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TOWN OF LIVONIA, LOUISIANA  
ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 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 7-14-99

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

**MAYOR  
Warren C. Pourciau**

**COUNCIL**

**Ronald Barlow - Street Commissioner  
Kevin Bergeron - Grass Commissioner  
Patsy Hutchinson - Gas Commissioner  
Glenn Sayger - Drainage Commissioner  
Linda Walker - Water Commissioner**

**LEGAL COUNSEL  
Charles R. Browning**

**TOWN CLERK  
Donna Bergeron**

**CHIEF OF POLICE  
Tait Slocum**

**MEETING DATE**

**2nd Tuesday of Every Month  
7:00 PM - Town Hall**

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*George F. Delaune*

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GOVERNMENT FINANCE  
OFFICERS ASSOCIATION

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Warren C. Pourciau, Mayor  
and Members of the Town Council  
Town of Livonia, Louisiana

I have audited the accompanying general purpose financial statements of the TOWN OF LIVONIA, LOUISIANA, as of and for the year ended December 31, 1998, as listed in the Table of Contents. These general purpose financial statements are the responsibility of the Town of Livonia, Louisiana's management. My responsibility is to express an opinion on these general purposes financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and with provisions of Louisiana Revised Statute 24:513 and the provisions of the *Louisiana Governmental Audit Guide*, published jointly by the Society of Louisiana Certified Public Accountants and the Louisiana Legislative Auditor. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the 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. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the general purpose financial statements referred above present fairly, in all material respects, the financial position of the Town of Livonia, Louisiana, as of December 31, 1998, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principle.

In accordance with Government Auditing Standards, I have also issued my report dated April 9, 1999, on my consideration of the Town of Livonia, Louisiana's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts and grants.

My audit was performed for the purpose of forming an opinion on the general purpose financial statements of Town of Livonia, Louisiana, taken as a whole. The accompanying financial information listed as Supplemental Information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in my opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

*George F. Delaune, CPA*

April 9, 1999

EXHIBIT A  
TOWN OF LIVONIA, LOUISIANA  
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
DECEMBER 31, 1998

	Governmental Fund Types		Proprietary	Account	Totals
	General	Special Revenue	Fund Type	Group	
			Enterprise	General	Memorandum
				Fixed Assets	Only
<b>ASSETS</b>					
Cash and investments	\$316,797	\$277,462	\$74,544		\$668,803
Receivables -					
Taxes - ad valorem	17,567				17,567
Taxes - franchise	8,011				8,011
Utility billings and unbilled			35,737		35,737
Due from other governmental units -					
Louisiana - beer taxes	573				573
Louisiana - tobacco taxes	1,311				1,311
Louisiana - video poker	16,609				16,609
Louisiana - public safety		2,059			2,059
Prepaid expenses			2,262		2,262
Restricted assets -					
Current debt service			6		6
Future debt service			46		46
Contingency			45,981		45,981
Consumer meter deposits			15,883		15,883
Property, Plant and Equipment -					
At cost			591,315	\$310,840	902,155
Accumulated depreciation			(348,856)		(348,856)
<b>TOTAL ASSETS</b>	<b>\$360,868</b>	<b>\$279,521</b>	<b>\$416,918</b>	<b>\$310,840</b>	<b>\$1,368,147</b>

	Governmental Fund Types		Proprietary Fund Type	Account Group		Totals Memorandum Only
	General	Special Revenue		Enterprise	General	
<b>LIABILITIES AND FUND EQUITY</b>						
Liabilities:						
Accounts payable	\$3,156		\$4,515			\$7,671
Due to other governmental units - P.C. Parish - Solid Waste System			12,004			12,004
Payable from restricted assets - Consumer deposits			15,620			15,620
Total Liabilities	<u>3,156</u>		<u>32,139</u>			<u>35,295</u>
Fund Equity:						
Contributed capital			209,902			209,902
Investment in general fixed assets				\$310,840		310,840
Retained earnings - Reserved for - Revenue bond contingency			46,033			46,033
Unreserved			128,844			128,844
Fund balances - Unreserved - Undesignated	<u>357,712</u>	<u>\$279,521</u>				<u>637,233</u>
Total Fund Equity	<u>357,712</u>	<u>279,521</u>	<u>384,779</u>	<u>310,840</u>		<u>1,332,852</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$360,868</u>	<u>\$279,521</u>	<u>\$416,918</u>	<u>\$310,840</u>		<u>\$1,368,147</u>

The accompanying notes are an integral part of this statement.



