

TOWN OF VIVIAN, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1998

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date: 12-18-98

TOWN OF VIVIAN, LOUISIANA

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SMITH PUGH HUBBARD & BROWN L.L.P. CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

The Honorable James M. Williamson, 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, 1998, as listed 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 financial statements based on our audit.

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. These standards require that we planned and performed 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 accounting estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Vivian, Louisiana, as of June 30, 1998, 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 September 29, 1998, on our examination 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 major 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 Hubbard & Brown L.L.P.
 Certified Public Accountants
 Shreveport, Louisiana

September 29, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

Liabilities	Commonwealth Debt (Days)		Capital Expenditures	Debt Service	Current Reserves	Emergency Reserves	Assessments			Taxes			
	Special Accounts	Other Accounts					Special Fund Accounts	Special Fund Accounts	Special Fund Accounts	Assessments	Assessments	Assessments	
Accounts payable	\$ 28,111	\$ 199	\$	\$	\$ 11,000	\$ 11,000	\$	\$	\$ 28,111	\$ 199	\$ 11,000	\$ 28,111	\$ 199
Accrued expenses	48,111				1,227	1,227			48,111		1,227	48,111	
Due under bonds	48,478	44,375	3,178	1	43,094				48,478	44,375	3,178	48,478	44,375
Deferred revenues		25,827								25,827			25,827
Payable from contributions													
Current portion of long-term bonds payable					10,000	10,000					10,000	10,000	
Accrued interest on bonds payable					20,746	20,746					20,746	20,746	
Accounts payable					43,473	43,473					43,473	43,473	
Prepaid expenses							43,493			43,493			
Retained obligation bonds payable							1,225,000			1,225,000			
Revenue bonds payable					1,075,000	1,075,000				1,075,000			
Total Liabilities	134,210	70,122	3,178	1	1,089,514	1,089,514			1,089,514	70,122	1,089,514	1,089,514	70,122
Over-fund equity					1,452,000	1,452,000					1,452,000	1,452,000	
Income in general fund from							1,075,000			1,075,000			
Business earnings													
Special financing contributions					26,429	26,429				26,429			
Unemployment					1,075,000	1,075,000				1,075,000			
Contributions													
Revenue from other services								34,126		34,126			
Unemployment insurance	85,228	103,146								85,228	103,146		
Total Unfunded equity	85,228	103,146			1,452,000	1,452,000				1,452,000			1,452,000
Total Unfunded equity	85,228	103,146			1,452,000	1,452,000				1,452,000			1,452,000
Total Liabilities and Unfunded Equity	219,438	173,268	3,178	1	2,541,514	2,541,514			2,541,514	173,268	2,541,514	2,541,514	173,268

TOWN OF VIVIAN, LOUISIANA

**Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types
Year Ended June 30, 1998**

	Governmental Fund Types				Total Governmental Funds	
	General		Special		1998	1997
	Dollars	Cents	Dollars	Cents	Dollars	Dollars
Revenues:						
Taxes	\$	226,687	\$	124,649	\$	351,336
Oil and gas severance		88,794			88,794	84,566
License and permits		93,644			93,644	106,209
Intergovernmental		40,241			40,241	40,831
Charges for services		178,567			178,567	171,696
Fees and tributes		11,227			11,227	11,669
Fine and forfeitures		44,879			44,879	44,204
Interest		37,449		4,969	42,418	33,500
Special assessment				50,000	50,000	50,000
Miscellaneous		43,202		85,438	128,640	124,819
Total revenues		<u>589,896</u>		<u>265,096</u>		<u>854,992</u>
Expenditures:						
Current:						
General government		224,237		6,711	230,948	266,860
Public safety		224,497			224,497	224,236
Public works		404,527			404,527	325,387
Town activities		240,874			240,874	240,397
Housing		44,833			44,833	45,377
Capital outlay		82,754			82,754	126,411
Debt service:						
Principal payments				24,521	24,521	24,521
Interest and other charges				121,566	121,566	124,433
Total expenditures		<u>1,401,922</u>		<u>152,802</u>		<u>1,554,724</u>
Town of Vivian's contribution to expenditures		(241,000)		(60,441)		(301,441)
Other financing sources (uses):						
Operating transfers in		275,664		41,666	317,330	178,774
Operating transfers out		(206,175)		(108,803)	(314,978)	(314,715)
Total other financing sources (uses)		<u>69,489</u>		<u>(67,137)</u>		<u>2,352</u>
Town of Vivian's contribution to other financing sources (uses)		(20,000)		118,779		98,779
Total changes in beginning of year		<u>881,148</u>		<u>68,752</u>		<u>949,900</u>
Total changes in end of year		<u>(812,026)</u>		<u>(87,706)</u>		<u>(900,732)</u>

TOWN OF VIVIAN, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GARAP Basis) and Actual All Governmental Fund Types Year Ended June 30, 2008

Revenues	Grand Total		
	Budget	Actual	Variance Favorable (Disadvantage)
Taxes	\$ 295,000	\$ 333,491	\$ 38,491
Rent and gas/permits	1,860	8,774	6,914
Licenses and permits	46,000	43,834	(2,166)
Intergovernmental	144,100	64,244	(79,856)
Charges for services	175,000	176,543	1,543
Fees and fines	20,000	11,204	(8,796)
Franchise fee	80,000	84,875	4,875
Interest	10,000	7,181	(2,819)
Special government			
Miscellaneous	20,511	41,700	21,189
Total revenues	774,871	867,666	92,795
Expenditures			
Current			
General government	119,454	266,718	147,264
Public safety	11,754	268,043	256,289
Public works	271,400	260,217	(11,183)
Transportation	440,800	138,814	(301,986)
Education	85,000	86,211	1,211
Capital outlay	110,000	61,794	(48,206)
Debt service			
Principal retirement			
Interest on bonded debt			
Total expenditures	1,488,407	1,480,827	(7,580)
Excess (deficiency) of revenues over expenditures	(713,536)	(613,161)	(100,625)
Other financing sources (uses)			
Operating transfers in	473,487	473,694	207
Operating transfers out	(68,843)	(78,627)	(9,784)
Transfer financing sources (uses)	(64,444)	(62,672)	(1,772)
Excess (deficiency) of nonrevenue expenditures and other financing sources (uses)	(89,800)	(67,605)	(22,195)
Total balance beginning of year	87,240	80,290	(7,050)
Total balance at end of year	\$ 11,440	\$ 12,685	\$ 1,245

