

**Town of Livingston, Louisiana**  
**Annual Financial Report**  
**As of and for the Year Ended December 31, 1996**

**TABLE OF CONTENTS**

Financial Section:	Statement	Schedule	Page
Independent Auditor's Report .....			5
Independent Auditor's Report on Schedule of Federal Financial Assistance .....			7
<b>General Purpose Financial Statements (Combined Statements - Overview):</b>			
Combined Balance Sheet All Fund Types and Account Groups .....	A		8
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund Types .....	B		10
Combined Statement of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual - Governmental Fund Types .....	C		13
Statement of Revenues, Expenses, and Changes in Unreserved Retained Reserve Proprietary Fund Type .....	D		17
Statement of Cash Flows Proprietary Fund Type .....	E		14
Notes to Financial Statements .....			19
<b>Financial Statements of Individual Funds and Account Groups:</b>			
<b>General Fund:</b>			
Comparative Balance Sheet .....		1	22
Schedule of Revenues, Expenditures, and Changes in Fund Balance (Budget (GAAP Basis) and Actual) .....		2	23
Schedule of Expenditures, Compared to Budget (GAAP Basis) .....		3	24
<b>Capital Projects Fund:</b>			
Comparative Balance Sheet .....		4	26
Schedule of Revenues, Expenditures, and Changes in Fund Balance Budget (GAAP Basis) and Actual .....		5	29

**Town of Livingston, Louisiana**  
**Annual Financial Report**  
**As of and for the Year Ended December 31, 1976**

**TABLE OF CONTENTS**  
**(Continued)**

	Statement	Schedule	Page
<b>Proprietary Fund - Enterprise Fund</b>			
Comparative Balance Sheet .....		6	41
Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings - Budget (GAAP Basis) and Actual .....		7	42
Schedule of Cash Flows .....		8	44
Schedule of Changes in Assets Restricted for PFCO Debt Service .....		9	45
Schedule of Gas Sales and Purchases .....		10	46
<b>General Fixed Assets Account Group</b>			
Schedule of General Fixed Assets .....		11	48
Schedule of Changes in General Fixed Assets .....		12	49
<b>Supplemental Information</b>			
Schedule of Federal Financial Assistance .....		13	51
Schedule of Insurance .....		14	61
Schedule of Pay Discrim. Payments .....		15	54
Independent Auditor's Report on Internal Control Structure Based on an Audit of Primary Government Financial Statements Performed in Accordance with Government Auditing Standards .....			50
Independent Auditor's Report on Internal Control Structure Used in Administering Federal Financial Assistance Programs .....			50
Independent Auditor's Report on Compliance With Laws and Regulations Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards .....			50
Independent Auditor's Report on Compliance With Specific Requirements Applicable to Major Federal Financial Assistance Programs .....			60

Town of Livingston, Louisiana  
Annual Financial Report  
As of and for the Year Ended December 31, 1996

TABLE OF CONTENTS  
(Continued)

	Statement	Schedule	Page
Independent Auditor's Report on Compliance With the General Requirements Applicable to Federal Financial Assistance Programs .....			61

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor, Donald Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the accompanying primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1996, as listed in the table of contents. These financial statements are the responsibility of the Town of Livingston, Louisiana, management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

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

A primary government is a legal entity or body politic and includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate. Such legally separate entities are referred to as component units. In our opinion, the primary government financial statements present fairly, in all material respects, the financial position of the primary government of the Town of Livingston, Louisiana, as of December 31, 1996, and the results of operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

However, the primary government financial statements, because they do not include the financial data of component units of the Town of Livingston, Louisiana, do not purport to, and do not, present fairly the financial position of the Town of Livingston, Louisiana, as of December 31, 1996, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

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

The Honorable Mayor, Darrel Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana  
Page 2

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

  
Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

April 25, 1997

**BRUCE HARRELL & CO.**  
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**INDEPENDENT AUDITOR'S REPORT ON SCHEDULE  
OF FEDERAL FINANCIAL ASSISTANCE**

The Honorable Mayor, Council Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1990, and have issued our report thereon dated April 25, 1991. These primary government financial statements are the responsibility of the Town of Livingston, Louisiana, management. Our responsibility is to express an opinion on these primary government financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, *Governments Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-133, *Audit of State and Local Governments*. These standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the primary government financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

*Bruce Harrell & Co.*

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

April 25, 1991

Town of Livingston, Louisiana

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 1996 and 1995

	Governmental Fund Type		Proprietary Fund Type
	General Fund	Capital Projects Fund	Enterprise Fund
<b>Assets</b>			
Cash	\$ 680,640	\$ -	\$ 478,501
Inventory, Natural Gas Storage	-	-	3,143
Taxes Receivable	22,350	-	-
Accounts Receivable (Net of Allowance for Uncollectibles)	-	-	82,689
Prepaid Expenses	-	-	2,800
Royalties Receivable	1,774	-	-
Due From Other Funds	22,328	50	-
Due From Other Governments	11,286	-	-
Restricted Assets	-	-	381,546
Property, Plant and Equipment (Net, Where Applicable, of Accumulated Depreciation)	-	-	2,692,859
<b>Total Assets</b>	<b>\$ 748,688</b>	<b>\$ 50</b>	<b>\$ 3,038,638</b>
<b>Liabilities and Fund Equity</b>			
<b>Liabilities</b>			
Accounts Payable	\$ 11,080	\$ -	\$ 28,021
Other Accrued Expenses	1,850	-	2,178
Current Portion of Long-Term Debt	-	-	-
Revenue Bonds Payable	-	-	32,249
Due To Other Funds	83	-	32,506
Payable From Restricted Assets:			
Customer Deposits	-	-	32,000
Long-Term Debt:			
Revenue Bonds Payable	-	-	708,675
<b>Total Liabilities</b>	<b>12,963</b>	<b>-</b>	<b>842,529</b>
<b>Fund Equity</b>			
Contributed Capital	-	-	982,024
Investment in General Fund Assets	-	-	-
Retained Earnings:			
Reserved for Bond Retirement	-	-	85,724
Reserved for Bond Contingency	-	-	68,780
Unreserved	-	-	1,000,913
<b>Fund Balance:</b>			
Unreserved - Unassigned	316,700	33	-
<b>Total Fund Equity</b>	<b>316,700</b>	<b>33</b>	<b>2,194,291</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 748,683</b>	<b>\$ 33</b>	<b>\$ 3,038,638</b>

The accompanying notes are an integral part of these statements.

## Statement A

Account Group	Totals (Millions of Dollars)	
	1996	1995
General Fixed Assets		
\$ -	\$ 1,563,356	\$ 1,265,367
-	3,148	3,110
-	21,353	21,676
-	81,689	81,686
-	3,890	-
-	1,174	1,283
-	21,359	3,158
-	13,286	12,618
-	281,586	183,478
	<u>1,268,367</u>	<u>3,381,456</u>
\$ <u>1,268,367</u>	\$ <u>3,681,713</u>	\$ <u>4,987,141</u>
\$ -	\$ 39,201	\$ 39,950
-	4,808	4,194
-	53,249	31,619
-	21,314	3,158
-	52,658	49,378
-	708,835	742,604
-	866,860	866,378
	<u>882,935</u>	<u>1,027,960</u>
1,268,367	<u>1,268,367</u>	<u>1,333,604</u>
-	68,734	65,349
-	68,738	69,135
-	1,853,912	1,626,818
-	336,713	626,812
<u>1,268,367</u>	<u>4,351,411</u>	<u>4,661,368</u>
\$ <u>1,268,367</u>	\$ <u>3,813,713</u>	\$ <u>4,987,347</u>



## Town of Livingston, Louisiana

Statement B

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances  
Governmental Fund Types  
Year Ended December 31, 1996

