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TOWN OF NIVIAN, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1959

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Release Date 1-12-00

**TOWN OF VIVIAN, LOUISIANA**

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**INDEPENDENT AUDITOR'S REPORT**

The Honorable Hayward McCoskitt, Mayor  
 and the Members of the Board of Aldermen of  
 The Town of Vivian, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Vivian, Louisiana, as of and for the year ended June 30, 1999, as found in the table of contents. These general purpose financial statements are the responsibility of the Town of Vivian, Louisiana'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 paragraph, 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 general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Government Accounting Standards Board Technical Bulletin No. 3, Disclosures about Year 2000 Issues, requires disclosure of certain matters regarding the year 2000 issue. The Town of Vivian, Louisiana has included such disclosures in Note 14. However, of the unappreciated nature of the year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Accordingly, insufficient audit evidence exists to support the Town of Vivian, Louisiana's disclosures with respect to the year 2000 issue made in Note 14. Further, we do not provide assurance that the Town of Vivian, Louisiana is or will be year 2000 ready, that the Town of Vivian, Louisiana's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Vivian, Louisiana 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 disclosure issues, the general purpose financial statements reflect in all material aspects, the financial position of the Town of Vivian, Louisiana as of June 30, 1999, 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.

In accordance with Government Auditing Standards, we have also issued a report dated November 9, 1999, on our consideration of the Town of Vivian, 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 taken as a whole. The accompanying financial information listed as supporting schedules and on the individual fund and annual group financial statements in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Vivian, 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*Smith Pugh Harbinowitz*  
 Certified Public Accountant  
 Metairie, Louisiana

November 9, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS**



	Environmental Fund Types			Proprietary Fund Type			Assumed Change			Total (Maximum/Min/Day)		
	Special Revenue	Debt Service	Capital Projects	General	Sewer	Water	General	Fund	Assumed	New FY 1999	New FY 1998	
\$ 21,287	\$ 528	\$ -	\$ 50,995	\$ -	\$ -	\$ -	\$ 21,287	\$ 21,287	\$ -	\$ 21,287	\$ 21,287	
85,798			40,847				130,585			130,585	61,154	
195,428	2,150		96,175				211,853			211,853	118,378	
	492,714						492,714			492,714	206,697	
			141,000				141,000			141,000	115,000	
			18,844				18,844			18,844	20,295	
			64,142				64,142			64,142	68,973	
						211,000	211,000			211,000	41,968	
						1,288,000	1,288,000			1,288,000	1,820,000	
			1,271,121				1,271,121			1,271,121	1,771,685	
			1,083,315				1,083,315			1,083,315	1,456,111	
			1,491,947				1,491,947			1,491,947	1,491,947	
						4,078,381	4,078,381			4,078,381	4,817,322	
						88,806	88,806			88,806	26,459	
			1,273,711				1,273,711			1,273,711	1,476,654	
		21,150					21,150			21,150	26,415	
418,464	492,714	892,000	892,000				1,695,178			1,695,178	1,814,115	
418,464	492,714	21,150	181,993				1,414,327			1,414,327	2,479,131	
418,464	492,714	21,150	181,993				1,414,327			1,414,327	2,479,131	
1,008,389	1,129,279	1,129,279	1,129,279				3,436,326			3,436,326	3,873,689	

**Liabilities, Equity and Other Credits**

Accounts payable												
Accrued salaries												
Due to other funds												
Deferred revenues												
Payable from restricted assets												
Current portion of terminal bonds payable												
Accrued interest-revenue bonds												
Deposits												
Notes payable												
General obligation bonds payable												
Revenue bonds payable												
<b>Total Liabilities</b>												
Equity and Other Credits												
Contributed capital												
Investment in general fund assets												
Residual earnings												
Residual for interest bond retirement												
Unexpended												
<b>Fund Balances:</b>												
Restricted for debt service												
Unrestricted/unassigned												
<b>Total available earnings/fund balances</b>												
<b>Total Equity and Other Credits</b>												
<b>Total Liabilities, Equity and Other Credits</b>												

See accompanying notes to financial statements.

## TOWN OF VIVIAN, LOUISIANA

Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances - All Governmental Funds Types  
Year Ended June 30, 2009

	Governmental Fund Types				Totals (Non-optional Only)	
	General	Special Revenues	Debt Service	Capital Projects	2009	2008
<b>Revenues</b>						
Taxes	\$ 208,940	\$ 773,284	\$ -	\$ -	\$ 1,000,284	\$ 948,710
Oil and gas income	3,815	-	-	-	3,815	50,714
Intergovernmental permits	80,718	-	-	-	80,718	50,814
Intergovernmental	83,848	-	-	-	83,848	66,845
Charges for services	(71,588)	-	-	-	(71,588)	178,267
Fees and contributions	80,117	-	-	-	80,117	11,229
Transfers in:						
Interest	44,285	(8,235)	570	-	34,620	48,049
Special assistance	-	33,339	-	-	33,339	34,298
Miscellaneous	42,354	-	181,795	(283,795)	(79,646)	(25,552)
<b>Total revenues</b>	<b>318,577</b>	<b>838,488</b>	<b>182,365</b>	<b>(283,795)</b>	<b>1,055,135</b>	<b>1,298,261</b>
<b>Expenditures</b>						
Current:						
General government	(151,738)	8,344	-	-	(208,481)	(211,871)
Public safety	(60,640)	-	-	-	(60,640)	(84,855)
Public works	(294,761)	-	-	-	(294,761)	(381,127)
Town services	(14,788)	-	-	-	(14,788)	(28,114)
Recreation	(3,948)	-	-	-	(3,948)	(6,215)
Capital outlay	(30,375)	-	-	99,598	(24,777)	(81,778)
Debt service:						
Principal retirement	-	-	83,296	-	83,296	(84,711)
Interest and fiscal charges	-	-	(77,764)	-	(77,764)	(73,155)
<b>Total expenditures</b>	<b>(1,202,941)</b>	<b>8,344</b>	<b>(285,040)</b>	<b>99,598</b>	<b>(1,392,039)</b>	<b>(1,615,058)</b>
Excess (deficiency) of revenues over expenditures	(784,364)	817,144	(26,675)	100,698	(121,212)	(69,121)
Other financing sources (uses)						
Operating transfers in	671,315	111,891	46,864	-	829,284	710,718
Operating transfers out	(75,889)	(798,287)	(11,182)	-	(885,358)	(798,189)
Total other financing sources (uses)	(8,574)	(386,396)	35,682	-	(459,388)	(48,471)
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	(144,144)	430,748	(11,293)	100,698	(180,316)	(26,541)
Fund balances at beginning of year	801,798	503,230	35,482	-	1,340,510	1,348,282
Fund balances at end of year	<b>657,654</b>	<b>933,986</b>	<b>24,189</b>	<b>100,698</b>	<b>1,686,527</b>	<b>1,321,741</b>



