



## TOWN OF HAUGHTON, LOUISIANA

### Financial Statements

December 31, 1998

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Smith Pugh Robinson LLP  
Certified Public Accountants  
Bossier City, Louisiana 70118

**TOWN OF HAUGHTON, LOUISIANA**

**Financial Statements**

**December 31, 1998**

# TOWN OF HAUGHTON, LOUISIANA

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# TOWN OF HAUGHTON, LOUISIANA

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SMITH PUGH RABBINOWITZ L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

800 WASHINGTON STREET • SUITE 600 • MONROE, LOUISIANA 70134-1000 • TELEPHONE 337 233 3701 • FAX 337 233 8700  
400 N. GULFVIEW BOULEVARD • SUITE 200 • MONROE, LOUISIANA 70111 • TELEPHONE 337 762 8888 • FAX 337 762 8889

#### INDEPENDENT AUDITORS' REPORT

The Honorable Billy Myers, Mayor,  
and the Members of the Board of Directors of  
The Town of Haughton, Louisiana

We have audited the accompanying general purpose financial statements and the combining and individual fund and account group financial statements of the Town of Haughton, Louisiana, as of and for the year ended December 31, 1998, as listed in the accompanying table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

Except as discussed in the following paragraphs, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles and critical 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.

Governmental Accounting Standards Board Technical Bulletin 99-1, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Town of Haughton has included such disclosures in Note 11. Because of the unprecedented nature of the year 2000 issue, its effect and the success of related remediation efforts will not be fully determinable until the year 2000 has occurred. Accordingly, insufficient audit evidence exists to support the Town of Haughton's disclosure with respect to the year 2000 issue made in Note 11. Further, we do not provide assurance that the Town of Haughton is or will be year 2000 ready, that the Town of Haughton's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Haughton does business will be year 2000 ready.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding year 2000 disclosures, the general purpose financial statements referred above present fairly, in all material aspects, the financial position of the Town of Haughton, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund types and similar trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated April 3, 1999, on our consideration of the Town of Haughton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

David Pugh Rabbinowitz, L.L.P.  
Certified Public Accountants

April 3, 1999

## COMBINED FINANCIAL STATEMENTS - OVERVIEW

**TOWN OF HADINGTON, LOUISIANA**

Combined Balance Sheet - All Fund Types and Account Groups  
December 31, 1978

Assets	Governmental Fund Type		Proprietary Fund Type		Account Groups		Totals	
	Current	Debt Service	Capital Projects	Enterprise	General Fund	Special Long-Term Debt	1978	1977
Cash and cash equivalents	\$ 605,715	\$ 150,121	\$ -	\$ 150,111	\$ -	\$ -	\$ 1,405,988	\$ 1,478,404
Investments, at cost	15,875	-	-	15,856	-	-	247,303	254,774
Receivables, net where applicable of allowances for uncollectibles	6,417	11,758	-	-	-	-	15,217	15,891
Accounts receivable	-	-	-	52,893	-	-	17,897	13,907
Inventory	3,494	-	-	3,298	-	-	6,792	3,982
LCRPP	-	-	-	-	-	-	-	2,559
Prepaid expenses	79,115	-	-	5,016	-	-	15,653	14,474
Due from other funds	9,212	-	-	1	-	-	9,213	5,641
Noncurrent assets:								
Cash and cash equivalents	-	13,811	-	75,076	-	-	115,887	14,522
Investments, at cost	-	-	-	15,424	-	-	15,424	15,158
Prepays, plant and equipment (net of accumulated depreciation)	-	-	-	2,116,428	1,501,314	-	3,166,328	3,401,195
Amounts available in Debt Service Funds	-	-	-	-	-	197,792	197,792	171,295
	-	-	-	-	-	214,278	214,278	214,278
<b>Total Assets</b>	<b>\$ 815,811</b>	<b>\$ 317,790</b>	<b>\$ -</b>	<b>\$ 2,105,624</b>	<b>\$ 1,451,414</b>	<b>\$ 437,428</b>	<b>\$ 4,384,771</b>	<b>\$ 4,481,294</b>

Amounts to be provided for retirement of general long-term debt

Liabilities	Governmental Fund Types		Proprietary Fund Types		Account Control		Totals	
	General	Debt Service	Capital Projects	Enterprise	General Fund Assets	General Long-term Debt	2008	2007
Accounts payable	\$ 51,608	\$ -	\$ -	\$ 14,679	\$ -	\$ -	\$ 46,287	\$ 24,656
Accrued expenses	2,894	-	-	-	-	-	2,894	3,528
Due to other funds	-	-	3	9,212	-	-	9,215	9,681
Payable from unliquid assets:								
Current portion of bonds payable	-	-	-	171,131	-	64,889	66,111	41,123
Deposits	-	-	-	48,648	-	-	48,648	64,223
General obligation bonds payable	-	-	-	-	-	60,889	60,889	79,398
Revenue bonds payable	-	-	-	211,152	-	153,880	365,032	629,134
Total Liabilities	\$ 54,502	\$ -	\$ 3	\$ 375,862	\$ -	\$ 45,869	\$ 664,798	\$ 777,126
<b>Equity</b>								
Contributed capital	-	-	-	1,241,200	-	-	1,241,200	1,493,742
Investment in general fund assets	-	-	-	-	1,071,873	-	1,071,873	1,140,671
Retained earnings	-	-	-	-	-	-	-	-
Reserve	-	-	-	10,000	-	-	10,000	10,000
Unreserved	-	-	-	3,175,568	-	-	3,175,568	3,417,866
Fund balances:								
Reserved for debt service	-	197,762	-	-	-	-	197,762	175,762
Unreserved - unassigned	883,178	-	-	-	-	-	883,178	926,492
Total retained earnings/fund balances	883,178	197,762	-	3,185,568	-	-	3,185,568	3,128,882
Total Fund Equity	883,178	197,762	-	3,195,568	1,071,873	-	4,263,979	3,068,436
Total Liabilities and Fund Equity	\$ 437,680	\$ 197,762	\$ 3	\$ 3,195,830	\$ 1,071,873	\$ 45,869	\$ 4,529,721	\$ 4,295,766

27 See accompanying notes to financial statements.



## TOWN OF HAUGHTON, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes  
in Fund Balances - All Governmental Fund Types  
Year Ended December 31, 1998