	Governmental Funds		Totals (Minus Only)
	General Fund	Capital Projects Fund	
<b>Revenues</b>			
Taxes	\$ 207,998	\$ -	\$ 207,998
Licenses and Permits	68,062	-	68,062
Intergovernmental	16,482	-	16,482
Fines	18,623	-	18,623
Interest Income	38,589	-	38,589
Royalty Income	7,348	-	7,348
Rental Income	15,000	-	15,000
Sanitation Fees	38,847	-	38,847
Recreation and Parks	16,455	-	16,455
Sidewalk Project	-	4,888	4,888
Grants	1,640	-	1,640
Miscellaneous	5,752	-	5,752
<b>Total Revenues</b>	<b>400,356</b>	<b>4,888</b>	<b>405,244</b>
<b>Expenditures</b>			
General and Administrative	162,347	-	162,347
Public Safety	118,838	-	118,838
Streets	72,897	4,847	77,744
Sanitation	33,382	-	33,382
Health	3,588	-	3,588
Recreation and Parks	28,775	-	28,775
Capital Outlays	43,678	-	43,678
<b>Total Expenditures</b>	<b>463,957</b>	<b>4,847</b>	<b>468,804</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>(63,601)</b>	<b>33</b>	<b>(63,568)</b>
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	400	-	400
Operating Transfers In	138,000	-	138,000
<b>Total Other Financing Sources (Uses)</b>	<b>138,400</b>	<b>-</b>	<b>138,400</b>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<b>114,799</b>	<b>33</b>	<b>114,734</b>
<b>Fund Balance at Beginning of Year</b>	<b>628,819</b>	<b>-</b>	<b>628,819</b>
<b>Fund Balance at End of Year</b>	<b>\$ 743,618</b>	<b>\$ 33</b>	<b>\$ 743,651</b>

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Combined Statement of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Governmental Fund Types  
Year Ended December 31, 1996

	General Fund		Variance Favorable (Unfavorable)
	Budget	Actual	
<b>Revenues</b>			
Taxes	\$ 200,000	\$ 287,598	\$ 87,598
Licenses and Permits	58,000	80,862	22,862
Intergovernmental	18,700	56,483	37,783
Fees	21,800	59,623	37,823
Interest Income	32,800	30,380	(2,420)
Royalty Income	1,500	7,148	5,648
Rental Income	15,000	15,000	-
Sanitation Fees	21,800	30,647	8,847
Recreation and Parks	50,500	35,435	(15,065)
Sidewalk Project	-	-	-
Grants	1,300	1,649	349
Miscellaneous	4,800	3,752	(1,048)
<b>Total Revenues</b>	<u>388,400</u>	<u>603,395</u>	<u>214,995</u>
<b>Expenditures</b>			
General and Administrative	197,080	343,343	146,263
Public Safety	122,480	118,828	(3,652)
Streets	72,980	71,493	(1,487)
Sanitation	36,080	51,382	15,302
Health	3,800	3,288	(512)
Recreation and Parks	10,200	28,779	18,579
Capital Outlay	32,800	41,878	9,078
<b>Total Expenditures</b>	<u>511,320</u>	<u>657,081</u>	<u>145,761</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(122,920)</u>	<u>(53,686)</u>	<u>69,234</u>
<b>Other Financing Sources (Uses)</b>			
Sale of Fixed Assets	400	480	80
Operating Transfers In	180,000	188,000	8,000
<b>Total Other Financing Sources (Uses)</b>	<u>180,400</u>	<u>188,480</u>	<u>8,080</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>57,480</u>	<u>114,794</u>	<u>57,314</u>
<b>Fund Balance at Beginning of Year</b>	<u>828,072</u>	<u>828,818</u>	<u>746</u>
<b>Fund Balance at End of Year</b>	<u>\$ 885,552</u>	<u>\$ 943,612</u>	<u>\$ 58,060</u>

The accompanying notes are an integral part of these statements.

Capital Projects Fund		
Budget	Actual	Variance Favorable (Unfavorable)
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
5,800	4,880	(1,020)
-	-	-
<u>5,800</u>	<u>4,880</u>	<u>(1,020)</u>
-	-	-
-	-	-
4,980	4,847	133
-	-	-
-	-	-
-	-	-
<u>4,980</u>	<u>4,847</u>	<u>133</u>
<u>180</u>	<u>33</u>	<u>(652)</u>
-	-	-
-	-	-
-	-	-
100	33	(67)
-	-	-
<u>\$ 100</u>	<u>\$ 33</u>	<u>\$ (67)</u>

Town of Livingston, Louisiana

Statement D

Statement of Revenues, Expenses, and Changes in Unreserved Retained Earnings  
Proprietary Fund Type  
Year Ended December 31, 1996

	Enterprise Fund
<b>Operating Revenues:</b>	
Gas Sales	\$ 283,563
Less Cost of Gas Sold	<u>(83,052)</u>
Gross Profit on Gas Sales	199,511
Water Sales	214,749
Sewer Service Charge	65,458
Service Connection Charge	14,663
Delinquent Charges	14,044
Other Operating Revenues	<u>2,900</u>
<b>Total Operating Revenues</b>	<u>439,385</u>
<b>Operating Expenses:</b>	
Salaries	75,567
Contract Repairs	11,769
Materials and Supplies	35,461
Truck Expenses	3,218
Sewer Expenses	4,810
Office Expenses	3,854
Maintenance	2,846
Payroll Taxes	2,803
Professional Services	12,269
Depreciation	86,262
Utilities	22,453
Insurance	19,879
Bad Debt Expense	-
Other Operating Expenses	<u>2,409</u>
<b>Total Operating Expenses</b>	<u>381,517</u>
<b>Operating Income (Loss)</b>	<u>157,868</u>
<b>Nonoperating Revenues (Expenses)</b>	
Interest Revenue	43,887
Interest Expense	<u>(22,752)</u>
<b>Total Nonoperating Revenues (Expenses)</b>	<u>21,135</u>
<b>Operating Transfer Out</b>	<u>(180,000)</u>
<b>Net Income</b>	(58,999)
Unreserved Retained Earnings at Beginning of Year	1,828,818
Amortization of Contributions	44,216
Increases in Reserves	<u>(23,159)</u>
<b>Unreserved Retained Earnings at End of Year</b>	<u>\$ 1,801,816</u>

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Statement E

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

	Enterprise Fund
<b>Cash Flows From Operating Activities</b>	
Operating Income	\$ 136,848
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	63,397
Change in Inventory	(1,053)
Change in Accounts Receivable	2,903
Change in Prepaid Expenses	(5,800)
Change in Accounts Payable	(1,255)
Change in Other Accrual Liabilities	318
Change in Due to Other Funds	17,276
Change in Customer Deposits Payable	3,888
Net Cash Provided (Used) by Operating Activities	<u>216,817</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Capital Improvements	(20,855)
Principal Repayments, Revenue Bonds Payable	(51,838)
Operating Transfers Out	(180,888)
Interest Revenue	88,803
Interest Expense	(31,252)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(215,926)</u>
<b>Net Increase (Decrease) in Cash</b>	14,891
Cash at Beginning of Year	864,825
Cash at End of Year	<u>\$ 879,716</u>

The accompanying notes are an integral part of these statements.

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**

As of and for the Year Ended December 31, 1984

**Introduction**

The Town of Livingston was incorporated November 4, 1955, under the provisions of the Louisiana Act. The Town operates under a Mayor - Board of Aldermen form of government. The accounting and reporting policies of the Town of Livingston conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 18:513 and 24:517 and to the guidelines set forth in the Louisiana Governmental Audit Guide, and to the AICPA Industry Audit Guide, *Audits of State and Local Governmental Units*.

**1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

<u>Component Unit</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Livingston Intergovernmental Commission	12/90	2

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

**As of and for the Year Ended December 31, 2006**

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

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

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

#### **B. Fund Accounting**

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

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

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

##### **Governmental Funds**

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

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

*Capital Projects Fund* - accounts for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

As of and for the Year Ended December 31, 1996

### Proprietary Funds

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

*Enterprise Funds* - account for operations (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods and services to the general public be a continuing basis for financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and the net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

### C. Basis of Accounting

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

#### Revenues

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

#### Expenditures

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

#### Other Financing Sources (Uses)

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

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



**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**  
**As of and for the Year Ended December 31, 1996**

**D. Budgets and Budgetary Accounting**

The Town follows those procedures and those required by the Local Budget Act No. 304 of the 1988 Legislature and its amendments in establishing the budgetary data reflected in these financial statements:

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

**E. Encumbrances**

The Town of Livingston does not use encumbrance accounting.