**TOWN OF VIVIAN, LOUISIANA**

**Condensed Statement of Revenues, Expenditures and  
Changes in Fund Balances - Budget (D.A.P. Basis) and Actual -  
All Governmental Fund Types  
Year Ended June 30, 1999**

	General Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)
<b>Revenues</b>			
Taxes	\$ 220,000	\$ 228,910	\$ 8,910
Oil and gas income	1,063	5,815	(7,138)
Licenses and permits	60,318	60,318	(0)
Intergovernmental	113,525	92,845	(20,680)
Changes for reserves	180,680	175,184	(5,496)
Fees and rentals	30,680	28,117	(2,563)
Franchise tax	82,580	81,650	(930)
Interest	21,880	44,585	22,705
Special assessments			
Miscellaneous	25,832	42,262	16,430
<b>Total revenues</b>	<u>950,858</u>	<u>736,521</u>	<u>(214,337)</u>
<b>Expenditures</b>			
Current:			
General government	212,405	230,120	(17,715)
Public safety	488,375	352,065	(136,310)
Public works	323,154	310,967	(12,187)
Town services	200,260	215,268	(15,008)
Recreation	85,145	87,948	(2,803)
Capital outlay	98,359	131,279	(32,920)
Debt service:			
Principal retirement			
Interest and fiscal charges			
<b>Total expenditures</b>	<u>1,408,024</u>	<u>1,427,182</u>	<u>(18,158)</u>
Excess (deficiency) of revenues over expenditures	<u>(457,166)</u>	<u>(690,661)</u>	<u>(233,495)</u>
Other financing sources (uses):			
Operating transfers in	671,967	671,325	(642)
Operating transfers out	(600,253)	(31,080)	(569,173)
<b>Total other financing sources (uses)</b>	<u>71,714</u>	<u>640,245</u>	<u>(568,531)</u>
Excess (deficiency) of revenues over expenditures and other financing sources (uses)	<u>(385,452)</u>	<u>(350,416)</u>	<u>(35,036)</u>
Fund balance at beginning of year	<u>801,798</u>	<u>801,798</u>	<u>0</u>
<b>Fund balance at end of year (See Note 05)</b>	<u>\$ 416,346</u>	<u>\$ 451,382</u>	<u>\$ 35,036</u>

See accompanying notes to financial statements.

Special Revenue Fund Type			Debt Service Funds		
Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
\$	\$	\$	\$	\$	\$
6,600	19,236	12,636	-	311	311
36,348	31,719	(4,629)	-	-	-
-	-	-	181,045	181,755	710
188,948	815,812	626,864	181,045	182,466	1,421
42,708	8,361	(34,347)	-	-	-
-	-	-	95,276	93,276	(2,000)
-	-	-	113,834	113,794	(40)
42,708	8,361	(34,347)	308,290	299,046	(9,244)
796,242	813,428	17,186	(57,345)	(26,874)	30,471
93,348	113,099	19,751	27,345	46,864	19,519
(796,548)	(796,797)	(249)	-	(21,243)	(21,243)
(696,222)	(683,798)	(124,424)	27,345	11,621	(15,724)
186,021	161,776	(24,245)	-	(19,222)	(5,023)
503,526	503,526	-	36,415	36,415	-
\$	\$	\$	\$	\$	\$
503,526	493,186	(10,340)	36,415	31,661	(4,754)

## TOWN OF VIVIAN, LOUISIANA

Statement of Revenues, Expenses, and  
 Changes in Retained Earnings - Proprietary Fund Type  
 Year Ended June 30, 1999  
 With Comparative Amounts as of June 30, 1998

	Enterprise Fund	
	June 30, 1999	June 30, 1998
<b>Operating revenues:</b>		
Water sales	\$ 418,068	\$ 413,990
sewer rate charges	340,475	348,305
Sewerage charges	25,780	25,869
Miscellaneous revenues	2,528	3,457
Total operating revenues	<u>806,851</u>	<u>831,621</u>
<b>Operating expenses:</b>		
General and administrative expenses	155,487	115,043
Water department expenses	428,888	371,162
Sewer department expenses	226,801	219,079
Total operating expenses	<u>811,176</u>	<u>705,284</u>
<b>Operating loss</b>	<u>(26,404)</u>	<u>(29,851)</u>
<b>Non-operating revenues (expenses):</b>		
Maintenance fees	1,381	1,288
Collection fees	11,461	8,818
Interest income	31,893	43,708
Amortization - bond issue costs	(2,474)	(3,811)
Interest expense and fiscal charges	(94,432)	(117,811)
Loss on disposal of fixed assets	(17,183)	-
Total non-operating revenues (expenses)	<u>(65,355)</u>	<u>(68,818)</u>
<b>Loss before operating transfers</b>	<u>(195,817)</u>	<u>(85,789)</u>
<b>Operating transfers:</b>		
Operating transfers in:		
General fund	<u>40,844</u>	<u>42,782</u>
<b>Net loss</b>	<u>(154,973)</u>	<u>(43,007)</u>
<b>Retained earnings at beginning of year</b>	<u>1,606,799</u>	<u>1,649,797</u>
<b>Retained earnings at end of year</b>	<u>\$ 1,451,826</u>	<u>\$ 1,606,799</u>

See accompanying notes to financial statements.

## TOWN OF VITIAN, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type  
Year Ended June 30, 1999  
With Comparative Accounts as of June 30, 1998

	Enterprise Fund	
	June 30, 1999	June 30, 1998
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 673,950	\$ 746,833
Cash payments to suppliers for goods and services	(307,870)	(331,263)
Cash payments to employees for services	(226,120)	(291,236)
Net cash provided by operating activities	139,960	124,334
<b>Cash flows from noncapital financing activities:</b>		
Ad valorem taxes received	40,844	42,783
Miscellaneous revenue	12,652	60,838
Net cash provided by noncapital financing activities	53,496	103,621
<b>Cash flows from capital and related financing activities:</b>		
Acquisition and construction of capital assets	(3,298)	115,803
Proceeds from issuance of revenue bonds payable	-	60,000
Cash payments for costs of refunding bonds	-	(60,000)
Principal paid on revenue bond maturities that was paid on revenue bonds	(115,803)	(138,000)
Net cash used for capital and related financing activities	(119,101)	(28,197)
<b>Cash flows from investing activities:</b>		
Proceeds from sale of investments	-	96,124
Purchase of investments	-	(28,998)
Interest on investments	38,137	43,151
Net cash provided by investing activities	38,137	110,277
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(2,904)</b>	<b>61,293</b>
Cash and cash equivalents at beginning of year (including \$160,443 in restricted accounts for 1999; \$192,018 in 1998)	655,302	593,509
Cash and cash equivalents at end of year (including \$473,947 in restricted accounts for 1999; \$160,443 for 1998)	\$ 652,398	\$ 654,802