	Governmental Fund Types			Totals (Memorandum Only)	
	General	Debt Service	Capital Projects		
				1998	1997
<b>Revenues:</b>					
Taxes	\$ 198,000	\$ 35,000	\$ -	\$ 434,000	\$ 434,000
Licenses and permits	93,000	-	-	93,000	93,000
Intergovernmental	70,000	-	-	26,000	26,000
Fees and forfeits	100,000	-	-	100,000	100,000
Federal and state grants	70,700	-	47,777	127,500	101,000
Interest	20,700	3,317	-	24,000	24,000
Miscellaneous	13,200	300	-	13,500	13,500
<b>Total revenues</b>	<u>750,000</u>	<u>38,800</u>	<u>47,777</u>	<u>839,000</u>	<u>861,000</u>
<b>Expenditures:</b>					
<b>Current:</b>					
General government	103,400	-	-	103,400	103,500
Public safety:					
Police	210,000	-	-	201,500	203,000
Fire	97,000	-	-	93,000	93,500
Sewer and drainage	50,000	-	-	20,000	20,000
Grant expenditures	-	-	47,777	47,777	101,000
Capital outlays	300,000	-	-	300,000	26,000
<b>Debt service:</b>					
Principal retirement	-	20,000	-	20,000	20,000
Interest and fiscal charges	-	20,800	-	20,800	20,100
<b>Total expenditures</b>	<u>860,800</u>	<u>40,800</u>	<u>47,777</u>	<u>961,100</u>	<u>870,000</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>(110,800)</u>	<u>(1,990)</u>	<u>-</u>	<u>(112,800)</u>	<u>(109,000)</u>
<b>Other financing sources (uses):</b>					
Operating transfers in	10,000	21,700	-	30,000	40,000
Operating transfers out	(27,000)	-	-	(15,000)	(10,000)
<b>Total other financing sources (uses)</b>	<u>(17,000)</u>	<u>21,700</u>	<u>-</u>	<u>15,000</u>	<u>30,000</u>
<b>Excess of revenues over expenditures and other financing sources (uses)</b>	<u>(127,800)</u>	<u>19,700</u>	<u>-</u>	<u>(107,800)</u>	<u>(79,000)</u>
<b>Fund balances at beginning of year</b>	<u>830,000</u>	<u>170,000</u>	<u>-</u>	<u>1,000,000</u>	<u>870,000</u>
<b>Fund balances at end of year</b>	<u>\$ 702,200</u>	<u>\$ 189,700</u>	<u>\$ -</u>	<u>\$ 891,900</u>	<u>\$ 791,000</u>

## TOWN OF HAUGHTON, LOUISIANA

Continued Statement of Revenues, Expenditures and Changes  
in Fund Balances - Budget (GAAP Basis) and Actual - All Governmental Fund Types  
Year Ended December 31, 1998

	General Fund		
	Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Taxes	\$ 289,180	\$ 308,835	\$ 19,715
Licenses and permits	65,800	81,888	17,148
Inter governmental	34,800	38,624	14,624
Fees and forfeits	70,580	188,073	28,720
Federal and state grants	-	79,723	79,723
Income	8,600	80,711	33,231
Miscellaneous	11,800	13,241	12,750
<b>Total revenues</b>	<u>510,960</u>	<u>741,891</u>	<u>228,121</u>
<b>Expenditures:</b>			
<b>Current:</b>			
General government	119,150	301,430	26,528
Public safety:			
Police	118,400	211,380	(70,070)
Fire	93,100	97,817	(4,710)
Streets and drainage	70,800	19,794	31,580
Capital expenditures	-	-	
Capital outlays	147,828	348,800	(1,072)
Debt service:			
Principal payments	-	-	
Interest and bond charges	-	-	
<b>Total expenditures</b>	<u>449,378</u>	<u>869,811</u>	<u>(12,634)</u>
Transfers of revenues from expenditures	(114,070)	(180,780)	306,287
<b>Other financing sources (uses):</b>			
Operating transfers in	3,200	18,178	15,818
Operating transfers out	(18,818)	(17,783)	2,505
<b>Total other financing sources (uses)</b>	<u>(15,618)</u>	<u>(1,605)</u>	<u>18,333</u>
<b>Transfers of revenues from expenditures and other financing sources (uses)</b>	<u>(15,618)</u>	<u>(1,605)</u>	<u>318,411</u>
<b>Fund balance at beginning of year</b>	<u>526,651</u>	<u>526,652</u>	<u>-</u>
<b>Fund balance at end of year</b>	<u>\$ 511,033</u>	<u>\$ 525,047</u>	<u>\$ 14,014</u>

Total Service Fund			Capital Projects		
Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
\$ 20,000	\$ 20,590	\$ 590	\$ -	\$ -	\$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,777	40,777	-
3,000	3,017	17	-	-	-
-	189	189	-	-	-
<u>23,000</u>	<u>23,806</u>	<u>(806)</u>	<u>40,777</u>	<u>40,777</u>	<u>-</u>
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	40,777	40,777	-
-	-	-	-	-	-
20,000	20,800	-	-	-	-
<u>20,000</u>	<u>20,810</u>	<u>(810)</u>	<u>-</u>	<u>-</u>	<u>-</u>
24,000	24,510	(510)	-	-	-
<u>(21,000)</u>	<u>(11,511)</u>	<u>9,489</u>	<u>-</u>	<u>-</u>	<u>-</u>
38,000	37,110	890	-	-	-
-	-	-	-	-	-
<u>38,000</u>	<u>37,110</u>	<u>890</u>	<u>-</u>	<u>-</u>	<u>-</u>
30,000	29,997	3	-	-	-
<u>(73,000)</u>	<u>(73,708)</u>	<u>708</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 184,400</u>	<u>\$ 193,302</u>	<u>\$ 8,902</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying notes to financial statements.