**F. Cash**

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

**G. Short-term Interfund Receivables/Payables**

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

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

**As of and for the Year Ended December 31, 1994**

**H. Advances to Other Funds**

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

**I. Inventories**

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

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

**J. Prepaid Items**

The Town of Livingston has one item for prepaid postage of \$1,800 in the Enterprise Fund.

**K. Restricted Assets**

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

**L. Fixed Assets**

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

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

**M. Annual Vacation and Sick Leave**

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

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

As of and for the Year Ended December 31, 1996

Sick leave is as follows:

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

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

#### **N. Long-term Obligations**

Expenditures for principal and interest payments for long-term obligations are recognized in the governmental fund when due. At December 31, 1996, the Town of Livingston had no long-term obligations in governmental funds. Long-term obligations reported to be financed from proprietary fund operations are accounted for in those funds.

#### **O. Fund Equity**

##### **Contributed Capital**

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

##### **Reserves**

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

##### **Designated Fund Balances**

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

Towns of Livingston, Louisiana  
Notes to Financial Statements  
(Continued)

As of and for the Year Ended December 31, 1996

**P. Interfund Transactions**

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

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Non-reversing or non-reciprocal permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the Towns of Livingston are reported as operating transfers.

**Q. Bad Debts**

The Towns of Livingston does not have an allowance for uncollectible Ad Valorem Taxes because the amounts, if any, are immaterial. Uncollectible amounts due for customer's utility receivables are charged to operations when their delinquency is made. An allowance account of \$1,000 was set up in prior years to allow for the uncollectibility of certain receivables.

**R. Total Columns on Combined Statements**

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

**2. Cash and Cash Equivalents**

At December 31, 1996, the Towns has cash and cash equivalents (bank balances) totaling \$1,369,842, as follows:

Demand Deposits	\$ 119
Interest-Bearing Demand Deposit	413,885
Louisiana Assets Management Pool	18,614
Town Deposits	<u>1,337,224</u>
Total Cash and Cash Equivalents	<u>\$ 1,369,842</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (for the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At December 31, 1996, the Towns has \$1,337,224, in deposits (pledged bank balances). These deposits are secured from risk by \$182,698 of federal deposit insurance and \$1,154,526 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3).

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 48:1239 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Towns that the fiscal agent has failed to pay deposited funds upon demand.

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

**As of and for the Year Ended December 31, 1996**

**3. Ad Valorem and Public Utility Franchise Taxes**

On December 4, 1995, the Town approved an ordinance to assess a 5.00% millage ad valorem tax for 1996. This is a provision tax per constitutional authority, and is subject to annual renewal by the Town council. Total Ad Valorem Taxes levied for the year ended December 31, 1995, were \$11,838. These taxes were due upon taxpayers' receipt of their tax bill and became delinquent January 1, 1997. Interest on unpaid Ad Valorem Taxes is added to the tax bill during March, 1997. Due to insurmountable and cost factor of collections, no liens are put against assessed property upon non-payment of taxes.

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

On September 18, 1981, the Town approved the issuance of a public utilities franchise to provide cable television and closed-circuit electronic services within the Town's corporate limits. For this franchise, the cable television company grants 4% of its net taxable gross subscription receipts within the corporate limits.

Total Ad Valorem Taxes and Public Utility Franchise Taxes collected for the year ended December 31, 1996, were \$30,491.

Taxes receivable at December 31, 1996 consisted of the following:

	1996
Ad Valorem Taxes Receivable, Current Bill	\$ 11,711
Public Utility Franchise Taxes Receivables	18,780
Total Taxes Receivable	\$ 30,491

The Town does not have an allowance for uncollectible Ad Valorem Taxes because the amounts, if any, are immaterial.

**4. Accounts Receivable**

The Enterprise Fund accounts receivable at December 31, 1996, consisted of the following:

	1996
Current	\$ 87,894
31 - 60 Days	12,505
61 - 90 Days	2,149
Over 90 Days	5,817
Total	108,365
Adjustment for Bad Debt	(1,850)
Accounts Receivable, Net	106,515
Accrued Billings	16,178
Total Accounts Receivable	\$ 122,693

Town of Livingston, Louisiana  
Notes to Financial Statements  
(Continued)  
As of and for the Year Ended December 31, 1996

**5. Interfund Receivables/Payables**

Interfund receivables/payables represent amounts due to/from the individual funds. The following balances are presented as assets/liabilities on the balance sheet.

	Interfund Receivables	Interfund Payables
General Fund	\$ 21,526	\$ 50
Capital Projects Fund	50	-
Enterprise Fund	-	21,526
Total Interfund Receivables/Payables	\$ 21,576	\$ 21,576

**6. Due From Other Governments**

Amounts due from other governmental units consisted of Tobacco, Beer, and Video Poker Taxes from the State of Louisiana. These receivables were \$1,349 and \$493, and \$876, respectively, on December 31, 1996. Also due from other governments was sales and use tax from Livingston Parish School Board amounting to \$11,125 on December 31, 1996.

**7. Royalty Income Receivable**

The Town receives royalties from PetroEnergy Gas Exploration, Inc. The amount of royalty income receivable as of December 31, 1996, was \$1,174.

**8. Schedule of Restricted Assets - Proprietary Fund Type**

Restricted assets were applicable to the following at December 31, 1996:

Street Bond Reserve Account	\$ 68,724
Bond Depreciation & Contingency Account	68,770
Customers' Deposits	65,137
Total Restricted Assets	\$ 202,631

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**  
**As of and for the Year Ended December 31, 1996**

**9. Property, Plant and Equipment**

A summary of Proprietary Fund Type Property, Plant and Equipment at December 31, 1996, follows:

Description	Year Life	Cost	Accumulated Depreciation	Net	Current-Year Depreciation
<b>Buildings:</b>					
Warehouses, 117 Avenue	20	\$ 3,300	\$ 3,300	\$ -	\$ -
Sewer Plant Shop	20	2,418	1,111	1,294	111
<b>Total Buildings</b>		<b>5,718</b>	<b>4,411</b>	<b>1,294</b>	<b>111</b>
<b>Other Improvements:</b>					
Original Gas & Water System T&E in Use	30	30,163	30,163	-	-
Replaced by New System	30	271,884	271,884	-	-
Natural Gas System	40	291,224	108,116	183,095	3,174
Water System	40	698,781	238,671	460,109	17,484
Water Well	40	131,983	41,307	90,696	3,198
Water Tank	40	207,885	63,224	144,760	5,175
Tank Improvements	15	30,800	24,008	6,800	2,088
Sewer System	40	2,841,071	982,625	1,858,446	53,094
Sewer System	30	7,830	4,888	990	790
Sewer Extension	40	21,711	9,040	14,688	590
Sewer Lift Station	40	22,836	6,892	15,144	551
Pipes, Conduits, Pools	10	6,780	4,780	-	-
Sewer Pump	5	6,290	6,290	-	-
Water Well Improvements	10	3,113	1,565	198	911
Water Well Poles	10	3,108	1,851	183	518
<b>Total Buildings &amp; Improvements</b>		<b>5,785,900</b>	<b>1,763,214</b>	<b>4,022,687</b>	<b>69,614</b>
<b>Equipment:</b>					
Office Furniture & Fixtures	10	3,372	3,371	-	-
Computer and Software	3	18,608	18,117	2,581	1,367
Machinery & Equipment	10	298	298	-	-
Equipment	3	1,393	1,394	-	-
<b>Motor Trucks:</b>					
2007 Ford	3	15,146	15,146	-	-
1993 Ford	4	11,258	11,158	-	-
Boats	4	796	796	-	-
<b>Total Equipment</b>		<b>30,764</b>	<b>40,198</b>	<b>9,422</b>	<b>2,367</b>
<b>Total Property, Plant and Equipment</b>		<b>\$ 5,816,664</b>	<b>\$ 1,803,412</b>	<b>\$ 4,013,252</b>	<b>\$ 71,981</b>
<b>Changes During Year:</b>					
Balance, Beginning of Year		\$ 5,808,414	\$ 1,773,123	\$ 4,035,291	
Addition		30,999	-	30,999	
Deletion		-	-	-	
Depreciation		-	90,387	(90,387)	
<b>Balance, End of Year</b>		<b>\$ 5,839,413</b>	<b>\$ 1,863,736</b>	<b>\$ 3,975,677</b>	

All assets are depreciated under the straight-line method.