## TOWN OF NIVLAN, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type  
 Year Ended June 30, 1999  
 With Comparative Amounts as of June 30, 1998

Reconciliation of Operating Income to Net Cash  
 Provided by Operating Activities

	Fiscal Year Ended	
	June 30, 1999	June 30, 1998
Operating loss	\$ (29,034)	\$ (29,850)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	155,746	156,088
Bad debt expense	18,700	
Changes in assets and liabilities:		
(Increase) decrease in accounts receivable	1,418	(45,871)
(Increase) decrease in due from other funds	(2,815)	79,789
Increase in prepaid expense	(2,914)	(965)
Increase in due to other funds	103,090	5,571
Decrease in accounts payable	(6,850)	(9,815)
Increase in accrued expenses	28,421	3,117
Increase (decrease) in customer deposits	(3,798)	1,779
Net cash provided by operating activities	\$ 158,758	\$ 168,115

## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements June 30, 1999

The Town of Vivian, Louisiana (the Town) was incorporated February 12, 1912, under the provisions of the Louisiana Act. The Town operates under the Mayor-Board of Aldermen form of government.

#### A. Summary of Significant Accounting Policies:

The accounting and reporting policies of the Town of Vivian conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:117 and to the guides set forth in the "Louisiana Municipal Audit and Accounting Guide."

The Town applies all Governmental Accounting Standards Board (GASB) pronouncements, as well as the Financial Accounting Standards Board pronouncements issued on or before November 19, 1989, unless these pronouncements conflict with or contradict GASB pronouncements.

The following is a summary of certain significant policies:

**Financial 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 issue debt, election or appointment of governing body, and other general oversight responsibilities.

**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 each 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 spent and the means by which spending 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. It is used to account for all financial resources except those required to be accounted for in another fund.

**Special Revenue Funds** - The Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

**Debt Service Funds** - The Debt Service Funds are used to account for transactions relating to revenues collected and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**Capital Projects Fund** - The Capital Projects Fund is used 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 VIVIAN, LOUISIANA

Notes to Financial Statements

June 30, 1999

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

#### Fund Accounting (Continued)

##### Proprietary Fund

**Enterprise Fund** – The Enterprise Fund is used to account for operations that are financed and operated in a manner similar to private business enterprises – where the focus of the governing body is the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis. An Enterprise Fund is financed primarily through user charges, or where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes. The Town maintains an Enterprise Fund for water and sewer utilities provided.

##### Asset Group

**General Fixed Assets Account Group** – The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for general purposes. 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 closure. No depreciation is recorded on general fixed assets.

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

**Methods of Accounting** – The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues (i.e., revenues and other financing sources) and expenses (i.e., expenditures and other financing uses) in net current assets.

The proprietary fund is accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is aggregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present revenues (e.g., revenues) and expenses (e.g., expenses) in net total 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. Special assessments in the debt service fund, though measurable, are not available soon enough in the subsequent year to finance current period obligations. Therefore, a special assessment receivable is recorded and debited until it becomes available. Expenditures are recorded when the related fund liability is incurred.

## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements

June 30, 1999

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#### 7. Summary of Significant Accounting Policies (Continued):

##### Method of Accounting (Continued):

Those revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, permit 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 time 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 disclosures 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 those estimates.

**Budgetary and Budgetary Accounting** - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The accounting 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 actions 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 departments and by principal objects of expenditures. The Board of Aldermen may revise or amend the budget at its discretion during legally sanctioned sessions. Amendments to the budget were made and adopted by the Board of Aldermen during the fiscal year ended June 30, 1999.
6. The Town utilizes formal budgetary integration as a management control device for all funds.

**Cash and Cash Equivalents** - Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in time deposits and those instruments with original maturities of 90 days or less. Under state law, the Town may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States.

**Investments** - Investments are limited by Louisiana Revised Statute (R.S.) 33:2031 and the Town's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. GASB Statement No. 31 requires the Town to report investments at fair value in the balance sheet.



## TOWN OF VIOLAN, LOUISIANA

Notes to Financial Statements  
June 30, 1999

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

#### Investments (Continued)

For fiscal year 1999, the Town invested only in U.S. Treasury Notes. These investments are stated at cost, which approximates market value.

**Bad Debts** - Uncollectible amounts due for the customer's utility and ad valorem taxes receivable are recognized as bad debts 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 ad valorem taxes receivable has been deemed necessary. The allowance for uncollectible customer's utilities was \$40,000 and \$21,000 at June 30, 1999 and 1998, respectively.

#### Fixed Assets -

##### General Fixed Assets Account Group

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, and are recorded as expenditures in the governmental fund type when purchased. Public works ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs 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 general fixed 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 rate of disposal of fixed assets is recorded by reserving and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is provided in the Enterprise Fund in amounts sufficient to retire the cost of the depreciable assets to operations over their estimated service lives on the straight-line basis. The estimated service lives by asset type are as follows:

Buildings	20-40 Years
Water System	10-40 Years
Sewer System	10-40 Years
Equipment	4-8 Years

**Restricted Assets** - The Debt Service and Enterprise Funds, because of certain bond covenants, are required to establish and maintain prescribed amounts of resources (consisting of cash and temporary investments) that can be used only to service outstanding debt. The Enterprise Fund also contains customer and vendor deposits.

**Compensated Absences** - No liability is recorded for accruing accumulating rights to receive vacation or sick pay benefits.

## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements June 30, 1999

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

**Comparative Data** - Comparative notes 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, comparative data (presentation of prior year accounts by fund type) in each of the statements has not been included since their inclusion would make the combined statements overly complex and difficult to read. Some prior year balances have been reclassified to conform with the current year presentation.

**Total Columns on Combined Statements** - Total columns on the combined statements are captioned "Information Only" to indicate that they are presented only to facilitate financial analysis. Even in these columns do not present financial position, results of operations, or changes in cash flows in conformity with generally accepted accounting principles. Further in such data comparable to a consolidation, interfund eliminations have not been made in the aggregation of this data.

**Inventory** - Inventory of supplies in the Proprietary Fund is not inventoried and is charged to operations as purchased.

**Collectible Deposits** - The Enterprise 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.

**Unearned Debt Expense** - Bond issuance costs and the difference between the negotiation price and the net carrying value of proprietary related debt are capitalized and amortized over the term of the respective bonds using methods which approximate the effective interest method.

**Fund Equity** - Contributed capital is recorded in the Enterprise Fund for capital gains received for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on the portion of the assets acquired or constructed from such resources.

However, resources from portions of fund equity not appropriate for expenditures or legally separated for a specific future use.

**Interfund Transactions** - Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements 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 the expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or corrective permanent transfers of equity are reported as initial equity transfers. All other interfund transfers are reported as operating transfers.

