenue bonds			42,000			42,000
Accrued interest			840			840
Consumer deposits			9,500			9,500
Bonds payable					\$7,500	7,500
<b>Total Liabilities</b>	<b>2,179</b>		<b>73,653</b>		<b>7,500</b>	<b>83,485</b>
Fund Equity:						
Contributed capital			209,902			209,902
Investment in general fixed assets				\$278,205		278,205
Retained earnings - Reserved for -- Revenue bond debt service			28,213			28,213
Revenue bond contingency			37,969			37,969
Unreserved			98,223			98,223
Fund balances - Unreserved - Designated for debt service					5,205	5,205
Undesignated	155,632	\$95,546				251,178
<b>Total Fund Equity</b>	<b>155,632</b>	<b>95,546</b>	<b>374,307</b>	<b>278,205</b>		<b>908,895</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$157,811</b>	<b>\$95,546</b>	<b>\$447,960</b>	<b>\$278,205</b>	<b>\$7,500</b>	<b>\$992,380</b>

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, 1995

	General	Special Revenue	Debt Service	Totals Memorandum Only
Revenues:				
Taxes	\$49,547	\$72,470	\$1,484	\$123,501
Licenses and permits	31,429			31,429
Intergovernmental revenue	65,931			65,931
Fines and forfeitures	69,663			69,663
Miscellaneous revenues	10,457	2,211	270	12,938
Total Revenues	<u>227,027</u>	<u>74,681</u>	<u>1,754</u>	<u>303,462</u>
Expenditures:				
Current -				
General government	58,450	1,161	46	59,657
Public safety	123,339			123,339
Streets and sanitation	104,222			104,222
Capital outlays -				
Public safety	3,377			3,377
Debt service -				
Principal retirements			2,000	2,000
Interest and fiscal charges			555	555
Total Expenditures	<u>289,388</u>	<u>1,161</u>	<u>2,601</u>	<u>293,150</u>
Excess (Deficiency) of Revenues Over Expenditures	(62,361)	73,520	(847)	10,312
Other Financing Sources (Uses):				
Operating transfers in	86,000			86,000
Operating transfers out		(86,000)		(86,000)
Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses	23,639	(12,480)	(847)	10,312
Fund Balance - January 1	<u>116,344</u>	<u>108,026</u>	<u>6,052</u>	<u>230,422</u>
<b>FUND BALANCE - DECEMBER 31</b>	<u><u>\$139,983</u></u>	<u><u>\$95,546</u></u>	<u><u>\$5,205</u></u>	<u><u>\$240,734</u></u>

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, 1995

	General Fund			Special Revenue Fund - Sales Tax		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
Revenues:						
Taxes	\$50,237	\$49,547	(\$690)	\$69,000	\$72,470	\$3,470
Licenses and permits	31,024	31,429	405			
Intergovernmental revenue	72,948	65,931	(7,017)			
Fines and forfeitures	68,826	69,663	837			
Miscellaneous revenues	9,398	10,457	1,059	2,000	2,211	211
<b>Total Revenues</b>	<b>232,433</b>	<b>227,027</b>	<b>(5,406)</b>	<b>71,000</b>	<b>74,681</b>	<b>3,681</b>
Expenditures:						
Current -						
General government	60,862	58,450	2,412	1,175	1,161	14
Public safety	124,487	123,339	1,148			
Streets and sanitation	106,511	104,222	2,289			
Capital outlays -						
Public safety	3,449	3,377	72			
<b>Total Expenditures</b>	<b>295,309</b>	<b>289,388</b>	<b>5,921</b>	<b>1,175</b>	<b>1,161</b>	<b>14</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(62,876)</b>	<b>(62,361)</b>	<b>515</b>	<b>69,825</b>	<b>73,520</b>	<b>3,695</b>
Other Financing Sources (Uses):						
Operating transfers in	86,000	86,000		(86,000)	(86,000)	
Operating transfers out						
<b>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</b>	<b>23,124</b>	<b>23,639</b>	<b>515</b>	<b>(16,175)</b>	<b>(12,480)</b>	<b>3,695</b>
Fund Balance - January 1	116,344	116,344		108,026	108,026	
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$139,468</b>	<b>\$139,983</b>	<b>\$515</b>	<b>\$91,851</b>	<b>\$95,546</b>	<b>\$3,695</b>