TOWN OF VIVIAN, LOUISIANA

Statement of Revenues, Expenses and
 Changes in Retained Earnings - Proprietary Fund Type
 Year Ended June 30, 1998
 With Comparative Amounts as of June 30, 1997

	Proprietary Funds	
	June 30, 1998	June 30, 1997
Operating revenues		
Water sales	\$ 411,951	\$ 416,480
Sewer user charges	248,287	248,856
Delinquent charges	23,889	27,710
Miscellaneous revenues	1,407	1,299
Total operating revenues	<u>685,534</u>	<u>694,345</u>
Operating expenses		
General and administrative expenses	115,003	70,733
Water department expenses	571,263	369,521
Sewer department expenses	205,078	215,668
Total operating expenses	<u>891,344</u>	<u>655,922</u>
Operating income (loss)	<u>(205,810)</u>	<u>40,114</u>
Non-operating revenues (expenses):		
Miscellaneous fees	1,100	1,280
Dedication fees	8,818	6,880
Interest income	43,728	36,810
Amortization - bond issue costs	(1,855)	(1,077)
Loss on disposal of assets	-	(5,707)
Interest expense and fiscal charges	<u>(117,831)</u>	<u>(126,357)</u>
Total nonoperating revenues (expenses)	<u>(66,040)</u>	<u>(88,282)</u>
Income (loss) before operating transfers	<u>(271,850)</u>	<u>(148,171)</u>
Operating transfers:		
Operating transfers in:		
General fund	<u>61,782</u>	<u>41,000</u>
Net income (loss)	<u>(210,068)</u>	<u>(107,171)</u>
Retained earnings at beginning of year	<u>1,648,737</u>	<u>1,641,546</u>
Retained earnings at end of year	<u>\$ 1,438,669</u>	<u>\$ 1,534,375</u>

TOWN OF VIVIAN, LOUISIANA

Exhibit B

Statement of Cash Flows - Proprietary Fund Type Year Ended June 30, 1998 With Comparative Amounts as of June 30, 1997

	Proprietary Fund	
	June 30, 1998	June 30, 1997
Cash flows from operating activities:		
Cash received from customers	\$ 716,619	\$ 636,111
Cash payments to suppliers for goods and services	(155,261)	(172,267)
Cash payments to employees for services	(189,234)	(182,834)
Net cash provided by operating activities	362,124	281,009
Cash flows from noncapital financing activities:		
Ad valorem taxes received	42,782	41,027
Miscellaneous revenues	18,018	3,829
Net cash provided by noncapital financing activities	60,800	44,856
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(15,801)	(28,949)
Proceeds from issuance of revenue bonds payable	63,000	-
Cash payments for costs of refunding bonds	(68,909)	-
Principal paid on revenue bond maturities	(116,000)	(105,000)
Interest paid on revenue bonds	(113,442)	(128,022)
Net cash used for capital and related financing activities	(140,152)	(162,971)
Cash flows from investing activities:		
Proceeds from maturities of investments	86,128	-
Purchase of investments	(16,909)	-
Interest on investments	(3,151)	31,388
Net cash provided by investing activities	66,068	31,388
Net increase in cash and cash equivalents	61,940	6,626
Cash and cash equivalents at beginning of year (including \$992,815 in restricted accounts for 1998, \$380,835 for 1997)	351,381	386,626
Cash and cash equivalents at end of year (including \$965,445 in restricted accounts for 1998, \$393,016 for 1997)	\$ 413,321	\$ 393,252

(Continued)

TOWN OF VIVIAN, LOUISIANA

Statement of Cash Flows - Proprietary Fund Type
Year Ended June 30, 1998
With Comparative Amounts as of June 30, 1997Reconciliation of Operating Income to Net Cash
Provided by Operating Activities

	<u>Enterprise Fund</u>	
	June 30, 1998	June 30, 1997
Operating income (loss)	\$ (89,851)	\$ 46,114
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation expense	180,488	184,768
Changes in assets and liabilities:		
Increase in accounts receivable	(81,067)	(18,157)
(Increase) decrease in due from other funds	79,769	(48,742)
Increase in prepaid expenses	(148)	(748)
Increase in due to other funds	5,731	29,888
Increase (decrease) in accounts payable	(6,893)	77,862
Increase (decrease) in account expenses	2,117	(1,828)
Increase in customer deposits	1,719	231
Net cash provided by operating activities	<u>\$ 168,115</u>	<u>\$ 380,521</u>

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

The Town of Vivian (the Town) was incorporated February 11, 1912, under the provisions of the Louisiana Act. The Town operates under the Mayor/Board of Aldermen form of government.

1. 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 principles also conform to the requirements of Louisiana Revised Statutes 24:117 and to the guidelines both 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 as to before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

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 Mayor 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, voting authority, authority to issue debt, creation or appointment of governing body, and other political oversight responsibilities.
- 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. Certain assets resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the manner by which spending activities are controlled. The following funds and groups of accounts are used by the Town:

Governmental Fund Types:

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 specific purposes.

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

Capital Projects Fund - The Capital Projects Fund is used to account for all resources for the acquisition of capital facilities of the Town.

Proprietary Fund Types:

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 intent of the governing body is to cover expenses, including depreciation of providing goods or services to the general public on a continuing basis and to recover or reimburse primarily through user charges, or where the governing body has decided that periodic determination of revenues-costs, separate financial, and/or any losses is appropriate for capital and economic, 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 control 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 disposition. No depreciation is recorded on general fixed assets.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1996

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Account Groupings (Continued):

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.