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**2. Cash and Cash Equivalents:**

The following is a summary of cash and cash equivalents (bank balances) at June 30, 1999:

Cash on hand	\$ 104
Demand deposits	219,801
Interest-bearing demand deposits	<u>1,640,629</u>
Total cash and cash equivalents	<u>\$ 1,860,534</u>

These deposits are stated at cost, which approximates market value. Under state law, these deposits (or the backing bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent. 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 June 30, 1999, the Town had \$1,900,810 in deposits (collected bank balances). These deposits were secured by \$280,000 of federal deposit insurance and \$1,620,810 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 collateralized (Category 3 under the provisions of GASB Statement No. 3, R.S. 49:1229 imposes a necessary requirement on the custodial bank to advertise and sell the pledged securities within 18 days of being notified that the fiscal agent bank has failed to pay deposited funds upon demand.

**3. Investments:**

The Town's investments are categorized into three distinct categories of credit risk:

1. Insured or registered, or securities held by the Town or its agent in the Town's name.
2. Uninsured and unregistered, with securities held by the company's trust department or agent in the Town's name.
3. Uninsured and unregistered, with securities held by the company, or its trust department or agent but not in the Town's name.

At June 30, 1999, the Town's investment balances were as follows:

Description	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Treasury Notes	<u>\$ 465,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 465,000</u>	<u>\$ 465,350</u>

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**4. Grants Receivable:**

Grants receivable consists of receivables for reimbursement of expenditures under various state programs and grants. All amounts are expected to be collected within one year.

**5. Special Assessments Receivable:**

The Town of Vivian completed a building in 1991 for a new industry (Meridian) in the Industrial Park. Meridian is assessed \$3,028 a month in reimburse to the Town for these expenditures.

**6. Ad Valorem Taxes:**

All ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Tax notices are prepared by the tax assessor and mailed by the Town in November. All unpaid taxes become delinquent on January 1 of the following year.

Revenues from ad valorem taxes are indicated in the year billed. For the year ended June 30, 1999, taxes of \$28,948 were levied on property with assessed value totaling \$21,750,450 and were dedicated as follows:

General corporate purposes	\$4.86 mills
Street maintenance	3.79 mills
Police maintenance	3.79 mills
Water maintenance	1.48 mills
<b>Total</b>	<u>13.92 mills</u>

**7. Components of Restricted Assets:**

Restricted assets in the Enterprise Fund consist of the following as June 30, 1999:

Description	Revenue Bond Sinking Fund	Revenue Bond Reserve Fund	Revenue Bond Contingency Fund	Customer Deposits	Total
Cash	\$ 36,341	\$ 8,918	\$ 321,584	\$ 35,503	\$ 402,346
U.S. Government Securities	-	178,658	-	301,000	480,258
<b>Total</b>	<u>\$ 36,341</u>	<u>\$ 188,569</u>	<u>\$ 321,584</u>	<u>\$ 637,493</u>	<u>\$ 1,183,992</u>

The ordinance authorizing the water and sewer system revenue bond requires that the Town establish a sinking fund (Revenue Bond Sinking Fund), a reserve fund (Revenue Bond Reserve Fund), and a contingency fund (Capital Addition and Contingents Fund) and make monthly payments in order to satisfy payments of principal and interest on all bonds payable. At June 30, 1999, the funds were in compliance with required deposits.

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1998

**2. Components of Restricted assets (Continued):**

The amount of restricted earnings reserved for revenue bond retirement is detailed as follows:

<b>Restricted Assets -</b>		
Revenue Bond Sinking Fund	\$ 26,181	
Revenue Bond Reserve Fund	<u>188,509</u>	
		\$ 214,708
<b>Less -</b>		
Accrued revenue bond interest payable from restricted assets	18,844	
Current portion of revenue bonds payable from restricted assets	<u>(45,880)</u>	
		<u>161,844</u>
<b>Restricted earnings reserved</b>		<b>\$ 80,988</b>

**3. Changes in Fixed Assets:**

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

	Balance			Balance June 30, 1998
	June 30, 1998	Additions	Deductions	
<b>Land</b>	\$ 1,185,049	\$	\$	\$ 1,185,049
<b>Buildings</b>	1,904,858	5,880	21,404	1,989,454
<b>Improvements, other than buildings</b>	974,428	26,740		1,001,168
<b>Equipment</b>	<u>852,898</u>	<u>99,869</u>	<u>8,180</u>	<u>954,687</u>
	<b>\$ 4,807,233</b>	<b>\$ 131,579</b>	<b>\$ 30,584</b>	<b>\$ 4,908,298</b>

A summary of Enterprise Fund fixed assets at June 30, 1998, is as follows:

Water system	2,481,658
Sewer system	8,800,000
Machinery and equipment	<u>197,883</u>
	5,746,717
Less accumulated depreciation	<u>(2,118,262)</u>
<b>Net fixed assets</b>	<b>\$ 3,528,515</b>

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**2. Changes in Long-Term Debt:**

The following is a summary of the long-term debt transactions of the Town of Vivian, Louisiana, for the year ended June 30, 1999:

	Note Payable	General Obligation	Utilities Revenue	Total
Debt payable at June 30, 1998	\$ 42,962	\$ 1,620,000	\$ 1,384,624	\$ 3,047,624
Additions to debt payable	200,000			200,000
Debt retired	(21,271)	(70,000)	(11,000)	(102,271)
Amortization of deferred fees on early retirement of debt			10,000	10,000
Debt payable at June 30, 1999	\$ 217,691	\$ 1,550,000	\$ 1,383,624	\$ 3,151,315

Debt payable at June 30, 1999 is comprised of the following individual issues:

**Note payable:**

\$116,611 note payable to Citizens Bank and Trust Company dated February 24, 1994, due in 72 monthly installments of \$2,270 through February 24, 2000, interest at 8.25% (secured by levy and collection of ad valorem taxes) \$ 116,611

\$200,000 Certificates of Indebtedness, series 1999, dated January 20, 1999, due in annual installments of \$12,000-\$20,000 through January 1, 2000, interest at 4.7% (payable from income revenues) 200,000

\$ 316,611

**General obligation:**

\$1,550,000 Industrial Development bonds dated May 1, 1992, due in annual installments of \$58,800-\$180,000 through May 1, 2011, interest at 4.8% to 9.87% (secured by levy and collection of ad valorem taxes) \$ 1,550,000

**Enterprise Fund obligation:**

\$1,000,000 Utilities Revenue (Water and Sewer) bonds dated August 20, 1992, due in annual installments of \$100,000 - \$215,000 through April 1, 2007, interest at 4.7% - 5.6% \$ 1,000,000

Loss amortized deferred fees on early retirement of debt 102,270

\$ 1,587,730

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**9. Changes in Long-Term Debt (Continued):**

On January 26, 1998, the Town issued \$200,000 in Certificates of Indebtedness, Series 1998, with fixed interest rate of 4.75%. The Town issued the certificates for the purpose of acquiring and constructing improvements to a new city hall building, including the necessary equipment and furnishings therefor and paying the cost of issuance of the certificates. The certificates will be repaid using the excess of annual revenues.