## TOWN OF HAUGHTON, LOUISIANA

Consolidated Statement of Revenues, Expenses and  
Changes in Retained Earnings - Proprietary Fund  
Year Ended December 31, 1999  
with Comparative Totals for Year Ended December 31, 1998

	Balance, Funds	
	1998	1999
<b>Operating revenues:</b>		
Miscellaneous sales	\$ 103,119	\$ 198,798
Installation charges	3,128	1,168
Beverage service charges	148,799	123,213
Solid waste disposal service charges	193,458	88,821
Interest/income revenues	35,549	34,543
Total operating revenues	484,053	436,543
<b>Operating expenses:</b>		
Personnel services	193,896	188,378
Supplies	36,887	31,672
Utilities	39,640	38,806
Repairs and maintenance	18,856	23,375
Contractual services	78,888	88,750
Miscellaneous	35,519	38,328
Depreciation	123,093	105,628
Total operating expenses	626,769	624,737
Operating income (loss)	(142,716)	(88,194)
<b>Nonoperating revenues:</b>		
Interest income	30,445	17,734
Bond interest expense	(38,820)	(38,124)
Total nonoperating revenues	(8,375)	(20,390)
Income (loss) before operating transfers	(151,091)	(108,584)
<b>Other financing sources (uses):</b>		
Operating transfers in	-	6,170
Operating transfers out	(18,378)	(2,258)
Total other financing sources (uses)	(18,378)	3,912
Net income (loss)	(169,469)	(104,672)
Amount charged to contribution accounts - Depreciation on fixed assets	86,561	81,989
Retained earnings at beginning of year	1,271,886	1,271,448
Retained earnings at end of year	\$ 1,082,978	\$ 1,248,765

See accompanying notes to financial statements.

## TOWN OF BAUGHTON, LOUISIANA

Continued Statement of Cash Flows - Proprietary Fund  
Year Ended December 31, 1999  
with Comparative Totals for Year Ended December 31, 1997

	Financial Period	
	1999	1997
<b>Cash flows from operating activities:</b>		
Operating income (loss)	\$ 78,848	\$ (3,553)
Adjustments to reconcile operating loss to net cash provided by operating activities:		
Depreciation	119,895	139,426
Increase in accounts receivable	(4,987)	(3,773)
Increase in prepaid expenses	174	(2,686)
Increase decrease in accounts payable	2,382	831
Increase in customers' deposits	8,435	6,840
Total adjustments	125,817	136,638
Net cash provided by operating activities	204,665	133,085
<b>Cash flows from capital and related financing activities:</b>		
Principal payments	(16,789)	(31,803)
Interest paid	(18,871)	(28,134)
Cost of plant capital - proceeds from LCDFBG	43,772	(51,893)
Net cash used for capital and related financing activities	(31,888)	(111,830)
<b>Cash flows from noncapital financing activities:</b>		
Operating transfers in (out), net	(19,689)	4,531
Net cash provided by noncapital financing activities	(19,689)	4,531
<b>Cash flows from investing activities:</b>		
Interest income received	28,308	17,218
Payments for investments	(9,844)	(28,281)
Work in progress - LCDFBG Sewer Project	(52,203)	(51,921)
Net cash provided by investing activities	(33,739)	(62,984)
Net increase in Cash and Cash Equivalents	149,138	88,121
Cash and cash equivalents at beginning of year (including \$74,000 in restricted cash in 1997)	603,428	517,242
Cash and cash equivalents at end of year (including \$79,876 in restricted cash in 1999)	752,566	605,363

See accompanying notes to financial statements.

# TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

The Town of Haughton was incorporated April 29, 1959, under the provisions of the Louisiana Act. The Town operates under the Mayor-Board of Aldermen form of government.

## I. Summary of Significant Accounting Policies

The Town of Haughton complies with Generally Accepted Accounting Principles (GAAP). The Town's reporting entity applies all relevant Government Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. GAAP as applicable to governments also conforms to the requirements of Louisiana revised statute 24:317 and the guidelines both in the "Louisiana Municipal Audit and Accounting Guide."

The following is a summary of certain significant accounting policies:

- A. **Reporting Entity** - This report includes all funds and account groups which are controlled by or dependent on the Town's Executive and Legislative Branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility.
- B. **Fund Accounting** - The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be used and the manner in which independent activities are controlled. The following funds and group of accounts are used by the Town:

### GOVERNMENTAL FUNDS

**General Fund** - The General Fund is the general operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

**Debt Service Fund** - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest, and related costs.

**Capital Projects Fund** - The Capital Projects Fund accounts for all financial resources used for the acquisition or construction of major capital facilities.

### PROPRIETARY FUNDS

**Enterprise Funds** - The Enterprise Funds are used to account for operations that are financed and operated in a manner that is in private business enterprise but where the costs (expenses, including depreciation) of providing goods or services to the general public on a cost basis are financed through user charges.

# TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements

December 31, 2008

## I. Summary of Significant Accounting Policies (Continued)

### GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS

General Fixed Assets - The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for cost-allocation. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of disposal. No depreciation is recorded on general fixed assets.

General Long-term Debt - The General Long-term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

- 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 cost-based financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net fund assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net fund assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within 60 days after year end. A one-year availability period is used for revenue recognition for all other governmental revenues. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue, and charges for services. Fees, permits and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded as the fund liabilities are incurred.

The preparation of financial statements generally requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

## TOWN OF HADGIMTON, LOUISIANA

### Notes to Financial Statements

December 31, 1998

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

- D. **Subjects and Budgetary Accounting** - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:
1. The Mayor prepares a proposed budget, and submits same to the 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. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditures. The Board of Aldermen may revise or amend the budget in its discretion during legally convened sessions. Management may amend the budget only below the department level. The 1998 and 1997 budgets were amended to reflect the purchase of two trucks. The budgets were amended or amended with the Louisiana statute.
  6. The Town utilizes formal budgetary integration as a management control device for all funds.
- E. **Investments** - All investments are insured bearing deposits with original maturity dates in excess of three months and are stated at cost which approximates market value. The Town's investments comply with Louisiana Statute (LSA-RS13:2955).
- F. **Inventory** - Inventory of supplies in the Proprietary Fund is not material and is reported to operations as purchased.
- G. **Bad Debt** - Provision for account due for the customer's utility and of subsequent receivables are recognized as liabilities through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable. No provision for customer's utility receivables have been deemed necessary. The allowance for uncollectible ad valorem taxes was \$2,946 and \$3,076 at December 31, 1998 and 1997, respectively.



# TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

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

### GENERAL FIXED ASSETS AND GENERAL LONG-TERM DEBT ACCOUNT GROUPS (CONTINUED)

#### H. Property, Plant, and Equipment:

##### GENERAL FIXED ASSETS ACCOUNT GROUP

Fixed assets in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("infrastructure") general fixed assets, including roads, bridges, canals and gutters, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

##### WATER AND SEWER SYSTEM

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses, renewals and betterments are capitalized. The gain or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line basis, with one-half year's depreciation calculated in the year of acquisition. The estimated service lives by asset type are as follows:

Building .....	15-40 Years
Water Acquisition and Treatment Plant .....	18-40 Years
Transmission and Distribution System .....	18-40 Years
Equipment .....	3 & 10 Years

1. **Restricted Assets** - The Debt Service and Emergency Funds, because of certain bond covenants, are required to collect and maintain specified amounts of revenues (consisting of real and temporary investments) that can be used only to service outstanding debt. The Emergency Funds also receive customer and vendor deposits.