- C. **Basis of Accounting** - The accounting and financial reporting treatment applied to a fund is determined by its major fund type. 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 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 basis 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 total 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 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 all liabilities 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 act) are fund, though measurable, are not available since amounts in the subsequent year to finance the next period obligations. Therefore, a special assessment measurable and due but not available is recorded when the related fund liability is incurred.

Some revenues susceptible to accrual are property taxes, franchise taxes, interest revenue and charges for services. Fines, 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 if the time liability has 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 in the date of financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

- D. **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 committee of the proposed budget is publicized 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 in furtherance 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.

TOWNSHIP OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

D. Debtors and Budgetary Accounting of Commitments -

3. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may authorize partial budget at its discretion during legally covered sessions. Amendments to the budget were made and adopted by the Board of Aldermen during the fiscal year ended June 30, 1998.

4. The Town utilizes formal budgetary integration as a management control device for all funds.

E. Investments - Legal investments by municipalities are restricted according to Louisiana Revised Statute 19:1176, Part 10. The Town's investment policy allows investments only in:

- (1) Direct U.S. Treasury obligations, the principal and interest of which are fully guaranteed by the U.S. government.
- (2) The certificates of deposit of state banks organized under the laws of Louisiana, or national banks having their principal office in that state of Louisiana, savings accounts or shares of savings and loan associations and savings banks, or their accounts and other certificates accounts of federally or state chartered profit unions issuing time certificates of deposit. Funds invested in accordance with this paragraph shall not exceed at any time the amount insured by the Federal Deposit Insurance Corporation in any one bank, or in any one savings and loan association, or by the National Credit Union Administration in any one profit union unless the uninsured portion is collateralized by the pledge of securities in the manner provided in R.S. 19:1211.
- (3) Mutual or unit fund institutions which are registered with the Securities and Exchange Commission under the Securities Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited in securities of the U.S. government or its agencies.

Cash and cash equivalents are comprised of daily cash balances above the day-to-day needed funds set aside for portfolio strategy reasons. Short term investments of cash and cash equivalents may be placed in:

- (1) Obligations of the U.S. Treasury, federal agencies, or U.S. governmental instrumentalities (as provided hereby) with maturities of less than 2 years.
- (2) Time certificates of deposit, as provided herein.
- (3) Money market mutual funds, as provided herein.
- (4) The Louisiana Asset Management Fund, Inc. as provided in Op. Atty. Gen. 94-186.

For fiscal year 1998, the Town invested only in U.S. Treasury Notes. These investments are stated at cost which approximates market value.

F. Bad Debt - Uncollectible accounts due for the customer's utility and ad valorem taxes receivable are recognized in full 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 shown necessary. The allowance for uncollectible customers' utilities was \$21,289 at June 30, 1998 and 1997.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Property, Plant, and Equipment -

General Fixed Assets Account Group:

Fixed assets in governmental fund type operations are accounted for in the Class of Fixed Assets Account Group, and are recorded as expenditures in the governmental fund types when purchased. Public streets ("Infrastructure") general fixed assets, including roads, bridges, culverts and gutters, signs 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 as a note contribution. Repairs and maintenance are recorded as expenses, renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation 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:

Buildings	20-40 Years
Water System	10-40 Years
Sewer System	10-40 Years
Equipment	5-8 Years

- H. Restricted Assets - The Debt Service and Enterprise Funds, because of their bond covenants, are required to maintain and maintain a specified amount of resources (maturity of debt and corporate investments) that can be used only to service outstanding debt. The Enterprise Fund also restricts customer and vendor deposits.

- I. Compensatory Absence - No liability is recorded for accruing accumulating rights to receive vacation or sick pay benefits.

- J. Comparative Data - Comparative data for the prior year have been prepared 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 representation of prior year comparative fund type in each of the statements has not been included since their inclusion would make the combined statements unduly complex and difficult to read. Some prior year balances have been reclassified in order to match with the current year presentation.

- K. Total Columns on Combined Statements - Total columns on the combined statements are captioned "Memorandum Only" to indicate that they are prepared only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in net flow in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Technical circumstances have not been made in the aggregation of this data.

- L. Statement of Cash Flows - For the purposes of the Statement of Cash Flows, the Enterprise Fund considers all items related to its activities (including restricted assets) with a majority of those assets or less when purchased to be cash-equivalent.

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

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

- N. Redeemable 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 disavows service.
- O. Deferred Debt Expense** - Bond issuance costs and the difference between the reacquisition price and the net carrying value of proprietary refunded debt are capitalized and amortized over the term of the respective bonds using methods which approximate the effective interest method.
- P. Fund Equity** - Contributed capital is recorded in the Enterprise Fund for capital gains realized for the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recaptured as that portion of the assets acquired or constructed from such resources.
- Reserves represent those portions of fund equity not appropriate for expenditures or legally separated for a specific future use.
- Q. Intergovernmental Transactions** - Intergovernmental transactions that would be treated as revenues, expenditures, or expenses if they involved organizations external to the Town are accounted for as revenues, expenditures, or expenses in the funds involved. Transactions which constitute reimbursements of a fund for expenditures or expenses initially made from a which are in turn applied to another fund are recorded as expenditures or expenses (as appropriate) in the reimbursing fund, or as reductions of the expenditures or expenses in the fund that is reimbursed and are distinguished from revenues, expenses, or expenditures in the financial statements. These items are reported in the "Other Financing Sources (Uses)" section in the Statement of Revenues, Expenditures, and Changes in Fund Balance (Governmental Funds) and in the "Operating Transfers" section in the Statement of Revenues, Expenses, and Changes in Restricted Endowings (Proprietary Fund).

2. DEPOSITS AND INVESTMENTS:

Deposits

Deposits are carried at cost which approximates market value.