The annual requirements to amortize all debt outstanding as of June 30, 1999, including interest payments of \$1,260,865 are as follows:

Year Ending June 30	State Debt	General Obligations	Refugee Fund Obligations	Total
2000	\$ 41,931	\$ 180,179	\$ 210,711	\$ 432,821
2001	21,683	178,188	211,270	410,141
2002	27,980	171,908	210,441	410,329
2003	27,830	171,583	211,945	411,358
2004	26,130	181,792	210,821	418,743
2005-2009	336,214	930,723	470,380	1,737,317
2010-2012		589,798		589,798
	<u>\$ 712,661</u>	<u>\$ 1,982,261</u>	<u>\$ 1,193,211</u>	<u>\$ 3,488,133</u>

**10. Allocation of Proceeds And Flow Of Funds - 2% Sales And Use Tax:**

Proceeds of a 2% sales and use tax levied by the Town of Vivian (collections for the year ended June 30, 1999 and 1998 are \$140,884 and \$164,831, respectively) are dedicated to the following purposes:

1. Providing funds in the amount of 25% of the proceeds of such tax each year for constructing, acquiring, improving and/or maintaining industrial parks and buildings and equipment to induce the location of industry in the Town.
2. Providing funds in the amount of 27% of the proceeds of such tax for each year to the General Fund of the Town to be used for any lawful corporate purpose.
3. The remaining proceeds are to be used for street improvements and/or recreational programs.

Proceeds of another 2% sales and use tax levied by the Town of Vivian (collections for the year ended June 30, 1999 and 1998 are \$181,333 and \$160,817, respectively) are dedicated to the Police Department to be used for any lawful corporate purpose.

**TOWN OF VIVIAN, LOUISIANA**

Notes to Financial Statements  
June 30, 1999

**F1. Interfund Assets/Liabilities:**

Due amounts either funds balances at June 30, 1999, were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 148,555	\$ 148,435
Special Revenue Funds	243	2,000
Capital Projects Funds	105,998	
Enterprise Fund	55,432	165,138
	\$ 310,228	\$ 317,573

**F2. Interfund Operating Expenses:**

Individual fund operating transfers for fiscal year 1999, were as follows:

	Transfer to	Transfer from
General Fund	\$ 675,315	\$ 71,889
Special Revenue Funds	115,895	566,957
Debt Service Funds	48,864	35,541
Enterprise Fund	45,844	
	\$ 875,918	\$ 875,387

**F3. Pension Plans**

Substantially all employees of the Town are members of the following outside retirement systems: Municipal Employees' Retirement System of Louisiana or Municipal Police Employees' Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Payment information relative to each plan follows:

**A. Municipal Employees' Retirement System of Louisiana (System)**

**Plan Description.** The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 20 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2% of their final-average monthly salary in excess of \$100 for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the benefit benefit reduced 2% for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100% of final-average salary. 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.



## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements June 30, 1999

and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7017 Ulmer Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 922-0830.

**Funding Policy.** Under Plan B, members are required by state statute to contribute 3.02% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate is 2.11% of annual covered payroll. Contributions to the System also include one-fourth of PA (except Orleans and East Baton Rouge parishes) of the state share to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:405, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System under Plan B for the years ending December 31, 1999, 1998, and 1997, were \$30,296, \$21,152, and \$21,886, respectively, equal to the required contributions for each year.

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

**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 55 with at least 20 years of creditable service or at or after age 53 with at least 12 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 3.33% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. This report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 6801 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2126, or by calling (504) 829-3411.

**Funding Policy.** Plan members are required by state statute to contribute 1.5% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate is 4.02% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by state statute. As provided by R.S. 11:1103, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town's contributions to the System for the years ending December 31, 1999, 1998, and 1997, were \$6,772, \$11,358, and \$10,828, respectively, equal to the required contributions for each year.

## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements June 30, 1999

#### 14. Year 2000 Issues

Year 2000 is an issue arising from computers being programmed to use only two digits (only the assumption that the first two digits would always be '00') to identify the year when processing date-sensitive information. This method of identifying dates would cause problems when processing information with dates in the year 2000 or later. As a result, the systems that use only two digits is expected to require beyond systems and any equipment that is dependent on microchip 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 microchip technology since these services are not automated in nature. However, the effect of the year 2000 issue upon the Town's water, electric and utility providers from which it obtains services has not been determined. As a result, 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 June 30, 1999, the Town of Vivian, Louisiana incurred no material remediation costs concerning the year 2000 issue. No significant loss due to impairment of equipment, that is not year 2000 compliant, was recognized for the year ended June 30, 1999.

#### 15. Budget or Actual Expenditures

For the year ended June 30, 1999, the Town did not budget expenditures for the payment of lawsuit settlements which totaled \$49,880 in the General Fund. These settlements were paid subsequent to year end. Because the loss contingency was probable and the amount could be reasonably estimated at June 30, 1999, the Town accrued \$49,880 as an expenditure during that period, even though that amount had not been budgeted. For comparative purposes of budget to actual expenditures, this amount is excluded from actual expenditures as shown in Exhibit 3-Condensed Statement of Revenues, Expenditures and Changes in Fund Balances-Budget (H&AP Basis) and Actual-All Governmental Fund Types. Therefore, the fund balance in Exhibit 3 does not agree with the fund balance shown in Exhibit 1-Condensed Balance Sheet-All Fund Types and Account Groups. The reconciliation of the fund balances is shown as follows:

Actual revenues	\$ 178,573
Actual expenditures, as shown in Exhibit 3	(1,875,157)
Deficiency of revenues over expenditures	\$ (1,696,584)
Total other financing sources	608,684
Deficiency of revenues over expenditures and other financing sources	\$ (1,087,900)
Fund balance at beginning of year	802,178
Fund balance at end of year as shown in Exhibit 1	708,684
Loss contingencies not included in Exhibit 3	108,880
Fund balance at end of year as shown in Exhibit 3	\$ 608,684

## TOWN OF VIVIAN, LOUISIANA

### Notes to Financial Statements

June 30, 1999

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#### **16. Litigation and Claims:**

Subsequent to year-end, the Town paid \$79,500 for settlement costs and legal fees associated with various lawsuits. Of this amount, \$45,000 has been recorded as a liability of the General Fund, and \$29,500 has been recorded as a liability of the Enterprise Fund.

Various other claims and lawsuits are pending against the Town. In the opinion of management, the potential loss on these claims and lawsuits will not be significant to the Town's financial statements.