**EXHIBIT B**  
**TOWN OF LIVONIA, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**ALL GOVERNMENTAL FUND TYPES**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	General	Special Revenue	Debt Service	Totals Memorandum Only
<i>Revenues:</i>				
Taxes	\$59,376	\$111,394		\$170,770
Licenses and permits	43,921			43,921
Intergovernmental revenue	124,288			124,288
Fines and forfeitures	125,710			125,710
Miscellaneous revenues	19,638	9,339	\$67	29,044
<b>Total Revenues</b>	<b>372,933</b>	<b>120,733</b>	<b>67</b>	<b>493,733</b>
<i>Expenditures:</i>				
Current -				
General government	64,074	1,989		66,063
Public safety	134,320			134,320
Streets and drainage	62,707			62,707
Capital outlays -				
General government	1,150			1,150
Public safety	6,458			6,458
Streets and drainage	40,000			40,000
Debt service -				
Principal retirements			3,000	3,000
Interest and fiscal charges			176	176
<b>Total Expenditures</b>	<b>308,709</b>	<b>1,989</b>	<b>3,176</b>	<b>313,874</b>
<i>Excess (Deficiency) of Revenues Over Expenditures</i>	64,224	118,744	(3,109)	179,859
<i>Other Financing Sources (Uses):</i>				
Operating transfers in	18,000			18,000
Operating transfers out		(18,000)	(222)	(18,222)
<i>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</i>	82,224	100,744	(3,331)	179,637
Fund Balance - January 1	275,488	178,777	3,331	457,596
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$357,712</b>	<b>\$279,521</b>	<b></b>	<b>\$637,233</b>

The accompanying notes are an integral part of this statement.

EXHIBIT C  
TOWN OF LIVONIA, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES -  
BUDGET AND ACTUAL (GAAP BASIS) - GENERAL AND SPECIAL REVENUE FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 1998

	General Fund		Special Revenue Fund - Sales Tax		Variance Favorable (Unfavorable)
	Budget	Actual	Budget	Actual	
<b>Revenues:</b>					
Taxes	\$55,043	\$59,376	\$108,500	\$111,394	\$2,894
Licenses and permits	40,900	43,921			
Intergovernmental revenue	127,989	124,288			(3,701)
Fines and forfeitures	117,932	125,710			7,778
Miscellaneous revenues	19,145	19,638	8,100	9,339	1,239
<b>Total Revenues</b>	<b>361,009</b>	<b>372,933</b>	<b>116,600</b>	<b>120,733</b>	<b>4,133</b>
<b>Expenditures:</b>					
Current -					
General government	66,681	64,074	1,700	1,989	(289)
Public safety	140,192	134,320			5,872
Streets and drainage	66,929	62,707			4,222
Capital outlays -					
General government	1,150	1,150			
Public safety	6,458	6,458			
Streets and drainage	40,000	40,000			
<b>Total Expenditures</b>	<b>321,410</b>	<b>308,709</b>	<b>1,700</b>	<b>1,989</b>	<b>(289)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>39,599</b>	<b>64,224</b>	<b>114,900</b>	<b>118,744</b>	<b>3,844</b>
<b>Other Financing Sources (Uses):</b>					
Operating transfers in	18,000	18,000			
Operating transfers out			(18,000)	(18,000)	
<b>Excess (Deficiency) of Revenues and Sources Over Expenditures and Uses</b>	<b>57,599</b>	<b>82,224</b>	<b>96,900</b>	<b>100,744</b>	<b>3,844</b>
Fund Balance - January 1	275,488	275,488	178,777	178,777	
<b>FUND BALANCE - DECEMBER 31</b>	<b>\$333,087</b>	<b>\$357,712</b>	<b>\$275,677</b>	<b>\$279,521</b>	<b>\$3,844</b>

The accompanying notes are an integral part of this statement.