Town of Livingston, Louisiana  
Notes to Financial Statements  
(Continued)  
As of and for the Year Ended December 31, 1996

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

Description	Balance 11/01/96	Addition	Deletion	Balance 12/31/96
Land	\$ 54,000	\$ -	\$ -	\$ 54,000
Buildings	697,414	4,676	-	702,090
Equipment	482,053	37,601	(14,724)	504,930
Totals	\$ 1,233,467	\$ 42,277	\$ (14,724)	\$ 1,260,920

**18. Changes in Long-Term Debt**

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

	Proprietary Fund Bonds/Notes
Bonds Payable, January 1, 1996	\$ 773,714
Bonds/Notes Retired	(218,581)
Bonds/Notes Issued	-
Bonds Payable, December 31, 1996	\$ 555,133

Bonds Payable on December 31, 1996, are comprised of the following individual issues:

Proprietary Fund Bonds	Current Amount	Long-Term Amount	Total Principal
\$1,100,000 Utility Revenue Bonds (series 1 and 2, dated 2/23/75, due in monthly installments of \$5,180 through 2015, interest at 5% (these issues are secured by the income and revenues derived from the operation of the Town's Utility System)	\$ 38,266	\$ 651,271	\$ 689,537
\$50,000 General Obligations Ad Valorem Tax Bonds, dated 2/20/75, due in monthly installments of \$275 through 2015, interest at 7% (these issues are secured by a dedication of an unlimited Ad Valorem Tax of the Town)	1,556	30,813	32,369
\$28,000 General Obligations Ad Valorem Tax Bonds, of Series District No. 1 of the Town, dated 2/20/75, due in monthly installments of \$199 through 2015, interest at 5% (these issues are secured by a dedication of an unlimited Ad Valorem Tax of the District)	777	11,151	11,928
General Obligation Bonds Payable	2,599	31,824	34,423
Total Proprietary Fund Bonds	\$ 42,198	\$ 703,859	\$ 746,057



Town of Livingston, Louisiana  
Notes to Financial Statements  
(Continued)

As of and for the Year Ended December 31, 1996

The annual requirements to amortize all debt outstanding at December 31, 1996, including interest payments of \$532,388 are as follows:

Year Ending December 31	Proprietary Fund Needs
1997	\$ 69,588
1998	69,588
1999	69,588
2000	69,588
2001	69,588
2002 - 2006	347,980
2003 - 2011	347,980
2012 - 2015	220,263
	<u>\$ 1,284,118</u>

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

The voters of the Town of Livingston approved the issuance of \$1,180,000 Utility Revenue Bonds, \$35,000 General Obligation Ad Valorem Tax Bonds of the Town and \$28,000 General Obligation Ad Valorem Tax Bonds of Towns District No. 1 of the Town in an election held August 24, 1994. The governing authority of the Town adopted a resolution on January 13, 1995, authorizing issuance of the above utility bonds. On February 28, 1995, the Town sold \$1,184,000 of the authorized bonds to Rural Community and Economic Development (RCECD) of the United States of America. The bonds were issued for forty (40) years payable with interest at the rate of 8% per annum. The bonds and any installments may be paid prior to the due date and more by them at a price of par and accrued interest to the date of payment. The proceeds of the bonds are restricted to use for reclaiming 2186,640 of "1988 Water and Gas Revenue Bonds" of the Town and construction and improvements to the combined utility system and are subject to the provisions of the above resolution adopted January 13, 1995. As of June 28, 1998, Rural Community and Economic Development had advanced all of the bond proceeds to the Town.

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

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

Each month the Town will reserve into a "Bond and Interest Sinking (Redemption) Fund" a sum equal to one-twelfth (1/12) of the interest and principal due on the next bond payment due date, and a proportionate sum as may be required on the bonds respectively because due. Money in the sinking funds shall be deposited as trust funds and shall be fully reflected to assure the prompt payment of principal and interest installments as they become due, and may be used only for such payments. Alternatively, RCECD has set up a payment schedule whereby the Town can make such payments directly to its office, thus eliminating the need for the "Bond and Interest Sinking Fund".

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**  
**As of and for the Year Ended December 31, 1996**

There shall also be set aside into a "Utility System Bond Reserve Fund" a sum equal to 2% of the monthly bond payment (\$294) after the construction becomes revenue-producing until there is accumulated therein an amount equal to the highest annual debt service payment in any future year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Bond and Interest Sinking Fund or to which there would otherwise be default. The balance in the fund at December 31, 1996 was \$68,738.

Funds will also be reserved into a "Depreciation and Contingency Fund" after completion of the project at the rate of \$253 per month. Money in this fund will be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition, enhance its revenue producing capacity, or provide for a higher degree of service for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payments in the other bond funds. The balance in the fund at December 31, 1996, was \$68,738.

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

As of December 31, 1996, the Town has not assumed any Ad Valorem Taxes to be used for payment of the Ad Valorem tax bond claims. The Town has elected to make the payments out of current utility revenues.

**EE. Contributions - Proprietary Fund Type**

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

	<u>12/31/96</u>
Municipality - General Fund	\$ 87,134
Special Revenue Fund - Federal Revenue Sharing	4,740
U.S. Government - Environmental Protection Agency	1,497,988
State of Louisiana	160,000
Livingston Parish School Board	82,203
Parish Seismic	<u>4,223</u>
Total Contributions	1,782,179
Less Accumulated Amortization	<u>(799,214)</u>
Net Contributed Capital	<u>\$ 982,965</u>

**EE. 1% Fire Insurance Rebate**

The Town maintains an active certified volunteer fire department as defined by Louisiana R. S. 32:1588 and is eligible for and receives a pro rata share of the fire insurance tax collected by the State. The amounts received by the department are based on the population in the Town and unincorporated areas that it serves. In accordance with the Revised Statutes, such money shall be used only for the purpose of "making more efficient and efficacious" the active volunteer fire department as the Town shall direct.

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**

**As of and for the Year Ended December 31, 1996**

**14. Oil, Gas, and Mineral Lease**

On January 4, 1993, the Town leased all of its lands, streets, alleys, public ways and places containing 141.69 acres, more or less to Calton Petroleum Company (high bidder) of Natchez, Mississippi, for the purpose of exploring by methods, including but not limited to, geophysical and geological exploration for formations of strata and prospecting and drilling for, mining, and producing sulphur, potash, oil, gas and any other liquid or gaseous hydrocarbon minerals.

In consideration for the lease for an initial period of three years, the Town received the sum of \$63,739 as a bonus and first year rental. The lessee has the right to renew the lease annually thereafter for \$31,880 if the so desires. The Town received 25% of the royalty rights under the lease.

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

During the fiscal year ended June 30, 1994, Calton Petroleum made a successful well out of the Crown Zellerbach SS-C/M-1. The Town's twenty-five percent (25%) royalty rights equaled 3,120,339% of the well's production. The Town began receiving its share of royalty payments in July, 1994. In December, 1994, the Town received a \$13,891 delay cost payment from Calton Petroleum for its remaining property not held by the productive well. During the fiscal year ended June 30, 1995, two more successful wells were completed from which the Town receives all royalty payments. Since June 30, 1995, the fourth successful well was completed in which the Town also receives royalty payments.

The rights under the above lease are currently assigned to Ferco Energy Gas Exploration, Inc. During the fiscal year ending December 31, 1996, the Town of Livingston received \$7,348 in royalty income.

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

**15. Retirement Commitments**

The Town of Livingston employees participate in the Federal Social Security Program. The Town's contributions for the year ended December 31, 1996, were \$14,514 for General Fund employees and \$3,695 for the Enterprise Fund employees. Future deficits in the system will be financed by the United States Government, and the Town has no further liability in the system. Data concerning the actuarial status of the system is not available.