6 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, 1995

	Enterprise			1994 Actual
	1995	Variance Favorable (Unfavorable)		
	Budget	Actual		
Operating Revenues:				
Charges for services -				
Natural gas sales	\$84,269	\$89,424	\$5,155	\$88,293
Water sales	64,427	64,545	118	64,679
Billing and collection fees	7,128	7,099	(29)	6,307
Miscellaneous revenues	5,220	5,733	513	5,408
<b>Total Operating Revenues</b>	<b>161,044</b>	<b>166,801</b>	<b>5,757</b>	<b>164,687</b>
Operating Expenses:				
Natural gas expenses	40,975	48,911	(7,936)	47,540
Water expenses	43,427	52,458	(9,031)	25,430
General and administrative	70,885	72,972	(2,087)	71,909
<b>Total Operating Expenses</b>	<b>155,287</b>	<b>174,341</b>	<b>(19,054)</b>	<b>144,879</b>
<b>Operating Income</b>	<b>5,757</b>	<b>(7,540)</b>	<b>(13,297)</b>	<b>19,808</b>
Non-operating Revenues (Expenses):				
Interest earned	3,656	4,490	834	3,911
Bad debts recovered				41
Miscellaneous revenues		78	78	1,261
Interest and fiscal charges	(4,437)	(4,329)	108	(5,085)
<b>Total Non-operating Revenues (Expenses)</b>	<b>(781)</b>	<b>239</b>	<b>1,020</b>	<b>128</b>
<b>Income (Loss) Before Operating Transfers</b>	<b>4,976</b>	<b>(7,301)</b>	<b>(12,277)</b>	<b>19,936</b>
Other Financing (Uses):				
Operating transfers out				(4,000)
<b>Total Other Financing (Uses)</b>				<b>(4,000)</b>
<b>Net Income (Loss)</b>	<b>4,976</b>	<b>(7,301)</b>	<b>(12,277)</b>	<b>15,936</b>
Retained Earnings - January 1	171,708	171,708		155,772
<b>RETAINED EARNINGS - DECEMBER 31</b>	<b>\$176,684</b>	<b>\$164,407</b>	<b>(\$12,277)</b>	<b>\$171,708</b>

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, 1995

	Enterprise	
	1995	1994
Cash Flows from Operating Activities:		
Operating income	(\$7,540)	\$19,808
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	15,376	17,834
Other non-operating revenues	78	1,302
Changes in assets and liabilities -		
Decrease (increase) in receivables	(2,604)	1,274
Decrease (increase) in prepaid insurance	58	(80)
Decrease (increase) in restricted assets	(6,632)	(11,181)
Increase (decrease) in accounts payable	4,410	(4,657)
Increase (decrease) in due to other governmental units	(52)	
Increase (decrease) in payroll deductions	(95)	(39)
Increase (decrease) in consumer meter deposit liability	100	585
Net Cash Provided by Operating Activities	3,099	24,846
Cash Flows from Non-Capital Financing Activities:		
Operating transfers out		(4,000)
Net Cash (Used) from Non-Capital Financing Activities		(4,000)
Cash Flows from Capital and Related Financing Activities:		
Acquisition of capital assets		(2,877)
Principal paid on revenue bonds	(12,000)	(11,000)
Interest paid on revenue bonds	(3,240)	(3,900)
Fiscal agent charges paid	(1,328)	(1,407)
Net Cash (Used) for Capital and Related Financing Activities	(16,568)	(19,184)
Cash Flows from Investing Activities:		
Interest on investments	4,490	3,911
Net Cash Provided from Investing Activities	4,490	3,911
Net Increase (Decrease) in Cash and Cash Equivalents	(8,979)	5,573
Cash and Cash Equivalents at January 1	99,487	93,914
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>\$90,508</b>	<b>\$99,487</b>

The accompanying notes are an integral part of this statement.



TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1995

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, 1995

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, 1995

**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:

1. 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.
2. Special revenue funds--account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.
3. 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:

1. 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, 1995

**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.

1

**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, 1995

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.

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.



TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

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  $\frac{1}{12}$  of the next maturing installment of principal and  $\frac{1}{6}$  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) and 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. No further monthly payment into the Depreciation and Contingencies Fund need be made when there shall be in said fund the sum of \$7,500.
- 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.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

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, 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.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

*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 distribution.

**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.

*Interfund Transactions*

All interfund transfers are reported as operating transfers.



TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

*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, 1995, 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	\$314,908	\$191,497	\$550,000	
Consumer meter deposits	14,868	9,500		
Revenue bond contingency fund	37,609	37,609		
<b>Total</b>	<b>367,385</b>	<b>238,606</b>	<b>550,000</b>	
Trustee Accounts -				
Public Improvement Bonds -				
Bond sinking fund	3,853	3,853		
Revenue Bonds -				
Bond sinking fund	6,423	6,423		
Bond reserve fund	18,199	18,199		
<b>Total</b>	<b>28,475</b>	<b>28,475</b>		
<b>Grand Total</b>	<b>\$395,860</b>	<b>\$267,081</b>	<b>\$550,000</b>	



TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

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:

	January 1, 1995	Additions	Deletions	December 31, 1995
Land	\$6,137			\$6,137
Buildings and improvements	127,629			127,629
Furniture and equipment	59,927	\$3,377		63,304
Vehicles	22,798		\$(1,226)	21,572
Tractors and Equipment	59,564			59,564
<b>Totals</b>	<u>\$276,055</u>	<u>\$3,377</u>	<u>\$(1,226)</u>	<u>\$278,205</u>

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

	January 1, 1995	Additions	Deletions	December 31, 1995
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			16,247
Tractors and equipment	8,879			8,879
Computer equipment	5,999			5,999
	<u>543,550</u>			<u>543,550</u>
Accumulated depreciation	(280,952)	\$(15,376)		(296,329)
	<u>\$262,598</u>			<u>\$247,221</u>

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

NOTE 5 - CHANGES IN LONG-TERM OBLIGATIONS

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

	Beginning Balances	Additions	Redemptions	Ending Balances
General Obligation Bonds - 1968 Public Improvement	\$9,500		\$2,000	\$7,500
Enterprise Fund Revenue Bonds - 1968 Gas and Water Utility	54,000		12,000	42,000
	<u>\$63,500</u>		<u>\$14,000</u>	<u>\$49,500</u>

Bonds payable at December 31, 1995 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)

\$7,500

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%

\$42,000

The annual requirements to amortize all debt outstanding as of December 31, 1995, including interest payments of \$6,056 are as follows:

ANNUAL REQUIREMENTS TO AMORTIZE LONG-TERM DEBT

Year Ending 12/31	General Obligation		Revenue		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
1996	\$2,000	\$420	\$13,000	\$2,520	\$15,000	\$2,940
1997	2,500	308	14,000	1,740	16,500	2,048
1998	3,000	168	15,000	900	18,000	1,068
	<u>\$7,500</u>	<u>\$896</u>	<u>\$42,000</u>	<u>\$5,160</u>	<u>\$49,500</u>	<u>\$6,056</u>

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1995

NOTE 6 - EXCESS RESTRICTED FUNDS - UTILITY REVENUE BONDS

As of December 31, 1995, the Town had excess deposits as follows:

	<u>On Deposit</u>	<u>Requirements</u>	<u>Excess</u>
Revenue bond sinking fund	\$6,423	\$5,173	\$1,250
Revenue bond reserve fund	18,199	15,900	2,299
Revenue bond contingency fund	37,969	7,500	30,469
	<u>\$62,591</u>	<u>\$28,573</u>	<u>\$34,018</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, 1995

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	7.13	\$2,704,954	\$19,287	
Public Improvement Bonds	0.55	2,704,954		\$1,489
			<u>\$19,287</u>	<u>\$1,489</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, 1995 is \$9,883.

**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, 1992,



TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1995

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, 1995 were as follows:

	Transfers	
	In	Out
General Fund from Sales Tax Fund	\$86,000	
Sales Tax Fund to General Fund		\$86,000
	\$86,000	\$86,000

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1995

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 1995 was \$97,684.

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 1995, the Town contributed \$6,056.42 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 1995 was \$115,060.

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 1995, the Town contributed \$1,668.37 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. 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

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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, 1995