The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at June 30, 1998. The categories are described as follows:

- Category 1 - Insured or collateralized with securities held by the municipality or by its agent in the municipality's name.
- Category 2 - Collateralized with securities held by the pledging financial institution's trust department or agent in the municipality's name.
- Category 3 - Unaffiliated. This category includes any bank balance that is collateralized with securities held by the pledging financial institution, or by its trust department or agent but not in the municipality's name.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

3. DEPOSITS AND INVESTMENTS (Continued)

Deposits (Continued)

Deposits, categorized by level of risk, are:

Description	Category			Bank Balance	Carrying Amount
	1	2	3		
General Fund	\$ 41,480	\$ -	\$ 572,550	\$ 614,030	\$ 538,607
Special revenue funds	39,474	-	243,568	283,042	283,718
Debt service funds	3,472	-	33,245	36,717	36,419
Capital projects fund	1	-	-	1	1
Enterprise fund	115,821	-	489,788	605,609	611,281
Total deposits	\$ 200,858	\$ -	\$ 1,339,151	\$ 1,891,192	\$ 1,811,129

Investments

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at June 30, 1998. The categories are described as follows:

Category 1 - Insured or registered, with securities held by the Town or its agent in the Town's name.

Category 2 - Uninsured or unregistered, with the securities held by the counterpart's trust department or agent in the Town's name.

Category 3 - Uninsured and unregistered, with securities held by the counterpart, or its trust department or agent but not in the Town's name.

Investments, categorized by level of risk, are:

Description	Category			Carrying Amount	Fair Value
	1	2	3		
U.S. Treasury Notes	\$ 451,000	\$ -	\$ -	\$ 451,000	\$ 458,711

4. GRANTS RECEIVABLE:

Grant receivables consist of receivables for non-recurring expenditures under various state programs and grants. All amounts are expected to be collected within one year.

5. SPECIAL ASSESSMENT RECEIVABLE:

The Town of Vivian completed a building in 1997 for a new industry (Petrochem) in the Industrial Park. Assessment is assessed \$3,000 a month to reimburse the Town for these expenditures.

6. AD VALOREM TAXES:

Ad valorem taxes accrue as an enforceable lien on property as of January 1. 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.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

3. AD VALOREM TAXES (Continued)

Revenues from ad valorem taxes are indicated in the year billed. For the year ended June 30, 1998, taxes of \$234,620 were levied on property with assessed value totaling \$18,708,000 and were allocated as follows:

General expense purposes	\$1.86 mils
Street maintenance	2.79 mils
Water maintenance	2.79 mils
Water system bonds	1.06 mils
Total	8.50 mils

4. COMPONENTS OF RESTRICTED ASSETS:

Revenue Fund

	Revenue Bond Sinking Fund	Revenue Bond Reserve Fund	Revenue Bond Contingency Fund	Customer Deposits	Total
Cash	\$ 4,743	\$ 8,730	\$ 215,496	\$ 30,476	\$ 359,445
U.S. Government Securities	_____	178,353	_____	80,208	258,561
	<u>\$ 4,743</u>	<u>\$ 187,083</u>	<u>\$ 215,496</u>	<u>\$ 110,684</u>	<u>\$ 518,006</u>

The ordinance authorizing the water and sewer revenue bonds 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 Contingency Fund) and make timely payments in order to satisfy payments of principal and interest on all bonds payable.

The amount of unutilized earnings retained for revenue bond retirement is detailed as follows:

Revenue Assets -			
Revenue Bond Sinking Fund		\$ 4,743	
Revenue Bond Reserve Fund		183,082	
		_____	\$ 187,825
Liabilities -			
Accrued revenue bond interest payable from 1988-2000 bonds		28,736	
Current portion of revenue bonds payable from 2000-2002 bonds		155,880	155,796
		_____	<u>\$ 184,532</u>
Retained earnings reserved			\$ 3,293

TOWN OF VIVIAN, LOUISIANA

Statements of Financial Statements
June 30, 1998

7. CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in the general fixed assets account group during the fiscal year:

	Balance June 30, 1997	Additions	Deductions	Balance June 30, 1998
Land	\$ 1,089,649	\$ 24,300	\$	\$ 1,113,949
Buildings	1,993,763	12,118		2,005,881
Improvements on other than buildings	974,408			974,418
Equipment	786,683	46,450		833,133
	<u>\$ 4,794,503</u>	<u>\$ 82,768</u>	<u>\$</u>	<u>\$ 4,877,271</u>

A summary of proprietary land-type assets is as follows:

Land	\$ 61,796
Buildings	23,876
Water system	2,473,408
Sanitary system	2,899,763
Machinery and equipment	376,683
	<u>5,335,526</u>
Less accumulated depreciation	<u>2,869,746</u>
Net property, plant and equipment	<u>\$ 2,465,780</u>

8. 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, 1998:

	New Payable	General Obligation	Ultimate Payments	Total
Debt payable at June 30, 1997	\$ 66,714	\$ 1,702,000	\$ 1,625,000	\$ 3,393,714
Additions to debt payable			1,698,000	1,698,000
Debt retired	(25,749)	(82,800)	(118,800)	(227,349)
Realty refinanced			(1,615,000)	(1,615,000)
Net deferred less or more accruals of debt			(25,745)	(25,745)
Debt payable at June 30, 1998	<u>\$ 40,965</u>	<u>\$ 1,619,200</u>	<u>\$ 1,506,655</u>	<u>\$ 3,166,820</u>

TOWNSHIP OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

8. CHANGES IN LONG-TERM DEBT (Continued):

Debt payable at June 30, 1998 is comprised of the following individual issues:

Note payable:

\$100,000 note payable to Citizens Bank and Trust Company dated February 24, 1994; due in 72 monthly installments of \$1,179 through February 29, 2000; interest at 6.25% (accrued by levy and collection of ad valorem taxes). \$ 42,500

General obligation:

\$271,000 Public Improvement (Water Utilities) bonds dated June 1, 1988; due in annual installments of \$6,000 - \$17,000 through June 1, 1998; interest at 5.5% (accrued by levy and collection of ad valorem taxes). \$ -

\$1,850,000 Industrial Development bonds dated May 1, 1992; due in annual installments of \$80,000-\$150,000 through May 1, 2012; interest at 6.5% to 5.50% (accrued by levy and collection of ad valorem taxes). 1,620,000