2. **Commingled Accounts** - No liability is recorded for nonvoting accumulating rights to receive votes on or call any bonds.

3. **Comparative Data** - Comparative data for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, presentation of prior year amounts by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

4. **Total Columns on Combined Statements** - Total columns on the combined statements are captioned "Miscellaneous Data" 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 net flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Technical illustrations have not been made in the aggregation of this data.

## TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

### 3. Summary of Significant Accounting Policies (Continued)

- M. **Statements of Cash Flows** - For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.
- N. **Reflected Deposits** - The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.
- O. **Reclassification** - Certain 1997 amounts were reclassified to conform to 1998 presentation.

### 3. Cash and Cash Equivalents

At December 31, 1998, the carrying amount of the Town's deposits was \$2,804,497 and the bank balances was \$2,785,385. Of the total bank balances, \$198,000 was covered by Federal depository insurance, \$1,882,000 was covered by FDICIA and \$695,385 was covered by FDICAC, each held as collateral at the Federal Reserve Bank of Atlanta, and the Town's sweepstakes bank agent, in the Town's name. The Town has a three-party sweepstakes agreement between the Town, Bank One and the Federal Reserve Bank of Atlanta.

The carrying amount of the Town's deposits of each fund are comprised of the following:

	Cash and Cash Equivalents	Investments	Total
General Fund	\$ 692,506	\$ 135,879	\$ 828,385
Debt Service Fund	185,940	-	185,940
Capital Projects	0	-	0
Enterprise Funds	795,489	190,480	985,969
	\$ 1,673,935	\$ 326,359	\$ 2,000,294

The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. Category 1 includes deposits that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered deposits for which the securities are held by the county's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the county, or by its trust department or agent but not in the Town's name.

Description	Category			Carrying Amount	Market Value
	1	2	3		
FIDIC Insurance	\$ 198,000	\$ -	\$ -	\$ 198,000	\$ 198,000
FDICIA	2,186,380	-	-	2,186,380	2,281,829
FIDICAC	500,000	-	-	500,000	180,555
	\$ 2,186,380	\$ -	\$ -	\$ 2,186,380	\$ 2,460,484

## TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

### 2. Cash and Cash Equivalents (Continued)

Investment pools are under the custody of the Town Clerk. Investing is performed in accordance with investment policies complying with State Statutes and the Town Charter. Pooled funds may be invested in: (1) direct obligations of the United States government in the payment of which the full faith and credit of the United States government is pledged, (2) certificates of deposit at savings and loan associations and federally insured banks when secured by acceptable collateral, and (3) savings accounts at savings and loan associations and banks, in the amount fully insured.

### 3. Ad Valorem Taxes

Taxes attach as an enforceable lien on property as of January 1 of each year. Taxpayers listed in November and are payable as of December 31. The Town bills and collects its own property tax. Property tax revenues are recognized when listed to the extent that they result in current receivables.

The Town levies taxes at the rate of 11.28 mills on the dollar of assessed valuation of property. Of the total millage levied, 4.58 mills is available for general purposes and 6.68 mills is dedicated for retirement of general obligation bonds. The assessed valuation of property was \$4,670,459 for the year ended December 31, 1998. Total taxes levied after adjustments was \$ 54,082.

### 4. Interfund Receivables, Payables

A summary of interfund receivables and payables is as follows:

	Interfund Receivable	Interfund Payable
General Fund	\$ 9,312	\$ -
Enterprise Funds	1	9,312
Capital Program Fund		1
	<u>\$ 9,313</u>	<u>\$ 9,313</u>

### 5. Components of Restricted Assets

Restricted assets consisting of cash and cash equivalents and investments in interest bearing certificates of deposit existing in more than three months at December 31, 1998, are as follows:

<b>Gift Services Fund</b>		
Sales Tax Bond Sinking Fund	\$	4,814
Sales Tax Bond Reserve Fund		20,937
Current Bond Payment Esc		10,880
<b>Enterprise Fund</b>		
Water Revenue Bonds		11,045
Water Revenue Bonds Sinking Fund		28,316
Water Revenue Bonds Reserve Fund		19,860
Customer Deposits		58,679
Contract Deposits		10,880
Total	\$	<u>179,311</u>

## TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

### 6. Changes in General Fixed Assets

A summary of changes in general fixed assets is as follows:

	Balance December 31, 1997	Additions	Deletions	Balance December 31, 1998
Land	\$ 28,458	\$ -	\$ -	\$ 28,458
Buildings and improvements	603,418	3,890	-	607,308
Equipment	479,808	388,800	-	868,608
	<u>\$ 1,141,674</u>	<u>\$ 392,690</u>	<u>\$ -</u>	<u>\$ 1,534,364</u>

A summary of proprietary fund-type assets as of December 31, 1998, is as follows:

	Bond Fund	Water Fund	Total
Land	\$ -	\$ 17,800	\$ 17,800
Buildings	5,000	8,610	13,610
Water system	-	1,786,370	1,786,370
Sewer system	2,685,218	-	2,685,218
Equipment	18,318	79,842	98,160
	<u>2,657,218</u>	<u>1,874,214</u>	<u>4,531,432</u>
Less accumulated depreciation	<u>(867,375)</u>	<u>(815,679)</u>	<u>(1,683,054)</u>
Property, plant and equipment - net	<u>\$ 1,789,843</u>	<u>\$ 1,058,535</u>	<u>\$ 2,848,378</u>

### 7. Changes in Long-term Debt

The following is a summary of bond transactions of the Town of Haughton for the year ended December 31, 1998:

	Proprietary Fund - Revenue	General Obligations	Revenue	Total
Bonds payable as January 1, 1998	\$ 391,779	\$ 80,000	\$ 508,000	\$ 980,779
Debt retired - serial bonds	(16,782)	(18,000)	(34,782)	(69,564)
Bonds payable as December 31, 1998	<u>\$ 374,997</u>	<u>\$ 62,000</u>	<u>\$ 436,997</u>	<u>\$ 874,997</u>

## TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

### 7. Changes in Long-term Debt (Continued)

Bonds payable at December 31, 1998, are comprised of the following issues:

#### General Obligation Bonds

\$175,000, 1998 public improvement serial bonds due in annual installments of \$5,000 to \$10,000 through March 1, 2005; interest at 8.00% to 11.00%, collectible on or after March 1, 1997.