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
<b>Taxes:</b>				
General property	\$20,140	\$19,249	(\$891)	\$20,078
Electric franchise	26,168	26,310	142	27,876
Cable TV franchise	1,855	1,855		1,617
Telephone franchise	2,074	2,133	59	3,914
<b>Total Taxes</b>	<u>\$50,237</u>	<u>\$49,547</u>	<u>(\$690)</u>	<u>\$53,485</u>
<b>Licenses and Permits:</b>				
Occupational - local business	\$15,049	\$15,074	\$25	\$16,234
Occupational - insurance	15,675	15,755	80	24,587
Liquor and beer permits	300	600	300	
<b>Total Licenses and Permits</b>	<u>\$31,024</u>	<u>\$31,429</u>	<u>\$405</u>	<u>\$40,821</u>
<b>Intergovernmental Revenues:</b>				
FEMA Reimbursement				\$419
La - Tobacco taxes	\$5,247	\$5,245	(\$2)	5,221
La - Beer taxes	1,130	1,016	(114)	1,509
La - Video poker	55,320	48,419	(6,901)	26,567
La - Law Enforcement	1,251	1,251		1,215
La - Rural Development	10,000	10,000		6,821
<b>Total Intergovernmental Revenues</b>	<u>\$72,948</u>	<u>\$65,931</u>	<u>(\$7,017)</u>	<u>\$41,752</u>
<b>Fines and Forfeitures:</b>				
Traffic fines	\$68,826	\$69,663	\$837	\$78,654
<b>Miscellaneous Revenues:</b>				
Interest earned	\$2,797	\$3,011	\$214	\$2,728
La - Department of Transportation	3,343	3,343		3,343
Sale of fixed assets	2,500	2,500		
Mowing and backhoe rental	375	450	75	
Other	383	1,153	770	833
<b>Total Miscellaneous Revenues</b>	<u>\$9,398</u>	<u>\$10,457</u>	<u>\$1,059</u>	<u>\$6,904</u>

SCHEDULE 2  
TOWN OF LIVONIA, LOUISIANA  
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 1995

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
<b>General Government:</b>				
Mayor's per diem	\$6,000	\$6,000		\$3,600
Councilmembers' per diem	9,000	9,000		9,000
Salary - clerk	10,295	10,295		9,596
Salary - office personnel	5,856	5,856		5,560
Benefits	2,032	2,019	13	2,177
Attorney fee	500		500	
Assessor fee	1,130	603	527	600
Audit fee	1,350	1,350		1,350
Professional fees	405	430	(25)	738
Conventions, conferences, seminars	1,133	1,133		1,931
Utilities	2,539	2,416	123	2,543
Insurance	3,892	3,383	509	3,693
Telephone	1,273	983	290	1,067
Publishing and recording	2,415	2,082	333	2,101
Mayor's expense account	1,000	1,000		1,000
Dues and subscriptions	286	592	(306)	780
Tourism and promotion	244	244		1,027
Beautification program	686	327	359	1,699
Maintenance of building	1,870	2,103	(233)	2,356
Janitorial and other supplies	2,620	2,729	(109)	2,250
Equipment maintenance	1,228	1,344	(116)	1,519
Office expense and postage	2,483	2,273	210	2,887
Rodent eradication	485	485		485
Animal ordinance expense	878	668	210	991
Miscellaneous expenses	1,262	1,135	127	521
<b>Total General Government</b>	<b>\$60,862</b>	<b>\$58,450</b>	<b>\$2,412</b>	<b>\$59,471</b>
<b>Public Safety - Police:</b>				
Salary - Chief of Police	\$22,027	\$22,027		\$21,244
Salary - police officers	44,835	44,836	(1)	43,065
Salary - part-time	6,079	5,829	250	7,470
Benefits	16,390	17,008	(618)	17,706
Conventions and conferences	796	796		667
Insurance	10,768	9,709	1,059	7,496
Telephone and paging system	1,872	1,800	72	2,006
Vehicle - gas and oil	2,440	2,195	245	2,842
Vehicle - repairs	13,261	13,327	(66)	5,264
Supplies and maintenance	1,116	1,052	64	1,999
Repairs - radios and equipment	2,319	2,081	238	939
Drug task force	2,124	2,124		
Other services and charges	460	555	(95)	463
<b>Total Public Safety - Police</b>	<b>\$124,487</b>	<b>\$123,339</b>	<b>\$1,148</b>	<b>\$111,161</b>

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Streets and Sanitation:				
Salary - foreman	\$3,816	\$3,816		\$3,806
Salary - laborers	3,465	3,465		5,635
Benefits	1,602	1,516	86	2,200
Professional fees - engineer	8,800	7,500	1,300	1,300
Street lighting	12,565	12,597	(32)	12,700
Insurance	2,078	2,078		2,248
Satellite truck system	8,088	8,096	(8)	8,030
Concrete and asphalt	60,174	60,328	(154)	33,997
Gravel, limestone and shell	698	698		2,875
Dirt and sand	156	240	(84)	
Culverts	344	345	(1)	602
Drainage	539	539		4
Road and street signs	500		500	298
Vehicle - gas and oil	1,413	1,179	234	1,093
Vehicle - repairs	375	57	318	981
Equipment maintenance	1,406	1,330	76	706
Small tools and supplies	79	64	15	291
Chemicals - weed control	263	263		1,340
Other services and charges	150	111	39	362
Total Streets and Sanitation	<u>\$106,511</u>	<u>\$104,222</u>	<u>\$2,289</u>	<u>\$78,468</u>
Capital Outlays:				
General government				\$1,483
Public safety - police	<u>\$3,449</u>	<u>\$3,377</u>	<u>\$72</u>	<u>11,385</u>
Total Capital Outlays	<u>\$3,449</u>	<u>\$3,377</u>	<u>\$72</u>	<u>\$12,868</u>