#### **17. Commitments and Contingencies:**

The Town is exposed to various risks of loss related to theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance.

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

#### **18. Related Party Transactions:**

Proceedings, observations, and inquiries did not disclose any material related party transactions for the fiscal year ended June 30, 1999.

**SUPPLEMENTAL INFORMATION**

**GENERAL FUND**  
**Statement of Current Expenditures by Department**  
**Year Ended June 30, 1999**  
**With Comparative Amounts for Year Ended June 30, 1998**

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
<b>General Government:</b>		
Personal services	\$ 98,438	98,138
Heat, light and power	7,737	8,675
Insurance and maintenance	38,871	15,983
Professional fees and legal costs	34,836	23,889
Supplies	17,087	7,681
Airport capital	5,823	8,893
Contingency capital	21,035	17,333
Miscellaneous	<u>14,981</u>	<u>22,418</u>
Total general government expenditures	<u>359,128</u>	<u>329,210</u>
<b>Public Safety:</b>		
Personal services	378,185	348,348
Heat, light and power	17,668	17,789
Insurance and maintenance	89,955	79,640
Supplies	54,889	48,792
Miscellaneous	<u>21,208</u>	<u>3,838</u>
Total public safety expenditures	<u>662,905</u>	<u>598,407</u>
<b>Public Works:</b>		
Personal services	151,183	167,233
Heat, light and power	39,838	28,961
Insurance and maintenance	47,750	71,839
Supplies	26,199	34,004
Miscellaneous	<u>15,828</u>	<u>-</u>
Total public works expenditures	<u>380,998</u>	<u>402,137</u>
<b>Town Services:</b>		
Personal services	16,315	15,628
Heat, light and power	2,483	3,189
Insurance and maintenance	2,781	8,708
Garbage collection expense	171,852	171,353
Supplies	284	347
Main Street expense	30,788	9,839
Miscellaneous	<u>1,893</u>	<u>6,140</u>
Total town services	<u>327,406</u>	<u>409,204</u>

(Continued)

## TOWN OF VIVIAN, LOUISIANA

## GENERAL FUND

Statement of Current Expenditures by Department  
Year Ended June 30, 1999

With Comparative Amounts for Year Ended June 30, 1998

	<u>June 30, 1999</u>		<u>June 30, 1998</u>
<b>Recreation</b>			
Personal services	\$ 29,693	\$	29,176
Fuel, light and power	7,886		7,354
Insurance and maintenance	14,979		17,156
Supplies	17,996		16,880
Miscellaneous	12,964		6,879
Total recreation	<u>87,488</u>		<u>86,215</u>
<b>Capital Outlay</b>			
General government	68,347		69,819
Public safety	52,714		15,461
Public works	26,490		4,295
Town services	-		2,139
Recreation	5,014		1,860
Total capital outlay	<u>152,565</u>		<u>103,574</u>
<b>Total Current Expenditures</b>	<u>\$ 2,427,947</u>	\$	<u>1,491,668</u>

**TOWN OF WYLAN, LOUISIANA**  
**SPECIAL REVENUE FUNDS**  
**Combining Balance Sheet**  
**June 30, 1999**  
**With Comparative Totals for June 30, 1998**

			<u>Totals</u>	
	<u>Sales Tax</u>	<u>Industrial Development</u>	<u>June 30, 1999</u>	<u>June 30, 1998</u>
<b>Assets</b>				
Cash	\$ 352,816	\$ 345,803	\$ 698,619	\$ 590,738
Special assessment receivable		490,738	490,738	506,057
Due from other funds		342	342	1,828
<b>Total Assets</b>	<u>\$ 352,816</u>	<u>\$ 1,818,782</u>	<u>\$ 1,198,798</u>	<u>\$ 1,104,791</u>
<b>Liabilities and Fund Balance</b>				
<b>Liabilities:</b>				
Accounts payable	\$ 624	\$ -	\$ 624	\$ 599
Due to other funds	2,380		2,380	84,738
Deferred revenue		490,738	490,738	506,057
<b>Total Liabilities</b>	2,934	490,738	493,692	591,371
<b>Fund Balance:</b>				
Unreserved - undesignated	349,882	345,844	495,698	511,538
<b>Total Liabilities and Fund Balance</b>	<u>\$ 352,816</u>	<u>\$ 1,818,782</u>	<u>\$ 1,198,798</u>	<u>\$ 1,104,791</u>

## TOWN OF VIVIAN, LOUISIANA

## SPECIAL REVENUE FUNDS

Combining Statements of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended June 30, 1999

With Comparative Totals for Year Ended June 30, 1998

	Sales Tax	Industrial Development	Totals	
			June 30, 1999	June 30, 1998
<b>Revenues:</b>				
Taxes	\$ 711,294	\$ -	\$ 711,294	\$ 701,694
Miscellaneous - interest	1,513	11,791	19,206	6,349
Special assessment	-	31,509	31,509	38,798
Total revenues	714,807	43,300	815,809	746,841
<b>Expenditures:</b>				
General government	8,261	-	8,261	6,791
Excess of revenues over expenditures	706,546	43,300	815,418	763,643
<b>Other financing sources-(uses):</b>				
Operating transfers in:				
Operating transfers out	15,624	95,411	111,095	81,889
Operating transfers out	(243,768)	(1,822)	(256,797)	(238,833)
Total other financing sources-(uses):	(243,768)	93,589	(69,202)	(107,864)
Excess of revenues over expenditures and other financing sources (uses)	462,778	41,719	544,796	428,578
Fund balance at beginning of year	180,708	492,513	816,888	484,753
Fund balance at end of year	\$ 649,862	\$ 546,844	\$ 695,896	\$ 513,381



## TOWN OF VITIAN, LOUISIANA

## SPECIAL REVENUE FUNDS

## Sales Tax Fund

Statement of Revenues, Expenditures and Changes in  
Fund Balances - Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

With Comparative Actual Accounts for Year Ended June 30, 1998

	June 30, 1999		Variance- Favorable (Unfavorable)	June 30, 1998
	Budget	Actual		Actual
<b>Revenues:</b>				
Taxes	\$ 348,800	\$ 315,294	\$ 33,506	\$ 335,694
Miscellaneous - Interest		1,215	1,215	1,215
Total revenues	348,800	316,509	32,291	336,909
<b>Expenditures:</b>				
General government				
Collection expense	3,488	8,351	4,863	6,711
Excess of revenues over expenditures	345,312	308,158	37,154	330,198
<b>Other financing uses:</b>				
Operating transfers in	-	11,624	11,624	-
Operating transfers out	(335,249)	(345,268)	10,019	(328,622)
Total other financing uses	(335,249)	(345,268)	10,019	(328,622)
Excess of revenues over expenditures and other financing uses	-	16,384	16,384	1,576
Fund balance at beginning of year	128,615	118,718	-	128,618
Fund balance at end of year	\$ 128,615	\$ 135,102	\$ 26,486	\$ 130,194