\$ 70,000

#### Debtors Bonds

\$423,000, Sales Tax Refunding Bonds, Series 1994, due in annual installments of \$12,000 to \$34,000 through November 1, 2013; interest at 5.75% to 8.0%.

352,000

\$502,000 water revenue bonds, Series A and B, dated February 1, 1993, due in annual installments approximately \$28,433, including interest to yield 6.16%, maturing February 1, 2013.

379,400

#### Total Bonds Payable

\$ 799,400

The annual requirements to amortize all debt outstanding as of December 31, 1998, including interest payments at 5.00-8.00% are as follows:

Year Ending December 31,	Sales Tax Refunding Bonds Series	General Obligation Bonds	Proprietary Fund Series	Total
	1994	00/02/05/0	A,B,C	
1999	\$ 15,244	\$ 16,433	\$ 34,080	\$ 65,757
2000	15,630	16,630	34,480	66,740
2001	15,885	17,778	33,873	67,536
2002	16,819	17,940	33,243	68,002
2003	17,058	17,180	33,590	67,828
2004-2013	345,636	23,180	245,083	613,899
Totals	<u>\$ 515,662</u>	<u>\$ 90,361</u>	<u>\$ 414,567</u>	<u>\$ 1,020,590</u>

### 8. Contributed Capital

Proprietary fund contributions for the year ended December 31, 1998, were received from the State of Louisiana Community Development Block Grant (CDBG) Program in the amount of \$43,777 for sewer improvements.

## TOWN OF HAUGHTON, LOUISIANA

### Notes to Financial Statements

December 31, 1998

#### B. Sinking Fund Requirements

Under the terms of the Sales Tax Refunding Bonds, Series 1994, all proceeds derived from the levy and collection of the one percent (1%) sales tax are to be used in the following order of priority:

- A. The payment of all reasonable and necessary expenses of collection and administration of the tax.
- B. The establishment and maintenance of a Sales Tax Bond Sinking Fund - 1994 sufficient in amount to pay promptly and fully the principal of and the interest on the bonds as they become payable by transferring from the Sales Tax Fund to the Sinking Fund on or before the 20th day of each month, a sum equal to one-fourth (1/4) of the principal and one-twelfth (1%) of the interest falling due on the next payment date.
- C. The establishment and maintenance of a Sales Tax Bond Reserve Fund - 1994 by transferring a lump sum of \$11,608 and, thereafter, monthly from the Sales Tax Fund to the Reserve Fund a sum at least equal to five percent (5%) of the amount required to be paid monthly to the Sinking Fund, and to continue until such time as there has been accumulated in the Reserve Fund sums in an amount equal to the ten percent (10%) of the proceeds of the bonds (\$41,588) or the highest conditioned principal and interest requirements for any succeeding bond year (\$35,840). The money is to be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund in the event there would otherwise be default.
- D. All money remaining in the Sales Tax Fund on the 20th day of the month in excess of their requirements shall be considered surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of making installments of principal of the bond in advance of their payment date.

Under the terms of the 1993 Series A and B water revenue bonds, the following funds are to be maintained with respect to the bonds:

- A. As provided in the Resolution, all income or revenues earned or derived from the operation of the System shall be deposited in the same way be collected in the Reserve Fund. Out of the funds on deposit in the Reserve Fund, after the reasonable and necessary expenses of operating and maintaining the System have been paid, monies are to be transferred to the Sinking Fund, the Reserve Fund and/or the Contingency Fund as provided in the Resolution.
- D. The Sinking Fund is designed to achieve a proper matching of revenues and debt service on the bonds and any additional parity bonds within each Bond Year (ending February 1). Amounts transferred from the Reserve Fund and the Reserve Fund and deposited in the Sinking Fund will be applied to the next payment of principal or interest on the bonds following such transfer. The issue is required by the Resolution to make monthly deposits into the Sinking Fund, the Reserve Fund and the Contingency Fund from the Net Revenues, on or before the 20th day of each month in the amount of \$1,082 for 1998. All amounts deposited in the Sinking Fund are expected to be utilized at least once a year on February 1 (the principal and interest payment date for the bonds), except for a retainable six month amount which will not exceed the greater of (i) one year's earnings on such funds, or (ii) 11% of the annual debt service on the bonds and any additional parity bonds payable hereafter.

## TOWN OF HAUGHTON, LOUISIANA

### Notes to Financial Statements December 31, 1998

#### 9. Sinking Fund Requirements (Continued)

- C. The Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the Sinking Fund or to which there would otherwise be default (except such amounts as may be payable to the United States of America as a rebate of arbitrage pursuant to Section 148(f) of the Code). A sum of \$18,000 deposited therein simultaneously with the delivery of the bonds and thereafter a monthly payment at least equal to five percent (5%) of the monthly Sinking Fund payment until an amount equal to the Reserve Fund requirement is accumulated therein.
- D. The Contingency Fund is established to care for extensions, additions, improvements, interests and replacements necessary to properly operate the System, by transferring from the Sinking Fund on or before the 28th day of each month of each year a sum of \$148. Such payments into the Contingency Fund are to continue over the life of the bonds. In addition to caring for extensions, additions, improvements, interests and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest on bonds, including any additional pari passu bonds issued hereafter in the manner provided by the Finance Committee, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund.

#### 10. Retirement Commitments

##### Municipal Police Employees Retirement System of Louisiana (System)

###### A. Plan Description

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who enter or re-enter age 58 with at least 20 years of creditable service or at or after age 55 with at least 11 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.125 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or 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 above and receive the benefit accrued to their date of retirement. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-1150, or by calling (504) 937-7911.

###### B. Funding Policy

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of Haughton is required to contribute an actuarial-determined rate. The current rate is 9.8 percent of annual covered payroll. The contribution rates equal amounts of plan members and the Town of Haughton are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:583, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuations for the prior fiscal year. The amounts actually contributed by the town for the years ending December 31, 1996, 1997, and 1998, were \$1,000, \$8,418, and \$7,860, respectively, which matched the required contributions.

## TOWN OF HAUGHTON, LOUISIANA

### Notes to Financial Statements December 31, 1998

#### 11. Year 2000 Issue

Year 2000 is an issue arising from computers being programmed in prior years to use only two digit number for assumption that the first two digits would always be 99 to identify the year when processing date-sensitive information. This method of identifying dates would create problems when processing information with dates in the year 2000 or later. As a result, the systems that use only two digits to identify dates could process data incorrectly or stop functioning altogether. The effects of the year 2000 is expected to extend beyond systems and any equipment that is dependent on existing technology.