Enterprise fund obligation:

\$1,400,000 Utilities Revenue (Water and Sewer) bonds dated April 1, 1987; due in annual installments of \$50,000 - \$225,000 through April 1, 2007; interest at 6.25% - 10.0%. \$ -

\$1,690,000 Utilities Revenue (Water and Sewer) bonds dated August 21, 1997; due in annual installments of \$110,000 - \$215,000 through April 1, 2007; interest at 6.25% - 5.0%. 1,568,000

Less unamortized deferred loss on early retirement of debt (11,741)

\$ 3,506,259

On October 1, 1995, the Town issued \$1,690,000 in Utilities Revenue Refunding Bonds, Series 1997 with interest rates ranging between 5.25% and 5.0%. The Town issued the bonds in refund \$1,620,000 of the outstanding prior 1987 Utilities Revenue Bonds with interest rates ranging from 6.25% and 10.0%. The refunded bonds were issued for the purpose of providing additions and improvements to the Town's water and sewerage collection system.

The current refunding reduced total debt service payments over the next ten years by approximately \$120,000. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$90,000.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

8. CHANGES IN LONG-TERM DEBT (Continued):

The annual requirements to service all debt outstanding as of June 30, 1998, including interest payments of \$1,299,835 are as follows:

Year Ending June 30	Mtg Payable	General Obligation	Enterprise Fund Obligations	Total
1999	\$ 27,245	\$ 181,045	\$ 216,565	\$ 424,855
2000	35,188	185,579	220,379	440,946
2001	-	178,368	225,379	403,747
2002	-	171,988	229,442	401,432
2003	-	171,583	225,545	397,128
2004-2008	-	708,340	900,485	1,608,825
2009-2013	-	793,328	-	793,328
	<u>\$ 66,433</u>	<u>\$ 2,568,240</u>	<u>\$ 2,000,192</u>	<u>\$ 4,634,865</u>

On October 3, 1997, the Town issued \$1,609,000 in Utility Revenue Refunding Bonds, Series 1997 with interest rates ranging between 4.25% and 5.68%. The Town issued the bonds to refund \$1,602,000 of the outstanding series 1987 Utility Revenue Bonds with interest rates ranging from 6.25% and 10.00%. The Refunding Bonds were issued for the purpose of providing additions and improvements to the Town's water and sewerage collection system.

The parson refunding reduced total debt service payments over the next ten years by approximately \$76,300. This results in an economic gain (difference between the present value of the debt service payments on the old and new debt) of approximately \$90,800.

9. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - 1% SALES AND USE TAX

Proceeds of a 1% sales and use tax levied by the Town of Vivian (collected for the year ended June 30, 1998 and 1997 are \$114,788 and \$111,262, 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, repairing, 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 25% 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 1% sales and use tax levied by the Town of Vivian (collected for the year ended June 30, 1998 and 1997 are \$104,837 and \$111,711, respectively) are dedicated to the Police Department to be used for any lawful corporate purpose.

TOWN OF VIVIAN, LOUISIANA

STATE OF FINANCIAL STATEMENTS
June 30, 1998

10. INTERFUND ASSETS/LIABILITIES:

Due from/to other funds balances at June 30, 1998, were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	\$ 319,814	\$ 46,279
Special Revenue Funds	7,936	64,715
Debt Service Funds	1,999	1,999
Capital Projects Fund	-	-
Enterprise Fund	<u>40,272</u>	<u>61,893</u>
	<u>\$ 370,021</u>	<u>\$ 175,877</u>

11. INTERFUND OPERATING TRANSFERS:

Included fund operating transfers for fiscal year 1998, were as follows:

	Transfers In	Transfers Out
General Fund	\$ 677,064	\$ 74,627
Special Revenue Funds	81,009	728,673
Debt Service Funds	21,193	-
Capital Projects Fund	-	-
Enterprise Fund	<u>41,782</u>	<u>-</u>
	<u>\$ 781,148</u>	<u>\$ 799,300</u>

12. RETIREMENT COMMITMENTS:

Substantially all employees of the Town are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are contributory, multiple-employer defined benefit pension plans administered by separate boards of trustees. Provisions information related 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 35 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 15 years of creditable service or 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 \$,000 for each year of creditable service. Furthermore, employees with at least 15 years of creditable service, but less than 30 years, may elect early retirement benefits commencing at or after age 60, with the basic benefit reduced 1% for each year retirement precedes age 61, unless the employee has at least 30 years of creditable service. In any event, 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 30 consecutive or joint years in that position for highest pay rates. Employees who terminate work at least the amount of creditable service stated above, and do not withdraw their employee contributions, may elect 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.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

II. RETIREMENT COMMITMENTS (Continued):

A. Municipal Employees Retirement System of Louisiana (System) (Continued)

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 Employees Retirement System of Louisiana, 7071 ORline Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 533-4838.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0% of their annual covered salary and the Town is required to contribute an actuarially-determined rate. The current rate is 6.73% of annual covered payroll. Contributions to the System also include one-fourth of the average Orline-based Base Salary Range provided of the seven towns to be reflected by the 100,000 of each month. There are dollars allocated 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. 11:183, 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, 1996, 1997, and 1998, were \$27,150, \$29,000, and \$27,667, respectively, equal to the required contribution 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 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3.0% of their three-average salary for each year of creditable service. Final average salary is the employee's average salary over the 30 consecutive or joined months that produce the highest average. Employees who retire with at least the amount of creditable service stated above, and do not wish to receive their credited contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are creditable to the member 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, 3981 United Plaza Boulevard, Baton Rouge, Louisiana 70820-2350, or by calling (504) 839-3413.

Funding Policy. Plan members are required by state statute to contribute 3.7% of their annual covered salary and the Town is required to contribute an actuarially determined rate. The current rate is 7.0% 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. 11:183, 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, 1996, 1997, and 1998, were \$1,158, \$10,600, and \$11.37, respectively, equal to the required contribution for each year.