The Town of Livingston entered the Municipal Employees Police Retirement System of Louisiana effective June 1, 1995. A description of the Municipal Police Employees' Retirement System is as follows:

*(Plan Description):* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 51 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 5 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average

**Town of Livingston, Louisiana**  
**Notes to Financial Statements**  
**(Continued)**  
**As of and for the Year Ended December 31, 1998**

salary over the 36 consecutive or joint 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, 8400 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2258, or by calling (504) 928-7411.

**Plan Policy.** Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Livingston is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the Town of Livingston are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:183, the employee contributions are determined by actuarial valuations and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of Livingston's contributions to the Police Retirement System for the years ending December 31, 1996, 1997, and 1998, were \$5,793, \$5,458, and \$5,694, respectively, equal to the required contributions for each year.

**16. Garment Building Lease**

The Town entered into a new 3-year lease at issue with LBS, Inc. commencing on September 15, 1995. This lease on the garment building owned by the Town requires LBS, Inc. to pay a monthly rental of \$1,258.

**17. Construction In Progress**

During the year 1998, the Town paid initial engineering fee of \$4,847 for the reconstruction of sidewalks in the Town. The estimated cost of this project is \$143,000, with \$135,000 of the funding coming from a cost-reimbursable program from the Louisiana Department of Transportation and Development. The remaining amount of \$28,000 will be funded by the Town.

**18. Subsequent Events**

On August 23, 1998, the Town received notification of a Rural Development Grant of \$25,000 for the construction of a new fire station. As of December 31, 1998, the Town has not received any of the funds, nor has any construction begun on the project.

On March 18, 1997 the Town received notification of a Louisiana Community Development Block Grant award of \$521,818 for the purpose of sewer improvements. This project is 100% funded by the grant. As of December 31, 1998, the Town has not received any of the funds, nor has any construction begun on the project.

FINANCIAL STATEMENTS  
OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

**GENERAL FUND**

*General Fund*

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

## Town of Livingston, Louisiana

Schedule 1

Comparative Balance Sheet  
 Governmental Fund Type  
 General Fund  
 December 31, 1996 and 1995

	1996	1995
<b>Assets</b>		
Cash	\$ 690,845	\$ 508,878
Taxes Receivable:		
Ad Valorem Taxes Receivable	13,217	7,654
Public Utility Franchise Taxes Receivable	18,635	14,812
Royalties Receivable	1,074	1,293
Due From Other Funds:		
Due From Enterprise Fund	22,526	5,258
Due From Other Governments:		
Due From Louisiana Tobacco Tax Distribution	1,348	1,348
Due From Louisiana Beer Tax Distribution	453	712
Due From Louisiana Value Added Tax Distribution	478	661
Due From Livingston Parish School Board Sales Tax Distribution	13,128	18,876
Total Assets	<u>\$ 748,683</u>	<u>\$ 626,244</u>
<b>Liabilities and Fund Balances</b>		
<b>Liabilities</b>		
Accounts Payable	\$ 13,080	\$ 7,475
Other Accrued Expenses	3,834	2,255
Due To Other Funds	33	-
Total Liabilities	<u>17,947</u>	<u>9,730</u>
<b>Fund Balances:</b>		
Unreserved - Undesignated	730,736	616,514
Total Fund Balances	<u>730,736</u>	<u>616,514</u>
Total Liabilities and Fund Balances	<u>\$ 748,683</u>	<u>\$ 626,244</u>

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 2

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Governmental Fund Type  
General Fund  
Year Ended December 31, 1996

With Comparative Actual Amounts for Year Ended December 31, 1995

	1996			1995
	Budget	Actual	Variance Favorable (Unfavorable)	
<b>Revenues</b>				
<b>Taxes:</b>				
Sales and Use Taxes	\$ 136,000	\$ 137,593	\$ 1,597	\$ 136,890
Ad Valorem Taxes	30,500	31,833	1,333	31,532
Public Utility Franchise Taxes	55,500	58,368	2,868	57,799
<b>Licenses and Permits:</b>				
Passports Privilege Licenses	55,000	55,304	304	50,558
Boat Permits	500	298	(202)	276
Building and Trailer Permits	500	398	(102)	3,389
<b>Intergovernmental:</b>				
Louisiana Tobacco Tax Distribution	5,400	3,295	(2,105)	5,344
Louisiana Beer Tax Distribution	1,600	1,828	228	1,542
Louisiana Fire Insurance Rebate	2,500	2,341	(159)	2,500
Louisiana Road Maintenance	4,200	4,191	(9)	4,141
Louisiana Value Added Tax Distribution	3,000	3,478	478	4,491
Fees	21,000	39,623	18,623	33,917
Interest Income	12,000	30,349	18,349	33,047
Bayou Income	7,800	7,348	(452)	9,899
Rental Income	15,000	15,000	-	5,000
Sanitation Fees	21,000	20,847	(153)	20,861
Recreation and Parks	16,500	16,455	(45)	15,167
SEA Tree Planting Grant	-	-	-	8,015
DOTD Grant	-	400	400	-
Police Grant	1,200	1,200	-	1,251
Department of Transportation Grant	-	-	-	6,527
Rural Development Grant, Streets	-	-	-	25,000
Urban Development Grant	-	-	-	18,000
Rural Development Grant, Police	-	-	-	25,000
Miscellaneous	4,000	5,151	1,151	4,212
<b>Total Revenues</b>	<u>598,500</u>	<u>681,185</u>	<u>82,685</u>	<u>458,998</u>

(Continued)

The accompanying notes are an integral part of these statements.



## Town of Livingston, Louisiana

Schedule 1  
(Continued)

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
Budget (GAAP Basis) and Actual - Governmental Fund Type  
General Fund  
Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>Expenditures</b>				
General and Administrative	\$ 187,000	\$ 182,347	\$ 4,653	\$ 171,387
Public Safety:				
Police Department	100,880	96,807	4,073	94,882
Fire Department	12,090	22,521	(10,431)	14,885
Streets	72,980	71,497	1,483	802,884
Sanitation	16,000	17,182	(1,182)	18,177
Health	3,880	3,588	292	3,647
Recreation and Parks	10,200	28,779	(18,579)	25,893
Capital Outlays	42,600	41,628	972	11,477
Total Expenditures	<u>507,730</u>	<u>665,689</u>	<u>158,959</u>	<u>454,882</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<u>(102,700)</u>	<u>(62,682)</u>	<u>39,998</u>	<u>(7,892)</u>
<b>Other Financing Sources (Uses)</b>				
Sale of Fixed Assets	400	400	-	-
Operating Transfers In	180,400	188,000	-	-
Total Other Financing Sources (Uses)	<u>180,800</u>	<u>188,400</u>	<u>-</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses</b>	<u>77,600</u>	<u>116,700</u>	<u>39,001</u>	<u>17,244</u>
Fund Balance (Debit) Beginning of Year	620,019	620,819	-	622,295
Fund Balance (Debit) End of Year	<u>\$ 542,419</u>	<u>\$ 737,519</u>	<u>\$ 95,081</u>	<u>\$ 605,051</u>

(Continued)

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 2

Schedule of Expenditures Compared to Budget (GAAP Basis)  
Governmental Fund Type  
General Fund