As stated in Note 1, the Town provides public services, public safety and various other public works to its citizens. The execution of these services generally does not rely upon existing technology since those services are not automated in nature. However, the effect of the year 2000 issue upon the Town's voters, critics, and utility providers from which it obtains services has not been determined. Also, the effect of any of these entities' non-compliance with the year 2000 issue upon the Town has also not been determined.

For the year ended December 31, 1998, The Town of Haughton, Louisiana, incurred no material expenditures costs concerning the year 2000 issue. No significant loss due to impairment of equipment that had year 2000 compliance was recognized for the year ended December 31, 1998. However, during January and March, 1999, the Town incurred installation cost of approximately \$3,500 concerning the year 2000 issue. These costs included hardware and software for year 2000 compliant systems to be used in the daily financial operations of the Town's public department.

#### 12. Intrafund Operating Transfers

Intrafund fund operating transfers for fiscal year 1998, are as follows:

	Transfer In	Transfer Out
General Fund	\$ 29,179	\$ 27,500
Debt Service Fund	21,700	-
Water Fund	-	9,989
Street Fund	-	3,282
Totals	<u>\$ 50,879</u>	<u>\$ 40,771</u>

#### 13. Miscellaneous Revenue

Miscellaneous revenue for the year ended December 31, 1998, in the general Fund consisted of the following:

Building permits	\$ 8,489
Rental income	180
Other (sales, police reports, etc)	<u>4,571</u>
	<u>\$ 13,240</u>

#### 14. Contingencies and Contingencies

The Town is exposed to various risks of loss related to acts, theft of, damage to and destruction of assets, errors and omissions, injuries/employees and natural disasters. The Town carries commercial insurances for all risks of loss, including marine, compensation and employee health and accident insurance. Some risks have not covered insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted grant programs. These programs are subject to periodic compliance audits by the grantors or their representatives. Any liability for expenditures which may arise as the result of these audits is not believed to be material.



## TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements  
December 31, 1998

### 04. Commitments and Contingencies (Continued)

**Litigation** - The Town is party to various legal proceedings arising principally in the normal course of governmental operations. In the opinion of the administration, the outcome of these legal proceedings will not have a material adverse effect on the accompanying combined financial statements and accordingly, no provision for losses has been recorded.

### 05. Reserved and Designated Retained Earnings

Escrowed Fund \$ 10,000

The Escrowed Fund requires that investments be restricted to the amount of the Sanitation Fund's performance certificate of deposit from Arkansas Sanitation.

**SUPPLEMENTARY INFORMATION**

**TOWN OF HAUGHTON, LOUISIANA****Schedule of Mayor's and Aldermen's  
Compensation and Reimbursed Expenses  
For the Year Ended December 31, 2008**

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Masay	\$ 15,000	\$ 180	\$ 15,180
Alderman Hollis	3,000	-	3,000
Alderman Grapp	3,000	-	3,000
Alderman Hulse	3,000	-	3,000
Alderman Anderson	3,000	-	3,000
Alderman Wainfield	<u>3,000</u>	<u>-</u>	<u>3,000</u>
Total	<u>\$ 35,000</u>	<u>\$ 180</u>	<u>\$ 35,180</u>

**FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS**

**TOWN OF HAUGHTON, LOUISIANA**

General Fund

Balance Sheet

December 31, 1998

with Comparative Totals for December 31, 1997

	<u>1998</u>	<u>1997</u>
<b>Assets</b>		
Cash and Cash equivalents	\$ 682,739	\$ 791,479
Investments, at cost	156,079	112,911
Receivables (net where applicable, of allowances for uncollectibles):		
Taxes	6,697	6,811
Interest	3,494	809
Prepaid expenses	7,813	7,764
Due from other funds	<u>9,211</u>	<u>3,198</u>
<b>Total Assets</b>	<u><b>875,933</b></u>	<u><b>935,782</b></u>
<b>Liabilities</b>		
Accounts payable	51,658	31,563
Accrued expenses	<u>2,884</u>	<u>3,529</u>
<b>Total Liabilities</b>	<u><b>54,542</b></u>	<u><b>35,092</b></u>
<b>Fund Equity</b>		
Fund balances:		
Unreserved - Unexpended	<u>899,179</u>	<u>900,690</u>
<b>Total Fund Balance</b>	<u><b>899,179</b></u>	<u><b>900,690</b></u>
<b>Total Fund Equity</b>	<u><b>899,179</b></u>	<u><b>900,690</b></u>
<b>Total Liabilities and Fund Equity</b>	<u><b>\$ 875,933</b></u>	<u><b>\$ 935,782</b></u>

# TOWN OF HAUGHTON, LOUISIANA

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual

For the Year Ended December 31, 1998  
with Comparative Actual Amounts for the Year Ended December 31, 1997

	1998			
	Budget	Actual	Variance Favorable (Unfavorable)	1997 Actual
<b>Revenues:</b>				
Taxes	\$ 289,000	\$ 398,803	\$ 109,753	\$ 382,990
Licenses and permits	55,800	53,880	(1,920)	55,484
Intergovernmental	24,800	38,024	13,224	29,877
Fees and forfeits	79,200	188,023	108,723	94,828
Federal and state grants	-	79,523	79,523	29,761
Interest	8,900	20,711	12,211	21,428
Miscellaneous	31,800	13,245	(17,355)	11,668
<b>Total revenues</b>	<u>529,500</u>	<u>732,810</u>	<u>203,110</u>	<u>718,719</u>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>General government</b>	329,150	381,430	52,280	369,899
<b>Public safety:</b>				
Police	158,400	214,280	57,270	212,460
Fire	90,100	97,837	(7,737)	93,778
<b>Street and drainage</b>	70,800	38,904	(31,896)	38,800
<b>Capital outlay</b>	387,828	388,660	(7,012)	36,820
<b>Total expenditures</b>	<u>846,978</u>	<u>862,811</u>	<u>(15,840)</u>	<u>479,357</u>
<b>Excess of revenues over expenditures</b>	<u>(314,478)</u>	<u>(129,799)</u>	<u>(185,287)</u>	<u>(235,018)</u>
<b>Other financing sources (used):</b>				
Operating transfers in	3,100	18,178	15,078	3,100
Operating transfers out	(18,538)	(17,730)	7,208	(18,892)
<b>Total other financing sources (used)</b>	<u>(15,438)</u>	<u>(11,552)</u>	<u>13,876</u>	<u>(15,792)</u>
<b>Excess of revenues over expenditures and other financing sources (used)</b>	<u>(329,916)</u>	<u>(141,349)</u>	<u>(199,161)</u>	<u>(250,810)</u>
<b>Fund balance at beginning of year</b>	<u>528,492</u>	<u>528,492</u>	<u>-</u>	<u>733,283</u>
<b>Fund balance at end of year</b>	<u>\$ 198,576</u>	<u>\$ 387,143</u>	<u>\$ 188,567</u>	<u>\$ 482,473</u>