III. 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 general liability. The Town carries commercial insurance for all risks of loss, including workers' compensation and employee health and accident insurance.

During the year ended June 30, 1998, various out-of-court litigation settlements were reached totaling approximately \$5,500. These settlements were paid and recorded in the current expenditures of the general fund during the year ended June 30, 1998.

During the year ended June 30, 1997, a litigation settlement for \$29,000 was reached with a plaintiff who alleged that the Town did not maintain safety facilities at the Office of Motor Vehicles located in Vivian, Louisiana. The settlement was recorded in the current expenditures of the general fund for the year ended June 30, 1997. The settlement was paid July 9, 1997.

TOWN OF VIVIAN, LOUISIANA

Notes to Financial Statements
June 30, 1998

13. COMMITMENTS AND CONTINGENCIES (Continued)

During the year ended June 30, 1996, an out-of-court litigation settlement for \$26,750 was reached with a former employer or who alleged that the Town discriminated against them in their employment. The settlement was paid and recorded as the current expenditures of the general fund during the year ended June 30, 1996.

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.

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

14. RELATED-PARTY TRANSACTIONS

Proceedings, expenditures, and inquiries defined disclose any material related party transactions for the fiscal year ended June 30, 1998.

SUPPLEMENTAL INFORMATION

TOWN OF VIVIAN, LOUISIANA

GENERAL FUND

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

With Comparative Amounts for Year Ended June 30, 1997

	June 30, 1999	June 30, 1997
General Government		
Personal services	\$ 80,159	\$ 84,999
Heat, light and power	9,675	1,696
Insurance and maintenance	14,983	17,674
Professional fees and legal costs	73,989	21,458
Supplies	1,684	9,022
Angiot-expense	8,083	7,165
Contracty expense	17,323	24,884
Miscellaneous	<u>21,478</u>	<u>15,240</u>
Total general government expenditures	<u>261,134</u>	<u>208,038</u>
Public Safety		
Personal services	305,909	334,986
Heat, light and power	17,989	35,683
Insurance and maintenance	71,643	84,796
Professional fees and legal costs	-	781
Supplies	48,702	38,134
Miscellaneous	<u>5,618</u>	<u>5,797</u>
Total public safety expenditures	<u>449,861</u>	<u>499,677</u>
Public Works		
Personal services	167,135	155,669
Heat, light and power	28,464	35,713
Insurance and maintenance	79,919	109,815
Supplies	54,058	37,835
Total public works expenditures	<u>339,576</u>	<u>339,032</u>
Town Services		
Personal services	19,628	6,558
Heat, light and power	3,489	2,330
Insurance and maintenance	8,119	2,636
Professional fees and legal costs	-	48,388
Garbage collection expense	171,152	188,944
Supplies	147	7,117
Water treat expense	8,858	2,134
Miscellaneous	<u>6,148</u>	<u>4,319</u>
Total town services	<u>208,431</u>	<u>258,308</u>

(Continued)

TOWNS OF VIVIAN, LOUISIANA

GENERAL FUND
 Statement of Current Expenditures by Department
 Year Ended June 30, 1998
 With Comparative Amounts for Year Ended June 30, 1997

	June 30, 1998	June 30, 1997
Recreation	\$ 39,196	\$ 39,216
Personal services	7,734	8,677
Heat, light and power	17,156	18,490
Insurance and maintenance	16,890	17,767
Supplies	6,029	6,047
Miscellaneous	80,213	80,981
Total recreation		
Capital outlay	58,819	8,278
General government	15,461	49,836
Public safety	4,756	14,483
Public works	2,139	5,743
Town services	1,860	72,311
Recreation	80,752	150,611
Total capital outlay	\$ 1,400,800	\$ 1,708,736
Total current expenditures		

TOWN OF VIVIAN, LOUISIANA

SPECIAL REVENUE FUNDS
Combining Balance Sheet
June 30, 1999

With Comparative Totals for June 30, 1997

	<u>Totals</u>			
	<u>June 30,</u>	<u>Behavioral</u>	<u>June 30,</u>	<u>June 30,</u>
	<u>June 30,</u>	<u>Development</u>	<u>1999</u>	<u>1997</u>
Assets				
Cash	\$ 186,053	\$ 394,646	\$ 580,718	\$ 474,993
Special assessment receivable		316,837	326,057	356,347
Due from other funds		7,535	7,926	832
Total assets	<u>\$ 186,053</u>	<u>\$ 728,028</u>	<u>\$ 1,124,701</u>	<u>\$ 1,211,792</u>
Liabilities and Fund Balance				
Liabilities:				
Accounts payable	\$ 209	\$	\$ 199	\$ 608
Due to other funds	64,714		64,714	276,048
Deferred revenue		326,027	316,837	356,337
Total liabilities	64,923	326,027	381,750	632,993
Fund balance:				
Unreserved - undesignated	121,130	402,001	742,951	578,799
Total liabilities and fund balance	<u>\$ 121,130</u>	<u>\$ 728,028</u>	<u>\$ 1,124,701</u>	<u>\$ 1,211,792</u>

TOWN OF VIVIAN, LOUISIANA

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SPECIAL REVENUE FUNDS
Combining Statements of Revenues, Expenditures and
Changes in Fund Balances
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1997

	Sales Tax	Industrial Development	Totals	
			June 30, 1996	June 30, 1997
Revenues:				
Taxes	\$ 750,000	\$	\$ 750,000	\$ 751,000
Miscellaneous - income	1,717	5,077	6,800	5,413
Special assessment		30,290	30,290	29,277
Total revenues	751,717	35,417	779,355	785,690
Expenditures:				
General government	6,711		6,711	7,918
Excess of accounts-over-expenditures	738,189	25,417	925,640	788,530
Other financing sources (used):				
Operating transfers in		91,000	91,000	92,914
Operating transfers out	(728,023)		(728,023)	(751,623)
Total other financing sources (used)	(728,023)	91,000	(637,023)	(658,709)
Excess of revenues over expenditures and other financing sources (used)	2,123	136,434	128,578	138,015
Fund balance at beginning of year	128,028	276,116	494,722	368,716
Fund balance at end of year	\$ 130,151	\$ 402,550	\$ 533,528	\$ 494,732