## TOWN OF IVIVIAN, LOUISIANA

## SPECIAL REVENUE FUNDS

## Industrial Development Fund

Statement of Revenues, Expenditures and Changes in  
Fund Balance - Budget (GAAP Basis) and Actual  
Year Ended June 30, 1999

With Comparative Actual Amounts for Year Ended June 30, 1998

	June 30, 1999		June 30, 1998	
	Budget	Actual	Minimum Favorable (Unfavorable)	Actual
<b>Revenues:</b>				
Miscellaneous - Interest	\$ 8,000	\$ 17,710	\$ 11,710	\$ 5,117
Special assessments	58,148	33,318	(11,079)	58,210
Total revenues	66,148	51,028	8,631	63,327
<b>Expenditures:</b>				
General government:				
Insurance, utilities and other	35,240	-	35,240	-
Portion of revenues over expenditures	3,908	51,028	(21,187)	35,417
<b>Other financing sources (uses):</b>				
Operating transfers in	92,118	95,470	3,352	91,809
Operating transfers out	-	(1,879)	(1,879)	-
Total other financing sources	92,118	93,591	124	91,809
Excess of revenues over expenditures and other financing sources (uses)	89,811	140,477	(21,099)	(36,456)
Fund balance at beginning of year	275,217	485,972	-	276,116
Fund balance at end of year	\$ 471,558	\$ 646,449	\$ (29,089)	\$ 482,972

## TOWNSHIP OF MANSFIELD, OHIO

## DEBT SERVICE FUNDS

Comparing Balance Sheet

June 30, 1999

With Comparative Totals for June 30, 1998

	1999		1998		1998		1998		Totals	
	Public Improvement Bonds-A	Public Improvement Bonds-B(1)	General Fund	Industrial Development Fund	Other Classes Bonds	Other Classes Profits	Certificates of Indebtedness		June 30, 1999	June 30, 1998
<b>Assets</b>										
Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,403	\$ -	\$ 21,403	\$ 26,412
Total Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,403	\$ -	\$ 21,403	\$ 26,412
<b>Liabilities and Fund Balance</b>										
Fund Balance										
Reserved for debt service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,403	\$ -	\$ 21,403	\$ 26,412
Total Liabilities and Fund Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 21,403	\$ -	\$ 21,403	\$ 26,412

## TOWNS OF VIVIAN, LOUISIANA

## DEBT SERVICE FUNDS

Candidate Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Year Ended June 30, 1999

With Comparative Totals for Year Ended June 30, 1998

	1998 Funds	1998 Funds Development Board	1998 Funds Main Columbia Bank	1998 Credits of Individuals	Total
					June 30, 1999
					June 30, 1998
<b>Revenues:</b>					
Miscellaneous	-	271	-	-	271
Transfers	-	181,790	-	-	181,790
<b>Expenditures:</b>					
Principal retirement	-	70,000	53,276	-	123,276
Interest and bond charge	-	11,700	1,880	-	13,580
Total expenditures	-	81,700	55,156	-	136,856
Excess (deficiency) of revenues over expenditures	-	99,290	(52,243)	-	47,047
Other financing sources:					
Operating transfers to	-	-	20,240	21,140	41,380
Operating transfers to	(18,818)	(18,820)	-	-	(37,638)
Total other financing sources	(18,818)	(18,820)	20,240	21,140	(16,258)
Excess (deficiency) of revenues over expenditures and other financing sources	(18,818)	(19,220)	(31,943)	21,140	(48,841)
Fund balances at beginning of year	19,618	15,820	-	-	35,438
Fund balances at end of year	-	-	-	-	-



## TOWN OF VIVIAN, LOUISIANA

## ENTERPRISE FUND

## Utility Fund

## Comparative Balance Sheets

June 30, 1999 and 1998

	June 30, 1999	June 30, 1998
<b>ASSETS</b>		
<b>Current assets:</b>		
Cash and cash equivalents	\$ 208,407	\$ 189,712
Accounts receivable (net of allowance for doubtful accounts \$11,608 for 1999 and \$21,348 for 1998)	321,681	141,099
Due from other funds	55,431	46,579
Accrued interest receivable	5,847	3,438
Prepaid expenses	15,835	10,684
<b>Total current assets</b>	<b>617,101</b>	<b>492,512</b>
<b>Restricted assets:</b>		
Cash and cash equivalents	413,987	365,415
Investments, at cost	399,319	368,292
<b>Total restricted assets</b>	<b>813,306</b>	<b>733,707</b>
<b>Other assets:</b>		
Investments, at cost	38,640	58,900
Deferred charges	30,414	23,888
<b>Total other assets</b>	<b>69,054</b>	<b>82,788</b>
<b>Property, plant and equipment:</b>		
Land	64,886	61,786
Buildings	1,480	23,896
Water system	2,481,688	2,415,406
Storm system	2,662,668	2,999,263
Machinery and equipment	397,888	376,681
	5,748,710	5,777,032
Less accumulated depreciation	2,218,262	2,869,246
Net property, plant and equipment	3,530,448	2,907,786
<b>Total Assets</b>	<b>\$ 4,653,908</b>	<b>\$ 4,183,881</b>

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**LIABILITIES AND FUND EQUITY**

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
<b>Liabilities:</b>		
<b>Current liabilities (payable from current assets):</b>		
Accounts payable	16,050	17,950
Accrued expenses	46,857	11,315
Due to other funds	<u>146,178</u>	<u>65,881</u>
Total current liabilities (payable from current assets)	<u>311,085</u>	<u>95,146</u>
<b>Current liabilities (payable from restricted assets):</b>		
Current portion of revenue bonds	145,800	133,000
Accrued revenue bond interest	16,841	26,116
Customers' deposits	<u>64,083</u>	<u>63,973</u>
Total current liabilities (payable from restricted assets)	<u>226,724</u>	<u>223,089</u>
<b>Long-term liabilities (part of current portion):</b>		
Revenue bonds	<u>1,271,524</u>	<u>1,271,611</u>
Total liabilities	<u>3,853,534</u>	<u>3,885,724</u>
<b>Fund equity:</b>		
<b>Contributed capital:</b>		
Municipality	474,517	474,517
Intergovernmental	<u>1,421,490</u>	<u>1,421,410</u>
Total contributed capital	<u>1,896,007</u>	<u>1,895,927</u>
<b>Retained earnings:</b>		
Reserved for revenue bonds	56,964	56,429
Unreserved	<u>1,271,781</u>	<u>1,578,361</u>
Total retained earnings	<u>1,328,745</u>	<u>1,634,790</u>
Total fund equity	<u>3,224,752</u>	<u>3,530,717</u>
Total Liabilities and Fund Equity	<u>\$ 3,853,534</u>	<u>\$ 3,885,724</u>