Year Ended December 31, 1995

With Comparative Actual Amounts for Year Ended December 31, 1994

	1995		Variance Favorable (Unfavorable)	1994
	Budget	Actual		Actual
<b>General and Administrative</b>				
Salaries, Mayor and Aldermen	\$ 19,200	\$ 19,150	\$ 50	\$ 19,600
Salaries, Clerk and Office	20,180	19,709	471	19,400
Court Reporter	900	900	-	900
Office Expenses	2,000	1,999	1	1,994
Telephone and Utilities	2,000	1,854	146	1,804
Advertising and Printing	3,000	2,987	13	1,750
Professional Services	20,500	16,590	3,910	15,857
Dues, Subscriptions, and Meetings	6,750	6,241	509	6,500
Insurance (All Departments)	60,000	62,280	2,280	60,770
Payroll Tax (All Departments)	18,900	14,125	4,775	15,100
Overhead (All Departments)	8,500	6,448	2,052	8,500
Repairs	1,000	17	983	1,645
Turf Planting	2,000	-	2,000	2,215
Recycling Station	500	648	(148)	1,320
Grounds Maintenance	1,300	2,100	(800)	1,500
Miscellaneous	16,150	2,600	13,550	6,900
Capital Outlays	2,000	4,870	(2,870)	-
<b>Total General and Administrative</b>	<b>192,000</b>	<b>166,413</b>	<b>25,587</b>	<b>171,907</b>
<b>Public Safety</b>				
<b>Police Department:</b>				
Salaries	81,000	77,607	3,393	34,607
Retirement Expense	2,300	2,100	200	2,400
Supplies	2,000	2,247	(247)	1,270
Automobile Expense	19,000	9,088	9,912	9,600
Other Police Expenses	1,300	1,612	(312)	2,000
Capital Outlays	23,000	22,502	498	1,307
<b>Total Police Department</b>	<b>138,600</b>	<b>115,256</b>	<b>23,344</b>	<b>59,784</b>
<b>Fire Department:</b>				
Salaries	14,500	16,670	(1,170)	12,744
Fire Department Expense	2,500	2,651	(151)	2,000
Capital Outlays	2,000	1,824	176	2,000
<b>Total Fire Department</b>	<b>19,000</b>	<b>21,145</b>	<b>(2,145)</b>	<b>16,744</b>
<b>Total Public Safety</b>	<b>157,600</b>	<b>136,401</b>	<b>21,199</b>	<b>76,528</b>

(Continued)

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 5  
(Continued)Schedule of Expenditures Compared to Budget (GAAP Basis)  
Governmental Fund Type  
General Fund

Year Ended December 31, 1996

With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>Street Department</b>				
Salaries	\$ 48,800	\$ 48,133	\$ (233)	\$ 38,858
Commissioner Fees	3,700	3,180	20	3,180
Electricity, Street Lights	14,000	14,070	(70)	12,549
Street Materials and Supplies	3,700	3,174	26	2,792
Street Repairs and Maintenance	-	-	-	78,215
Street Signs Inventory	-	-	-	6,512
Equipment Expense	7,000	5,187	1,763	6,005
Other Street Department Expense	18,200	6,343	3,857	13,608
Capital Outlays	-	680	(680)	4,875
Total Street Department	<u>122,000</u>	<u>75,127</u>	<u>4,743</u>	<u>182,592</u>
<b>Sanitation</b>				
Collection Fees	36,000	37,182	(1,182)	38,182
Total Sanitation	<u>36,000</u>	<u>37,182</u>	<u>(1,182)</u>	<u>38,182</u>
<b>Health</b>				
Animal Control	3,000	3,388	212	3,642
Total Health	<u>3,000</u>	<u>3,388</u>	<u>212</u>	<u>3,642</u>
<b>Recreation and Parks</b>				
Salaries	3,700	3,680	200	3,700
Supplies	3,000	2,310	667	2,988
Other Recreation and Parks Expense	7,500	6,453	1,047	6,835
Program Expense	12,500	10,988	211	12,079
Capital Outlays	12,000	11,998	14	8,716
Total Recreation and Parks	<u>42,700</u>	<u>41,361</u>	<u>1,439</u>	<u>29,299</u>
<b>Total Expenditures</b>	<u>\$ 504,300</u>	<u>\$ 461,895</u>	<u>\$ 36,205</u>	<u>\$ 494,662</u>

(Continued)

The accompanying notes are an integral part of these statements.

### CAPITAL PROJECTS FUND

*Capital Projects Fund:* To account for financial resources received and used for the acquisition, construction, or improvement of capital facilities not reported in the other governmental funds.

## Town of Livingston, Louisiana

Schedule 4

Comparative Balance Sheet  
Governmental Fund Type  
Capital Projects Fund  
December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
<b>Assets</b>		
Due From Other Funds	\$ 33	\$ -
Total Assets	<u>33</u>	<u>-</u>
<b>Liabilities and Fund Balance</b>		
<b>Liabilities:</b>		
Accounts Payable	\$ -	\$ -
Total Liabilities	<u>-</u>	<u>-</u>
<b>Fund Balance:</b>		
Unassigned - Undesignated	<u>33</u>	<u>-</u>
Total Fund Balance	<u>33</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 33</u>	<u>\$ -</u>

\*The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 3

Schedule of Revenues, Expenditures, and Changes in Fund Balance -  
 Budget (GAAP Basis) and Actual - Governmental Fund Type  
 Capital Projects Fund  
 Year Ended December 31, 1996  
 With Comparative Actual Amounts for Year Ended December 31, 1995

	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>Revenues</b>				
Salvage Project	\$ 5,000	\$ 4,838	\$ (162)	\$ -
Total Revenues	<u>5,000</u>	<u>4,838</u>	<u>(162)</u>	<u>-</u>
<b>Expenditures</b>				
Grants	4,980	4,847	33	-
Total Expenditures	<u>4,980</u>	<u>4,847</u>	<u>33</u>	<u>-</u>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	100	23	(87)	-
<b>Fund Balance Beginning of Year</b>	-	-	-	-
<b>Fund Balance End of Year</b>	<u>\$ 100</u>	<u>\$ 23</u>	<u>\$ (87)</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

## PROPRIETARY FUND

### Enterprise Fund

#### Utility Fund

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

## Town of Livingston, Louisiana

Schedule 4

Comparative Balance Sheet  
Proprietary Fund Type  
December 31, 1996 and 1995

Assets	Proprietary Fund	
	1996	1995
<b>Current Assets:</b>		
Cash	\$ 678,311	\$ 678,647
Inventory, Natural Gas Storage	3,145	2,190
Accounts Receivable (Net of Allowance for Uncollectibles)	82,889	85,886
Prepaid Expenses	1,800	-
<b>Total Current Assets</b>	<u>866,145</u>	<u>766,823</u>
<b>Restricted Assets:</b>		
Bond Reserve Fund	66,724	65,149
Bond Depreciation and Contingency Fund	66,790	65,155
Customer Deposits	64,132	58,174
<b>Total Restricted Assets</b>	<u>197,646</u>	<u>188,478</u>
<b>Property, Plant and Equipment:</b>		
Buildings	1,202	1,202
Natural Gas, Water, and Sewer Systems	1,382,614	1,266,626
Machinery and Equipment	48,799	48,586
Less Accumulated Depreciation	(1,800,810)	(1,711,173)
Net Property, Plant and Equipment	<u>2,032,805</u>	<u>1,653,441</u>
<b>Total Assets</b>	<u>\$ 3,096,636</u>	<u>\$ 2,694,122</u>
<b>Liabilities and Fund Equity</b>		
<b>Current Liabilities (Payable From Current Assets):</b>		
Accounts Payable	\$ 28,320	\$ 29,478
Other Accrued Liabilities	1,158	1,555
Revenue Bonds Payable, BECD	51,248	51,628
Due To General Fund	27,516	2,558
<b>Total Current Liabilities (Payable From Current Assets)</b>	<u>108,242</u>	<u>85,219</u>
<b>Current Liabilities (Payable From Restricted Assets):</b>		
Customer Deposits Payable	51,658	49,578
<b>Total Current Liabilities (Payable From Restricted Assets)</b>	<u>51,658</u>	<u>49,578</u>
<b>Long-Term Liabilities:</b>		
Revenue Bonds Payable, BECD	788,603	742,824
<b>Total Long-Term Liabilities</b>	<u>788,603</u>	<u>742,824</u>
<b>Total Liabilities</b>	<u>848,503</u>	<u>577,621</u>
<b>Fund Equity:</b>		
Contributed Capital	1,782,179	1,782,179
Less Accumulated Amortization	(759,024)	(756,678)
Retained Earnings:		
Reserve for Bond Retirement	66,724	65,149
Reserve for Bond Depreciation and Contingency	66,790	65,155
Unreserved	1,032,012	1,036,818
<b>Total Fund Equity</b>	<u>2,148,281</u>	<u>2,116,481</u>
<b>Total Liabilities and Fund Equity</b>	<u>\$ 3,096,636</u>	<u>\$ 2,694,122</u>

The accompanying notes are an integral part of these statements.