TOWN OF VIVIAN, LOUISIANA

SPECIAL REVENUE FUNDS

Water Tax Fund

Statement of Revenues, Expenditures, and Changes in

Fund Balance - Budget (GAAP Basis) and Actual

Year Ended June 30, 1997

With Comparative Actual Amounts for Year Ended June 30, 1996

	June 30, 1996		Variances- Favorable (Unfavorable)	June 30,
	Budget	Actual		1997
				Actual
Revenues:				
Taxes	\$ 346,000	\$ 336,604	\$ (9,396)	\$ 336,644
Miscellaneous - interest		1,212	1,212	1,652
Total revenues	346,000	336,806	(9,194)	338,296
Expenditures:				
General government:				
Collection expense	7,860	6,711	789	7,118
Excess of revenues over expenditures	338,140	330,195	(8,345)	331,178
Other financing uses:				
Operating transfers out	(718,540)	(728,071)	9,452	(741,624)
Excess of revenues over expenditures and other financing uses	-	3,122	3,122	1,600
Fund balance at beginning of year	128,621	128,621	-	128,621
Fund balance at end of year	\$ 128,621	\$ 131,743	\$ 3,122	\$ 130,221

TOWN OF VIVIAN, LOUISIANA

SPECIAL REVENUE FUNDS
Industrial Development Fund
Statement of Revenues, Expenditures, and Changes in Fund Balance -
Budget (Last AP Item) and Actual
Year Ended June 30, 1997
With Comparative Actual Amounts for Year Ended June 30, 1997

	June 30, 1996		Variance- Favorable (Unfavorable)	June 30, 1997
	Budget	Actual		Actual
Revenues:				
Miscellaneous - interest	\$ 4,000	\$ 5,037	\$ 1,037	\$ 4,521
Special assessments	36,348	30,390	(6,058)	30,577
Total revenues	40,348	35,427	(4,921)	35,098
Expenditures:				
General government:				
Insurance, utilities and other	35,245	-	35,245	800
Excess of revenues over expenditures	5,103	35,427	30,324	43,298
Other financing sources (used):				
Operating transfers in	32,710	31,020	(1,690)	32,535
Excess of revenues over expenditures and other financing sources (used)	37,913	116,456	78,543	116,216
Fund balance at beginning of year	276,116	276,116	-	139,890
Fund balance at end of year	\$ 314,029	\$ 392,572	\$ 78,543	\$ 276,116

TOWNS OF MIVAN, LOUISIANA

DEBT SCHEDULES

Combining Orleans Parish

Year 2011-2012

With Comparative Totals for Year 2011-2012

Assets	2011		2012		2011		2012	
	1988 Public	1971 Public	1977 Industrial	1987 Development	1988 Public	1989 Public	1990 Public	1991 Public
Cash and cash equivalents								
Due from other funds								
Total assets	\$ 20,318	\$ 15,142	\$ 149	\$ 1,102	\$ 36,415	\$ 34,199	\$ 1,102	\$ 35,299
Liabilities and Fund Balances								
Due to other funds	\$ 1,109	\$	\$	\$	\$	\$ 1,109	\$ 1,109	\$ 1,109
Fund balances:								
Reserved for debt service	19,209	15,202	1,541	1,541	35,412	33,090	1,541	34,631
Total liabilities and fund balances	\$ 20,318	\$ 15,202	\$ 1,541	\$ 1,541	\$ 35,412	\$ 34,199	\$ 1,541	\$ 35,299

TOWN OF VIVIAN, LOUISIANA

DEBT SERVICE FUNDS
 Containing Proceeds of Bonds, Excesses and
 Changes in Fund Balances
 Year Ended June 30, 1998
 With Comparative Totals for Year Ended June 30, 1997

	1998		1997		1996		Totals	
	Profits	Expenditures	Excesses	Expenditures	Excesses	Expenditures	Year to Date 1998	Year to Date 1997
Revenues:								
Miscellaneous								
Transfers in								
Expenditures:								
Principal retirement	17,000		63,000	12,310			80,310	90,310
Interest and fiscal charge	1,250		115,000	4,000			116,250	129,310
Total expenditures	18,250		178,000	16,310			194,260	219,620
Excess (deficiency) of revenues over expenditures	(18,250)		94	(17,240)			(17,240)	(18,994)
Other financing sources:								
Operating transfers in					23,240		23,240	23,240
Excess (deficiency) of revenues over expenditures and other financing sources	(18,250)		94		6,000		(12,010)	(17,149)
Fund balance at beginning of year	213,000		14,000	1,500			214,500	213,000
Fund balance at end of year	194,750		14,094	1,500			210,344	195,851

TOWN OF VIVIAN, LOUISIANA

ENTERPRISE FUND
Utility Fund
Comparative Balance Sheet
June 30, 1998 and 1997

ASSETS

	June 30, 1998	June 30, 1997
Current assets:		
Cash and cash equivalents	\$ 389,762	\$ 300,349
Accounts receivable (net of allowance for doubtful accounts, \$27,800 for 1998 and 1997)	162,099	132,882
Due from other funds	46,979	85,948
Accrued interest receivable	2,628	3,388
Prepaid expenses	<u>18,004</u>	<u>18,136</u>
Total current assets	<u>629,472</u>	<u>640,703</u>
Restricted assets:		
Cash and cash equivalents	340,440	382,816
Investments, at cost	<u>288,389</u>	<u>267,458</u>
Total restricted assets	<u>628,829</u>	<u>650,274</u>
Other assets:		
Investments, at cost	38,908	38,114
Unearned charges	<u>22,888</u>	<u>24,226</u>
Total other assets	<u>61,796</u>	<u>62,340</u>
Property, plant and equipment:		
Land	61,788	61,788
Buildings	21,858	23,856
Water system	2,479,428	2,479,314
sewer system	2,998,763	2,998,395
Machinery and equipment	<u>178,008</u>	<u>168,879</u>
	3,750,845	3,732,230
Less accumulated depreciation	<u>2,088,388</u>	<u>1,913,258</u>
Net property, plant and equipment	<u>1,662,457</u>	<u>1,818,972</u>
Total assets	<u>\$ 4,728,581</u>	<u>\$ 4,758,219</u>