**TOWN OF HAUGHTON, LOUISIANA**

**Debt Service Funds**

**Comparing Balance Sheet**

December 31, 1998  
with Comparative Totals for December 31, 1997

	General Obligation Bonds	Revenue Bonds	Totals	
			1998	1997
<b>Assets</b>				
Cash and cash equivalents	\$ 196,177	\$ 23,954	\$ 196,171	\$ 196,118
Receivables (net where applicable, of allowance for uncollectibility):				
Taxes	11,768	-	11,760	13,668
Invested assets:				
Cash and cash equivalents	33,098	33,811	33,811	34,137
<b>Total Assets</b>	<u>242,903</u>	<u>48,765</u>	<u>242,742</u>	<u>273,993</u>
<b>Fund Liabilities</b>				
<b>Fund balances:</b>				
Reserved for debt service	147,901	48,765	197,781	171,798
<b>Total Fund balances</b>	<u>147,901</u>	<u>48,765</u>	<u>197,781</u>	<u>171,798</u>
<b>Total Fund Equity</b>	<u>\$ 147,901</u>	<u>\$ 48,765</u>	<u>\$ 197,781</u>	<u>\$ 171,798</u>

**TOWN OF HAUGHTON, LOUISIANA**

**Debt Service Funds**

**Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance**

**For The Year Ended December 31, 1995  
with Comparative Totals for the Year Ended December 31, 1994**

	General Obligation Bonds	Revenue Bonds	Totals	
			1995	1994
<b>Revenues:</b>				
Taxes	\$ 35,390	\$ -	\$ 35,390	\$ 31,473
Interest	1,136	1,300	2,437	2,183
Miscellaneous	300	-	300	1,131
Total Revenues	<u>37,826</u>	<u>1,300</u>	<u>39,126</u>	<u>34,787</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal retirement	20,000	20,000	20,000	20,000
Interest and fiscal charges	6,900	20,026	26,926	26,373
Total Expenditures	<u>26,900</u>	<u>20,026</u>	<u>46,926</u>	<u>46,373</u>
Excess (deficiency) of revenues over expenditures	<u>10,926</u>	<u>(18,726)</u>	<u>(7,800)</u>	<u>(11,586)</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	37,182	37,182	32,473
Total other financing sources (uses)	<u>-</u>	<u>37,182</u>	<u>37,182</u>	<u>32,473</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>10,926</u>	<u>18,456</u>	<u>29,382</u>	<u>20,000</u>
Fund balance at beginning of year	<u>126,021</u>	<u>48,866</u>	<u>174,887</u>	<u>188,606</u>
Fund balance at end of year	<u>\$ 136,947</u>	<u>\$ 67,322</u>	<u>\$ 204,269</u>	<u>\$ 208,606</u>



## TOWN OF HAUGHTON, LOUISIANA

### Biological Fund - Water, Sewer, and Sanitation Funds

#### Comparative Balance Sheet

December 31, 1998  
with Comparative Totals for December 31, 1997

Assets	1998				1997
	Water Fund	Sewer Fund	Sanitation Fund	Combined	
Cash and cash equivalents	\$ 192,440	\$ 315,110	\$ 92,500	\$ 700,110	\$ 861,600
Investments, at cost	129,177	-	8,679	131,896	124,271
Receivables (net where applicable, of allowances for uncollectibles)					
Accounts	28,376	13,808	38,588	91,891	93,607
Interest	2,993	-	583	3,798	3,073
Prepaid expenses	3,768	3,168	-	7,506	7,500
Due from other funds	-	1	-	1	3,021
Restricted assets:					
Cash and Cash equivalents	79,379	-	-	79,379	74,821
Investments at cost	48,624	-	30,080	98,624	96,481
Property, plant and equipment (net of accumulated depreciation)	3,093,562	3,124,863	-	3,228,428	3,389,081
<b>Total Assets</b>	<b>3,718,943</b>	<b>3,443,562</b>	<b>138,132</b>	<b>3,297,623</b>	<b>3,793,985</b>
<b>Liabilities</b>					
Accounts payable	2,642	4,719	7,543	14,903	11,693
Due to other funds	4,696	4,696	-	9,392	3,160
Payables from restricted assets:					
Car cost portion of bonds payable	17,131	-	-	17,131	19,025
Deposits	28,688	-	30,080	68,080	64,225
Revised bonds payable	153,158	-	-	207,158	214,174
<b>Total Liabilities</b>	<b>198,285</b>	<b>9,115</b>	<b>37,623</b>	<b>297,093</b>	<b>298,277</b>
<b>Fund Equity</b>					
Contributed capital	521,967	3,023,007	-	3,545,092	3,269,742
Retained earnings:					
Reserve	-	-	30,080	30,080	30,080
Unexpended	857,568	415,179	102,781	1,375,568	1,227,680
<b>Total Retained Earnings</b>	<b>857,568</b>	<b>415,179</b>	<b>132,781</b>	<b>1,395,568</b>	<b>1,257,680</b>
<b>Total Fund Equity</b>	<b>1,379,535</b>	<b>3,438,186</b>	<b>132,781</b>	<b>3,496,573</b>	<b>3,421,948</b>
<b>Total Liabilities and Fund Equity</b>	<b>\$ 3,718,943</b>	<b>\$ 3,443,562</b>	<b>\$ 138,132</b>	<b>\$ 3,297,623</b>	<b>\$ 3,793,985</b>