## Town of Livingston, Louisiana

Schedule 1

**Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings  
Budget (GAAP Basis) and Actual - Proprietary Fund Type  
Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995**

	Enterprise Fund			
	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>Operating Revenues</b>				
Gas Sales	\$ 204,080	\$ 193,353	\$ (10,727)	\$ 200,367
Less Cost of Gas Sold	(25,080)	(33,812)	1,978	(32,553)
Gross Profit on Gas Sales	189,000	159,541	1,961	167,814
Water Sales	214,080	214,348	268	213,954
Sanitary Service Charges	63,080	63,458	458	60,188
Service Connection Charges	14,580	14,653	183	13,278
Delinquent Charges	13,580	14,044	544	12,912
Other Operating Revenues	2,980	2,914	(16)	2,471
<b>Total Operating Revenues</b>	<b>416,980</b>	<b>420,185</b>	<b>3,485</b>	<b>412,534</b>
<b>Operating Expenses</b>				
Salaries				
Maintenance Salaries	43,080	39,317	3,683	38,598
Office Salaries	32,580	33,080	(500)	33,649
Contract Repairs	10,080	11,349	(1,269)	12,000
Materials and Supplies	24,580	25,661	(1,161)	28,564
Truck Expenses	3,580	7,178	(3,22)	3,817
Sewer Expenses	8,080	4,976	3,090	10,275
Office Expenses	8,080	7,854	940	9,213
Maintenance	2,180	2,140	440	1,418
Payroll Taxes	3,780	3,989	(209)	4,007
Professional Services	13,580	12,793	4,785	18,678
Depreciation	95,880	90,187	4,683	90,508
Utilities	23,580	22,433	1,087	20,805
Insurance	13,880	15,879	1,121	18,260
Bad Debt Expense	3,080	-	3,080	1,458
Other Operating Expenses	2,810	2,499	401	2,258
<b>Total Operating Expenses</b>	<b>398,910</b>	<b>381,517</b>	<b>17,433</b>	<b>384,828</b>
<b>Operating Income (Loss)</b>	<b>117,910</b>	<b>138,668</b>	<b>20,918</b>	<b>147,506</b>

(Continued)

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule of Revenues, Expenses, and Changes in Unreserved Retained Earnings

Schedule T  
(Continued)

Budget (GAAP Basis) and Actual - Proprietary Fund Type  
Year Ended December 31, 1996  
With Comparative Actual Amounts for Year Ended December 31, 1995

	Enterprise Fund			
	1996		Variance Favorable (Unfavorable)	1995
	Budget	Actual		Actual
<b>Nonoperating Revenues (Expenses)</b>				
Interest Revenues	\$ 36,580	\$ 48,895	\$ 12,317	\$ 35,878
Interest Expense	(24,083)	(21,557)	2,526	(24,943)
Total Nonoperating Revenues (Expenses)	<u>12,497</u>	<u>27,338</u>	<u>14,841</u>	<u>10,935</u>
Operating Transfers In (Out)	<u>(252,583)</u>	<u>(180,000)</u>	<u>-</u>	<u>-</u>
Net Income (Loss)	\$ <u>(240,086)</u>	\$ <u>(152,662)</u>	\$ <u>87,424</u>	\$ <u>10,935</u>
Unreserved Retained Earnings, Beginning		1,026,828		840,515
Amortization of Contributions		44,236		44,236
Increases (Decreases) in Reserves		(7,150)		(7,353)
Unreserved Retained Earnings, Ending		\$ <u>1,063,902</u>		\$ <u>1,026,818</u>

(Continued)

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule B

Schedule of Cash Flows  
Proprietary Fund Type  
Year Ended December 31, 1998

	Enterprise Fund
<b>Cash Flows From Operating Activities</b>	
Operating Income	\$ 128,858
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities:	
Depreciation	60,387
Change in Inventory	(1,003)
Change in Accounts Receivable	2,587
Change in Prepaid Expenses	(3,808)
Change in Accounts Payable	(1,253)
Change in Other Accrued Liabilities	219
Change in Due to Other Funds	(3,278)
Change in Customer Deposits Payable	3,888
Net Cash Provided (Used) by Operating Activities	<u>246,687</u>
<b>Cash Flows From Capital and Related Financing Activities</b>	
Capital Improvements	(20,895)
Principal Repayments, Revenue Bonds Payable	(51,878)
Operating Transfers Out	(180,888)
Interest Revenue	48,897
Interest Expense	(33,252)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(217,816)</u>
<b>Net Increase in Cash</b>	28,871
Cash at Beginning of Year	864,935
Cash at End of Year	\$ <u>893,806</u>

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 9

Schedule of Changes in Assets Restricted for RSDA Debt Service  
 Proprietary Fund Type  
 Year Ended December 31, 1996

	Statewide Fund		Total
	Bond Reserve Fund	Depreciation Contingency Fund	
Cash Balance, Beginning of Year	\$ 65,349	\$ 68,358	\$ 133,707
Cash Receipts:			
Interest Earned	3,379	3,379	3,190
Cash Disbursements	-	-	-
Cash Balance, End of Year	\$ 68,728	\$ 68,358	\$ 137,086

The accompanying notes are an integral part of these statements.

City of Livingston, Louisiana

Schedule 88

Schedule of Gas Sales and Purchases  
Proprietary Fund Type  
Year Ended December 31, 1996 and 1995

	Enterprise Fund		
	12/31/96	12/31/95	
<b>Gas Sales and Purchases (Dollars):</b>			
Gas Sales	\$ 300,383	\$ 282,792	
Gas Purchases	<u>(93,823)</u>	<u>(82,253)</u>	
Gross Profit	\$ <u>206,560</u>	\$ <u>200,539</u>	
Gross Profit Percentage of Sales	68.78%	69.15%	
<b>Gas Purchases Unaccounted For (Thousands of Cubic Feet):</b>			
Gas Purchases	36,341	36,373	
Gas Sales	<u>(28,027)</u>	<u>(25,994)</u>	
Gas Unaccounted For	<u>8,314</u>	<u>10,379</u>	
Cost of Gas Unaccounted For (Gain) or Loss	\$ (8,500)	\$ 898	
<b>Number of Customers at December 31, 1996:</b>			
In Service - Residential Customers	387	388	
In Service - Commercial Customers	45	48	
In Service - Industrial Customers	-	-	
Total Customers	<u>432</u>	<u>436</u>	
<b>Gas Sales and Purchases Per Service Category at 1996:</b>			
	Enterprise Fund		
	Residential	Commercial	Industrial
Gas Sales Per Thousand Cubic Feet	\$ 7.84	\$ 7.14	\$ -
Gas Purchases Per Thousand Cubic Feet (Average Cost)	<u>(3.47)</u>	<u>(3.43)</u>	<u>-</u>
Gross Profit Per Thousand Cubic Feet	\$ <u>4.37</u>	\$ <u>3.67</u>	\$ -

The accompanying notes are an integral part of these statements.

**GENERAL FIXED ASSETS ACCOUNT GROUP**

**6544G:** To account for property, plant and equipment not used in Proprietary Fund operations.

Town of Livingston, Louisiana  
 Schedule of General Fixed Assets  
 December 31, 1988

Schedule 01

General Fixed Assets, at Cost		
Land	\$	54,808
Buildings and Improvements		701,498
Equipment		<u>594,871</u>
Total General Fixed Assets	\$	<u>1,351,177</u>
Investment in General Fixed Assets From		
General Fund	\$	370,174
Federal Revenue Sharing		29,279
Antirecession		7,291
Public Improvement Bonds		85,609
Federal Grants		471,716
State Grants		80,628
Gifts		56,180
Special Assessment Fund		<u>24,474</u>
Total Investment in General Fixed Assets	\$	<u>1,365,351</u>

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

The accompanying notes are an integral part of these statements.

## Town of Livingston, Louisiana

Schedule 32

Schedule of Changes in General Fixed Assets  
Year Ended December 31, 1996

	<u>Land</u>	<u>Buildings &amp; Improvements</u>	<u>Equipment</u>	<u>Total</u>
Balance, Beginning of Year	\$ 54,893	\$ 697,614	\$ 482,852	\$ 1,235,359
Additions From:				
General Fund	-	4,036	37,600	41,636
Deductions From:				
General Fund	-	-	(14,376)	(14,376)
Balance, End of Year	<u>\$ 54,893</u>	<u>\$ 701,650</u>	<u>\$ 506,076</u>	<u>\$ 1,262,619</u>

The accompanying notes are an integral part of these statements.