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, 1995

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
Operating Expenses:				
Natural Gas Expenses -				
Safety and ordorization	\$180	\$183	(\$3)	\$180
Cathodic protection survey	275	275		250
Leakage survey	275	275		250
Drug testing policy fees	338	314	24	312
Insurance	1,899	1,848	51	1,167
Natural gas purchases	32,156	37,831	(5,675)	39,275
Maintenance of meters	1,583	2,053	(470)	1,968
Maintenance of lines	3,009	2,728	281	251
Supplies and small tools	1,172	1,142	30	1,713
Miscellaneous supplies	88	88		
Depreciation		2,174	(2,174)	2,174
Total Natural Gas Expenses	<u>\$40,975</u>	<u>\$48,911</u>	<u>(\$7,936)</u>	<u>\$47,540</u>
Water Expenses -				
Current used in pumping	\$8,393	\$9,179	(\$786)	\$7,065
Insurance	1,162	1,138	24	728
Maintenance of pumping equipment				92
Maintenance of lines and meters	19,731	18,321	1,410	2,805
Maintenance of water tower	12,000	11,802	198	71
Maintenance of chlorinator				66
Maintenance of generator				3,041
Supplies and small tools	601	560	41	1,120
Chlorine	1,529	1,487	42	1,037
Miscellaneous supplies	11	11		
Depreciation		9,960	(9,960)	9,405
Total Water Expenses	<u>\$43,427</u>	<u>\$52,458</u>	<u>(\$9,031)</u>	<u>\$25,430</u>

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
General and Administrative -				\$18,850
Salary - superintendent	\$20,209	\$20,209		11,444
Salary - maintenance	11,945	11,943	2	6,424
Salary - clerk	7,045	7,047	(2)	5,560
Salary - office personnel	6,209	6,207	2	7,459
Benefits	8,121	8,240	(119)	1,350
Professional fees - audit	1,350	1,350		737
Professional fees - accounting	400	325	75	171
Uniform expense	291	240	51	1,036
Utilities	742	398	344	4,491
Insurance	3,059	3,193	(134)	517
Telephone	541	547	(6)	257
Paging system	180	185	(5)	622
Printing	234	234		305
Travel	32	32		828
Continuing education	50	50		544
Dues	622	822	(200)	33
Maintenance of buildings	2,518	1,795	723	1,826
Janitorial and other supplies	179	149	30	420
Vehicle - gas and oil	1,315	1,002	313	419
Maintenance of trucks	1,106	928	178	494
Maintenance of equipment	1,130	1,000	130	269
Maintenance of computer	829	829		1,330
Office supplies and stationery	901	929	(28)	268
Postage	1,726	1,809	(83)	6,255
Miscellaneous	151	266	(115)	
Depreciation		3,243	(3,243)	
<b>Total General and Administrative</b>	<b>\$70,885</b>	<b>\$72,972</b>	<b>(\$2,087)</b>	<b>\$71,909</b>



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, 1995

	Current Debt Service	Future Debt Service Reserve	Contingency	Total
Cash and Investments - January 1	<u>\$5,942</u>	<u>\$17,406</u>	<u>\$33,073</u>	<u>\$56,421</u>
Cash Receipts:				
Transfers from - Operations	15,333		4,100	19,433
Interest received	<u>456</u>	<u>955</u>	<u>796</u>	<u>2,207</u>
Total Cash Receipts	<u>15,789</u>	<u>955</u>	<u>4,896</u>	<u>21,640</u>
Total Cash and Investments Available	<u>21,731</u>	<u>18,361</u>	<u>37,969</u>	<u>78,061</u>
Cash Disbursements:				
Principal payments	12,000			12,000
Interest payments	3,240			3,240
Trustee fees	<u>43</u>	<u>89</u>		<u>132</u>
Total Cash Disbursements	<u>15,283</u>	<u>89</u>		<u>15,372</u>
<b>CASH and INVESTMENTS-DECEMBER 31</b>	<u><u>\$6,448</u></u>	<u><u>\$18,272</u></u>	<u><u>\$37,969</u></u>	<u><u>\$62,689</u></u>