## TOWN OF VIVIAN, LOUISIANA

## ENTERPRISE FUND

## Utility Fund

## Statement of Operating Expenses by Department

Year Ended June 30, 1999

With Comparative Amounts for Year Ended June 30, 1998

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
<b>General and administrative:</b>		
Personal services	\$ 71,859	\$ 49,899
Supplies	30,609	13,908
Maintenance	21,448	27,119
Rent	-	3,608
Heat, light and power	3,336	3,372
Depreciation	15,841	13,648
Miscellaneous	<u>22,871</u>	<u>3,184</u>
Total administrative expenses	<u>185,864</u>	<u>115,838</u>
<b>Water:</b>		
Personal services	148,285	141,796
Supplies	21,454	40,193
Maintenance	127,820	84,330
Heat, light and power	24,757	39,488
Depreciation	83,713	83,686
Miscellaneous	<u>42,641</u>	<u>21,870</u>
Total water department expenses	<u>428,669</u>	<u>312,263</u>
<b>Sewer:</b>		
Personal services	81,243	68,883
Supplies	80,204	28,609
Maintenance	41,298	24,639
Heat, light and power	27,427	24,658
Depreciation	76,583	79,237
Miscellaneous	<u>18,796</u>	<u>18,823</u>
Total sewer department expenses	<u>326,551</u>	<u>285,039</u>
<b>Total operating expenses</b>	<u>\$ 940,984</u>	<u>\$ 703,133</u>



## TOWN OF VIVIAN, LOUISIANA

Subsidiary of Mayor's and Aldermen's Compensation  
and Expense Reimbursement  
For the Year Ended June 30, 1999

	<u>Compensation</u>	<u>Expense Reimbursement</u>
<b>Feb. 1, 1998 through December 31, 1998</b>		
Mayor James W. Williamson	\$ 3,000	\$
Alderman Betty Bealham	900	
Alderman Kenneth Clay	900	
Alderman Sam Curry	900	
Alderman Jerry Dale	900	
Alderman Betty Mathews	900	
<b>January 1, 1999 through June 30, 1999</b>		
Mayor Hayward B. McCaskey	4,000	400
Alderman Shelly Branch	900	10
Alderman Glen Miles	900	
Alderman Jimmy Woods	900	
Alderman Judy Wilson	900	
Alderman Betty Williams	900	
<b>Total</b>	<u>\$ 18,000</u>	<u>\$ 410</u>

## OTHER REPORTS



SMITH, PUGH, REINHARDT & HILL, P.C. CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Hayward McCosick, Mayor  
and the Members of the Board of Aldermen of  
The Town of Virvin, Louisiana

We have audited the general purpose financial statements of the Town of Virvin, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 9, 1999, which was qualified because insufficient audit evidence exists to support the Town of Virvin, Louisiana's disclosures with respect to the year 2000 issue. Except as discussed in the preceding sentence, we concluded our audit is consistent 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.

**Continuity**

As part of obtaining reasonable assurance about whether the Town of Virvin, 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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying Schedule of Findings and Questioned Costs as item 99-1.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Town of Virvin, 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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters relating to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Town of Virvin, Louisiana's ability to record, process, summarize and report financial data consistent with the intentions of management in the general purpose financial statements. The reportable condition is described in the accompanying Schedule of Findings and Questioned Costs as item 99-1.

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 accounts 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended solely for the information and use of management and the Board of Aldermen, and is not intended to be and should not be used by anyone other than these specified parties.

*Smith, Pugh, Reinhardt & Hill*  
Certified Public Accountants

November 9, 1999

## TOWN OF VIVIAN, LOUISIANA

### Schedule of Findings and Questioned Costs Year Ended June 30, 1999

We have audited the financial statements of the Town of Vivian, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 5, 1999. 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. Our audit of the financial statements as of June 30, 1999 resulted in a qualified opinion.

#### Section I – Summary of Auditor’s Report

##### a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control	Yes	No	Reportable Condition	Yes	No
Material Weaknesses		<input checked="" type="checkbox"/>			
Compliance					
Compliance Material to Financial Statements			<input checked="" type="checkbox"/>	Yes	No

##### b. Federal Awards – None awarded for year ended June 30, 1999.

##### c. Identification of Major Programs: N/A

#### Section II – Financial Statement Findings

##### Current Year Findings

Questioned Costs

##### 09-1 Police Fine Collections and Deposits

**Statement of Condition:** Deposits of funds collected for police fines are not being made in a timely manner. Adequate records have not been maintained to ensure that all cash collected is properly deposited into the bank account.

**Agree of Condition:** Revenues are not posted to the general ledger in the proper period. Also, revenues are understated by any funds that have been collected, but not deposited into the bank account.

Unknown

**Cause of Condition:** The Town did not properly safeguard funds collected prior to the bank deposit being made nor were the deposits made in a timely manner. The Town did not maintain adequate records to ensure that all funds collected were properly deposited into the bank account.

**Recommendation:** The Town should deposit any funds collected on a daily basis and maintain adequate documentation (i.e., cash receipt journal and bank deposit slip) for all monies collected.

**Response:** We concur with the auditor’s recommendation. Procedures will be established immediately to prevent a recurrence of this situation.

STATE OF MISSISSIPPI

DEPARTMENT OF REVENUE

STATE OF MISSISSIPPI, LYBIA

Summary Schedule of Prior Audit Findings  
Year Ended June 30, 1999

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Section II - Internal Control and Compliance Material to the Financial Statements

94-1 Utilities Revenue Bonds Payable Debt Covenants

**Condition:** Deposits into the Sinking Fund cash account were not made in sufficient amounts needed to comply with the debt covenants required by the Utilities Revenue Bonds Payable, Series 1997, nor were these deposits made in a timely manner.

**Recommendation:** The Town should ensure that the amounts specified in the debt covenants are deposited into the Sinking Fund cash account by the 20<sup>th</sup> day of each month.

**Current Status:** The Town made deposits into the Sinking Fund cash account in amounts needed to comply with the debt covenants; however, not all deposits were made by the 20<sup>th</sup> day of each month. The timeliness of deposits into the Sinking Fund cash account has been verified as of June 30, 1999.

**TOWN OF NIVISAP, LOUISIANA**

**Corrective Action Plan for Current Year Audit  
Year Ended June 30, 1999**

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Our corrective action plan is as follows:

**Finding 99-1**

**Contact person responsible for action:** Honorable Hayward McCormick, Mayor

**Anticipated completion date:** Completed by audit report date.

**Corrective action performed:** The Town has implemented procedures to more adequately insure funds received prior to the bank deposit being made. In addition, cash is no longer accepted by the Town for payment of police fines to further safeguard funds collected prior to the bank deposit being made. Bank deposits are being made in a more timely manner with appropriate supporting documentation prepared and provided to the accounting department.