**SUPPLEMENTAL INFORMATION**

Town of Livingston, Louisiana

Schedule of Federal Financial Assistance  
Year Ended December 31, 1996

<u>Federal Grantor Pass-Through Grantor Program Name</u>	<u>Federal CFDA Number</u>	<u>Program or Award Amount</u>	<u>Funds/ Account Element Reporting</u>	<u>Receipts/ Revenue Received</u>
United States Department of Agriculture				
Through United States Department of Agriculture				
Water and Waste Disposal Systems for Rural Communities				
Loan Repayment (Loan #91-01)	18-018	\$ 36,080	\$ 36,059	\$ -
Loan Repayment (Loan #92-01)	18-018	38,080	38,672	-
Loan Repayment (Loan #93-02)	18-018	845,080	568,234	-
Loan Repayment (Loan #97-04)	18-018	217,080	145,858	-
		<u>\$ 1,136,320</u>	<u>\$ 788,823</u>	<u>\$ -</u>

The accompanying notes are an integral part of these statements.

<u>Debit/Credit</u>	<u>Cash/</u>
<u>Expenditure</u>	<u>Account</u>
	<u>Receivable</u>
	<u>Payable</u>
\$ (1,490)	\$ 35,468
(764)	15,628
(21,770)	546,464
(1,823)	342,875
<u>\$ (21,857)</u>	<u>\$ 1,030,435</u>

## Town of Livingston, Louisiana

Schedule 14

Schedule of Insurance  
Year Ended December 31, 1996

Insurance Company	Coverage	Amount	Period
FFF Hatched Policy Number 48UBCKIT21	Commercial Property: Town Hall Building Machinery & Equipment Business Property Fire Station Maintenance Shop	\$ 145,000 Market Limit	12/10/96 - 12/10/97
American Liberty Insurance Policy Number T20092M	Public Employes Fidelity Bond	\$ 25,000	8/1/2/96 - 8/1/2/97
EMC Insurance Company Policy Number 5089815	KBCD Fidelity Bond: Mayor Clerk	\$ 118,000 158,000	09/22/96 - 09/22/97
Auriflox Indemnity Company Policy Number APD 800147	Commercial Auto: Physical Damage	\$ 298,423	05/25/96 - 05/25/97
EMC Indemnity Company Policy Number 1X2-09-15-97	Commercial Property: Industrial Building Rental Income	\$ 300,000 10,000	12/10/96 - 12/10/97
Risk Management, Inc. Policy Number WC-104	Workers' Compensation	\$ Statutory Limits	8/1/91/96 - 8/1/91/97
Risk Management, Inc. Policy Number LML-195	Automobile Liability: Driver Hired Non-Owned General Liability: Premises/Operations Completed Operations Medical Payments Fire Legal Liability Police Professional Liability Errors & Omissions Liability	\$ 500,000 Combined Single Limit	8/22/96 - 8/22/97
Winters Surety Company Policy Number 12532465	Notary Bond	\$ 5,000	03/26/96 - 03/26/97
National Casualty Company Policy Number 490465893	Sports Accident Insurance: Death & Specific Loss Medical Expense	\$ 12,500 10,000	Summer Months
MetLife Policy Number 303548	Medical Accidental Death Weekly Indemnity	\$ 10,000 10,000 100	12/13/96 - 12/13/97

The accompanying notes are an integral part of these statements.

Town of Livingston, Louisiana

Schedule 15

Schedule of Per Diem Payments  
Year Ended December 31, 1998

The schedule of compensation paid board members is presented in compliance with House Concurrent Resolution No. 54 of the 1978 Session of the Louisiana Legislature.

	Total Salaries and Fees <u>Received</u>
Dale Eddy, Mayor	\$ 12,375
Edward Casso, Mayor Pro-Tem	4,458
Fausto Duffy, Alderwoman	1,279
Dudley Harting, Alderman	1,279
Gary Duvon, Alderman	1,279
Robert McDonald, Alderman	1,279
Total	<u>\$ 21,358</u>

The accompanying notes are an integral part of these statements.

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

The Honorable Mayor, David Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997.

We conducted our audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-33, *Audit of State and Local Governments*. These standards and OMB Circular A-119 require that we plan and perform the audit to obtain reasonable assurance about whether the primary government financial statements are free of material misstatement.

The management of the Town of Livingston, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, objectives 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 recorded in accordance with management's authorization and recorded properly to permit the preparation of primary government financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, regardless of any evaluation of the structure to date or periods it is subject to the risk that procedures may become inadequate because of changes in conditions or that the effect of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the primary government financial statements of the Town of Livingston, Louisiana, for the year ended December 31, 1996, we obtained an understanding of the internal control structure. With respect to internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the Town's ability to record, process, summarize, and report financial data consistent with the assertions of management in the primary government financial statements.

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**A PROFESSIONAL ACCOUNTING CORPORATION**

Page 2

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

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

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

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

April 25, 1993

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

The Honorable Mayor, David Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 25, 1997. We have also audited the compliance of the Town of Livingston, Louisiana, with requirements applicable to major federal financial assistance programs and have issued our report thereon dated April 25, 1997.

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

In planning and performing our audit for the year ended December 31, 1996, we evaluated the internal control structure of the Town of Livingston, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the primary government financial statements of the Town of Livingston, Louisiana, and on the compliance of the Town of Livingston, Louisiana, with requirements applicable to major programs and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the primary government financial statements in a separate report dated April 25, 1997.

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



For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering Federal financial assistance programs in the following categories:

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

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

During the year ended December 31, 1995, the Town of Livingston, Louisiana, expended 100% of its total federal financial assistance under major federal financial assistance programs.

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

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

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

A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure policies and procedures used in administering Federal financial assistance would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

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

*Bruce Harrell & Co.*

Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation  
April 25, 1997

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

The Honorable Mayor, David Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1995, and have issued our report thereon dated April 13, 1997.

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

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

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

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



Bruce Harrell & Company, CPAs  
A Professional Accounting Corporation

April 25, 1997

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

The Honorable Mayor, David Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1996, and have issued our report thereon dated April 23, 1997.

We have also audited the Town of Livingston, Louisiana's compliance with the requirements governing types of services allowed or unallowed, matching, level of effort, or cost-sharing, reporting, special tests and provisions, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs, which are identified in the accompanying Schedule of Federal Financial Assistance, for the year ended December 31, 1996. The management of the Town of Livingston, Louisiana, is responsible for the Town of Livingston, Louisiana's compliance with these requirements. Our responsibility is to express an opinion on compliance with these requirements based on our audit.

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

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

In our opinion, the Town of Livingston, Louisiana, complied, in all material respects, with the requirements governing types of services allowed or unallowed, matching, level of effort, or cost-sharing, reporting, special tests and provisions, claims for advances and reimbursements, and amounts claimed or used for matching that are applicable to each of its major federal financial assistance programs for the year ended December 31, 1996.

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



Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

April 23, 1997

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

The Honorable Mayor, Derral Jones  
and Members of the Board of Aldermen  
Town of Livingston, Louisiana

We have audited the primary government financial statements of the Town of Livingston, Louisiana, as of and for the year ended December 31, 1998, and have issued our report thereon dated April 24, 1997.

We have applied procedures to test the Town of Livingston, Louisiana's compliance with the following requirements applicable to its federal financial assistance programs, which are identified in the Schedule of Federal Financial Assistance, for the year ended December 31, 1998.

Political Activity  
Drain-Peakon Act  
Civil Rights  
Cash Management  
Federal Financial Reports  
Allowable Cost/Unit Principles  
Administrative Requirements

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

With respect to the items tested, the results of these procedures disclosed no material instances of non-compliance with the requirements listed in the second paragraph of this report. With respect to items not tested, nothing came to our attention that caused us to believe that the Town of Livingston, Louisiana, had not complied, in all material respects, with these requirements.

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



Bruce Harrell and Company, CPAs  
A Professional Accounting Corporation

April 25, 1997