## TOWN OF HAUGHTON, LOUISIANA

### Enterprise Fund - Water, Sewer, and Sanitation Funds

#### Combining Statement of Revenues, Expenses and Changes in Retained Earnings

For the Year Ended December 31, 1998

with Comparative Totals for the Year Ended December 31, 1997

	1998			1997
	Water Fund	Sewer Fund	Sanitation Fund	
<b>Operating revenues:</b>				
Inflated water rates	\$ 210,219	\$ -	\$ -	\$ 210,219
Installation charges	3,150	-	-	3,150
Storage service charges	-	148,709	-	148,709
Solid waste disposal service charges	-	-	800,460	800,460
Miscellaneous revenues	<u>16,712</u>	<u>2,845</u>	<u>772</u>	<u>19,249</u>
<b>Total operating revenues</b>	<u>230,081</u>	<u>151,554</u>	<u>801,232</u>	<u>482,811</u>
<b>Operating expenses:</b>				
Personnel services	47,818	62,545	-	110,363
Supplies	23,791	15,096	-	38,887
Utilities	18,998	5,704	-	24,702
Repairs and maintenance	50	11,805	-	11,855
Contractual services	-	-	70,880	70,880
Miscellaneous	26,194	9,611	78	35,883
Depreciation	<u>73,770</u>	<u>31,800</u>	<u>-</u>	<u>105,570</u>
<b>Total operating expenses</b>	<u>180,611</u>	<u>131,561</u>	<u>70,958</u>	<u>343,130</u>
<b>Operating income (loss)</b>	<u>59,470</u>	<u>19,993</u>	<u>14,385</u>	<u>93,848</u>
<b>Nonoperating revenues:</b>				
Interest income	15,877	5,808	1,800	23,485
Net interest expense	<u>(18,871)</u>	<u>-</u>	<u>-</u>	<u>(18,871)</u>
<b>Total nonoperating revenues</b>	<u>(2,994)</u>	<u>5,808</u>	<u>1,800</u>	<u>4,614</u>
<b>Income (loss) before operating transfers</b>	<u>56,476</u>	<u>25,801</u>	<u>16,185</u>	<u>98,462</u>
<b>Other financing sources (uses):</b>				
Operating transfers in	-	-	-	5,512
Operating transfers out	<u>(9,582)</u>	<u>(5,588)</u>	<u>-</u>	<u>(15,170)</u>
<b>Total other financing sources (uses)</b>	<u>(9,582)</u>	<u>(5,588)</u>	<u>-</u>	<u>(15,170)</u>
<b>Net income (loss)</b>	<u>46,894</u>	<u>20,213</u>	<u>16,185</u>	<u>83,292</u>
<b>Amount charged to contribution accounts - depreciation on fixed assets</b>	42,219	44,278	-	86,517
<b>Retained earnings at beginning of year</b>	<u>713,212</u>	<u>571,658</u>	<u>86,626</u>	<u>1,371,496</u>
<b>Retained earnings at end of year</b>	<u>\$ 872,286</u>	<u>\$ 636,149</u>	<u>\$ 112,811</u>	<u>\$ 1,621,246</u>

## TOWN OF HAUGHTON, LOUISIANA

### Enterprise Fund - Water, Sewer, and Sanitation Funds

#### Combining Statement of Cash Flows

For the Year Ended December 31, 1998  
with Comparative Totals for the Year Ended December 31, 1997

	1998				
	Water Fund	Sewer Fund	Sanitation Fund		
<b>Cash flows from operating activities:</b>					
Operating income (loss)	\$ 35,000	\$ 1,000	\$ 24,164	\$ 79,800	\$ (7,800)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>					
Depreciation	71,793	31,360	-	103,153	119,426
(Decrease) increase in accounts receivable	(809)	(484)	(3,894)	(4,987)	(3,777)
(Increase) decrease in prepaid expenses	87	87	-	174	(2,664)
Increase (decrease) in accounts payable	163	3,148	231	3,542	638
Increase (decrease) in customers' deposits	4,455	-	-	4,455	(5,440)
Total adjustments	75,689	33,609	(3,663)	105,635	(10,807)
Net cash provided for operating activities	110,689	34,609	20,501	209,708	(18,607)
<b>Cash flows from capital and related financing activities:</b>					
Principal payments	(10,760)	-	-	(10,760)	(11,800)
Interest paid	(28,871)	-	-	(28,871)	(18,150)
Contributed capital - proceeds from LTRAC	-	47,771	-	47,771	151,950
Net cash used for capital and related financing activities	(39,631)	47,771	-	8,140	(11,800)
<b>Cash flows from noncapital financing activities:</b>					
Operating transfers in (out), net	(5,504)	(4,813)	-	(10,317)	4,554
Net cash provided by noncapital financing activities	(5,504)	(4,813)	-	(10,317)	4,554

(Continued)

**TOWN OF HAUGHTON, LOUISIANA**

**Enterprise Fund - Water, Sewer, and Sanitation Funds**

**Combining Statement of Cash Flows**

**For the Year Ended December 31, 1998  
with Comparative Totals for the Year Ended December 31, 1997**

	<u>1998</u>				<u>1997</u>
	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Sanitation Fund</u>	<u>Combined</u>	
<b>Cash flows from investing activities:</b>					
Interest income received	14,958	3,508	1,842	19,308	37,304
Payments for investments	(3,977)	-	(869)	(4,846)	(13,389)
Purchase of fixed assets	-	(11,220)	-	(11,220)	(110,950)
Net cash provided by investing activities	<u>11,981</u>	<u>(10,712)</u>	<u>973</u>	<u>(7,758)</u>	<u>(153,025)</u>
<b>Net increase in cash and cash equivalents</b>	94,958	47,137	23,385	165,480	88,120
<b>Cash and cash equivalents at the beginning of year</b>	<u>373,358</u>	<u>397,864</u>	<u>56,125</u>	<u>827,347</u>	<u>747,362</u>
<b>Cash and cash equivalents at the end of year</b>	<u>\$ 468,316</u>	<u>\$ 444,999</u>	<u>\$ 79,510</u>	<u>\$ 992,825</u>	<u>\$ 835,482</u>

## OTHER REPORTS



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

**The Honorable Billy Massey, Mayor  
and the members of the Board of Aldermen of  
The Town of Haughton, Louisiana**

We have audited the general purpose financial statements of the Town of Haughton, Louisiana, as of and for the year ended December 31, 2008, and have issued our report thereon dated April 9, 2009 which was qualified because insufficient audit evidence exists to support the Town of Haughton's disclosures with respect to the year 2008 income. Except as discussed in the preceding sentence, we conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Accounting Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the Town of Haughton, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Accounting Standards*.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Haughton, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all weaknesses in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We found no material weaknesses in the internal control over financial reporting, and its operation that we consider to be material weaknesses.

This report is intended solely for the information use of management and the Board of Aldermen. However, this report is a matter of public record and its distribution is not limited.

*Smith Pugh Rabenowitz L.L.P.*  
Certified Public Accountants

April 9, 2009