LIABILITIES AND FUND EQUITY

	June 30, 2020	June 30, 2019
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 87,993	\$ 24,848
Accrued expenses	11,223	9,186
Due to other funds	83,984	37,511
Total current liabilities (payable from current assets)	<u>183,199</u>	<u>71,545</u>
Current liabilities (payable from restricted assets):		
Current portion of revenue bonds	133,988	115,888
Accrued revenue bond interest	26,196	29,871
Cash-on-hand deposits	85,871	64,175
Total current liabilities (payable from restricted assets)	<u>246,055</u>	<u>209,934</u>
Long-term liabilities (net of current portions):		
Revenue bonds	1,371,653	1,210,880
Total liabilities	<u>1,805,324</u>	<u>1,492,359</u>
Fund equity:		
Contributed capital:		
Municipality	471,917	471,917
Intergovernmental	1,811,480	1,811,480
Total contributed capital	<u>2,283,397</u>	<u>2,283,397</u>
Retained earnings:		
Reserved for revenue bonds	36,429	111,378
Unexpended	1,375,261	1,898,412
Total retained earnings	<u>1,411,690</u>	<u>2,009,790</u>
Total fund equity	<u>3,695,087</u>	<u>4,293,187</u>
Total liabilities and fund equity	<u>\$ 4,700,411</u>	<u>\$ 4,556,791</u>

TOWN OF VIVIAN, LOUISIANA

ENTERPRISE FUND
Utility FundStatement of Operating Expenses by Department
Year Ended June 30, 1998

With Comparative Amounts for Year Ended June 30, 1997

	June 30, 1998	June 30, 1997
General and administrative:		
Personal services	\$ 48,899	\$ 44,584
Supplies	15,868	8,981
Maintenance	17,319	983
Rent	3,600	-
Heat, light and power	3,371	1,207
Depreciation	13,830	11,418
Miscellaneous	3,364	3,578
Total administrative expenses	<u>115,841</u>	<u>75,171</u>
Water:		
Personal services	141,796	131,609
Supplies	48,151	45,871
Maintenance	88,719	85,496
Heat, light and power	18,468	20,541
Depreciation	65,886	65,081
Miscellaneous	31,829	21,981
Total water department expenses	<u>375,745</u>	<u>369,585</u>
Power:		
Personal services	45,880	41,586
Supplies	28,809	25,871
Maintenance	28,813	21,284
Heat, light and power	24,608	23,684
Depreciation	79,271	78,589
Miscellaneous	12,812	11,281
Total power department expenses	<u>230,373</u>	<u>202,605</u>
Total operating expenses	<u>\$ 721,959</u>	<u>\$ 647,351</u>

TOWN OF VIVIAN, LOUISIANA

Schedule of Mayor's and Aldermen's Compensation and Expense Reimbursement
For the Year Ended June 30, 1994

	Compensation	Expense Reimbursement
Mayor James W. Williamson (January, 1994 to June, 1994)	\$ 1,000	\$
Mayor Raymond L. Lee (July, 1993 to December, 1993)	1,000	
Alderman Betsy Backham	1,000	
Alderman Kenneth Clay	1,000	
Alderman Sam Curry	1,000	
Alderman Jerry Davis	1,000	150
Alderman Betty Matthews	1,000	
Total	<u>\$ 7,000</u>	<u>\$ 150</u>

OTHER REPORTS



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

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

The Honorable James W. Williams, Mayor
and the Members of the Board of Aldermen of
The Town of Vidalia, Louisiana

We have audited the general purpose financial statements of the Town of Vidalia, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 29, 1998. 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.

Compliance

As part of obtaining reasonable assurance about whether the Town of Vidalia, 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 instances 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 98-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Vidalia, 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 certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming 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 Vidalia, Louisiana's ability to record, process, summarize and report financial data consistent with the intentions of management in the general purpose financial statements. Reportable conditions are described in the accompanying Schedule of Findings and Questioned Costs as item 98-1.

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

Smith Pugh Rabindowitz L.L.P.
Certified Public Accountants

September 29, 1998

TOWN OF VIVIAN, LOUISIANA

Schedule of Findings and Corrected Costs For the Year Ended June 30, 1998

We have audited the general purpose financial statements of the Town of Vivian, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 29, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards specifically in financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Our audit of the general purpose financial statements as of June 30, 1998, resulted in an unqualified opinion.

Section I - Summary of Auditor's Reports

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

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

b. Federal Awards - None awarded for year ended June 30, 1998.

c. Identification of Major Programs: N/A.

Section II - Financial Statement Findings

Current Year Findings

Corrected Costs

98-1 Utilities Revenue Needs Payable Debt Covenants

Nature of 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 (the Bonds), nor were these deposits made in a timely manner.

Criteria: The covenants of the Bonds require deposits of specified amounts to be made before the 30th day of each month (into Sinking Fund-cash account). For the year ended June 30, 1998, the required deposits into the Sinking Fund total \$288,474, actual deposits made into the Sinking Fund total \$30,642. The actual deposits were not made on a monthly basis.

5 \$2,852

Effect of Condition: The actual deposits made into the Sinking Fund cash account were less than the required deposits by \$257,832, which is a violation of the debt covenants. The fact that these deposits were not made before the 30th day of each month is also a violation of the debt covenants.

Cause of Condition: The Town did not deposit the correct amounts into the Sinking Fund on a timely basis.

Recommendation: The Town should ensure that the amounts specified in the debt covenants are deposited into the Sinking Fund cash account by the 30th day of each month.

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