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

	12/31/86**	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
Revenues and Transfers:										
Taxes	\$66,116	\$38,569	\$39,158	\$41,919	\$44,637	\$44,851	\$45,138	\$48,747	\$53,485	\$49,547
Licenses and permits	24,883	22,962	28,905	25,287	23,720	23,675	24,751	34,997	40,821	31,429
Intergovernmental revenues	18,644	20,608	8,659	6,588	7,009	11,349	20,688	12,895	41,752	65,930
Fines and forfeitures	89,085	52,720	68,955	82,076	69,133	76,115	107,885	83,126	78,654	69,663
Miscellaneous revenues	8,992	5,141	11,566	13,970	15,827	14,755	13,910	9,621	6,904	10,458
Transfers from other funds	14,452	49,744	12,000	28,643	21,203	222,000	27,000	53,000	56,000	86,000
Total Revenues and Transfers	222,172	189,744	169,243	198,483	181,529	392,745	239,372	242,386	277,616	313,027
Expenditures and Transfers:										
General government	54,402	31,774	32,482	29,032	34,052	36,788	46,604	55,553	59,471	58,450
Police department	92,505	64,696	69,839	76,381	81,219	85,310	108,713	107,284	111,161	123,339
Fire department										
Streets and sanitation	38,864	27,695	29,566	28,434	46,156	46,478	60,926	53,344	78,468	104,222
Capital outlays	16,771	3,914	14,078	25,522	10,134	273,974	16,713	42,878	12,868	3,377
Transfers to other funds					5,064					
Total Expenditures and Transfers	202,542	128,079	145,965	159,369	176,625	442,550	232,957	259,059	261,968	289,388
Excess (Deficiency) of Revenues and Transfers Over Expenditures and Transfers	\$19,630	\$61,665	\$23,278	\$39,114	\$4,904	(\$49,805)	\$6,415	(\$16,673)	\$15,648	\$23,639

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

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

	Gas System		Water System	
	1995	1994	1994	1993
Sales	\$89,424	\$88,293	\$64,545	\$64,679
MCF Gas Sold	18,363	18,195	-	-
Total number of customers billed	4,258	4,259	7,998	7,964
Average number of customers billed per month	355	355	667	664
Average annual revenue per customer	\$252.02	\$248.77	\$96.84	\$97.46
Average monthly revenue per customer	\$21.00	\$20.73	\$8.07	\$8.12
Average MCF gas billed per customer	4.31	4.27	-	-
Average revenue per MCF of gas billed	\$4.87	\$4.85	-	-
Number of customers at beginning of year	355	351	661	654
Number of customers at end of year	359	355	671	661

	1995		1994	
	Amount	MCF	Amount	MCF
Gas Sales	\$89,424	18,363	\$88,293	18,195
Gas Purchases	37,831	19,622	39,275	17,548
Gross Profit on Sales	<u>\$51,593</u>		<u>\$49,018</u>	
MCF Gas Unaccounted For - Sales (Purchases)		<u>(1,259)</u>		<u>647</u>
Percent Unaccounted For - Gas Gain (Loss)		<u>-6.4163%</u>		<u>3.6870%</u>

*George F. Delaune*

CERTIFIED PUBLIC ACCOUNTANT  
Practice Limited to Governmental Accounting, Auditing and Financial Reporting

Phone  
OFFICE (504) 638-3387  
FAX (504) 638-8145  
PAGER 352-0359  
CELLULAR 937-9735

Office  
305 PENNSYLVANIA AVENUE  
NEW ROADS, LA 70760-3657

Member  
AMERICAN INSTITUTE OF CPAs  
LOUISIANA SOCIETY OF CPAs  
GOVERNMENT FINANCE  
OFFICERS ASSOCIATION

**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, 1995, and have issued my report thereon dated June 3, 1996.

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 policies 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, 1995, 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 1995 financial statements, and this report does not affect my report on the financial statements dated June 3, 1996.

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*

June 3, 1996

*George F. Delaune*

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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, 1995, and have issued my report thereon dated June 3, 1996.

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*

June 3, 1996

## RESOLUTION OF PRIOR YEAR FINDINGS

### *Noncompliance with State Law*

Prior year audit report was not delivered by June 30, 1995, to the Legislative Auditor. The auditor assumed full responsibility for the delay and steps were taken to insure that delay will not happen in the future.