**EXHIBIT D**  
**TOWN OF LIVONIA, LOUISIANA**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS**  
**BUDGET AND ACTUAL (GAAP BASIS) - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	Enterprise			1997 <u>Actual</u>
	1998			
	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)	
<i>Operating Revenues:</i>				
Charges for services -				
Natural gas sales	\$100,000	\$107,432	\$7,432	\$126,619
Water sales	92,400	93,163	763	84,140
Penalty charges	3,200	2,907	(293)	2,898
Billing and collection fees	7,200	8,870	1,670	7,148
Miscellaneous revenues	<u>2,587</u>	<u>2,303</u>	<u>(284)</u>	<u>5,482</u>
 Total Operating Revenues	 <u>205,387</u>	 <u>214,675</u>	 <u>9,288</u>	 <u>226,287</u>
<i>Operating Expenses:</i>				
Natural gas expenses	72,056	64,210	7,846	82,333
Water expenses	33,488	32,788	700	49,048
General and administrative	<u>110,624</u>	<u>107,193</u>	<u>3,431</u>	<u>98,165</u>
 Total Operating Expenses	 <u>216,168</u>	 <u>204,191</u>	 <u>11,977</u>	 <u>229,546</u>
 <i>Operating Loss</i>	 <u>(10,781)</u>	 <u>10,484</u>	 <u>21,265</u>	 <u>(3,259)</u>
<i>Non-operating Revenues (Expenses):</i>				
Interest earned	5,861	5,947	86	3,561
Bad debts recovered				56
Miscellaneous revenues	25	25		125
Interest and fiscal charges	<u>(1,700)</u>	<u>(2,315)</u>	<u>(615)</u>	<u>(3,180)</u>
 Total Non-operating Revenues (Expenses)	 <u>4,186</u>	 <u>3,657</u>	 <u>(529)</u>	 <u>562</u>
 <i>Net Loss before Transfers</i>	 <u>(6,595)</u>	 <u>14,141</u>	 <u>20,736</u>	 <u>(2,697)</u>
<i>Other Financing Sources (Uses):</i>				
Operating transfers in		222		
Retained Earnings - January 1	<u>160,514</u>	<u>160,514</u>		<u>163,211</u>
 <b>RETAINED EARNINGS - DECEMBER 31</b>	 <u><u>\$153,919</u></u>	 <u><u>\$174,877</u></u>	 <u><u>\$20,736</u></u>	 <u><u>\$160,514</u></u>

The accompanying notes are an integral part of this statement.

**EXHIBIT E**  
**TOWN OF LIVONIA, LOUISIANA**  
**STATEMENT OF CASH FLOWS - PROPRIETARY FUND TYPE**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	Enterprise	
	1998	1997
<i>Cash Flows from Operating Activities:</i>		
Operating loss	\$10,484	(\$6,157)
Adjustments to reconcile operating income to net cash provided by operating activities -		
Depreciation	23,531	22,608
Other non-operating revenues	25	3,079
Changes in assets and liabilities -		
Decrease (increase) in receivables	6,120	(7,660)
Decrease (increase) in prepaid insurance	11	219
Decrease (increase) in restricted assets	27,402	(8,084)
Increase (decrease) in accounts payable	(8,252)	(6,397)
Increase (decrease) in due to other governmental units	217	940
Increase (decrease) in payroll deductions		37
Increase (decrease) in consumer meter deposit liability	2,295	1,275
	61,833	(140)
<i>Net Cash Provided by (Used for) Operating Activities</i>		
<i>Cash Flows from Capital and Related Financing Activities:</i>		
Acquisition of capital assets	(7,930)	(8,974)
Principal paid on revenue bonds	(15,000)	(14,000)
Interest paid on revenue bonds	(900)	(1,740)
Fiscal agent charges paid	(1,491)	(1,795)
	(25,321)	(26,509)
<i>Net Cash (Used for) Capital and Related Financing Activities</i>		
<i>Cash Flows from Investing Activities:</i>		
Interest on investments	5,947	3,561
	5,947	3,561
<i>Net Cash Provided by Investing Activities</i>		
<i>Net Decrease in Cash and Cash Equivalents</i>	42,459	(23,088)
Cash and Cash Equivalents at January 1	32,085	55,173
<b>CASH AND CASH EQUIVALENTS AT DECEMBER 31</b>	<b>\$74,544</b>	<b>\$32,085</b>

The accompanying notes are an integral part of this statement.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1998

NOTE 1 - INTRODUCTION

The Town of Livonia, Louisiana (the "Town") was incorporated in 1959, under the provisions of Title 33, Chapter 2, Part 1, of the Louisiana Revised Statutes (Lawrason Act - Act No. 36 of 1898). The Town operates under a Mayor-Board of Aldermen Council form of government and provides the following services--public safety (police), streets, public improvements, and general administrative services. In addition, the Town owns and operates a gas and water enterprise activity.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

*Reporting Entity*

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

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

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

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

As required by generally accepted accounting principles, these financial statements present the Town of Livonia (the primary government). There are no component units that are required to be included with the reporting entity.

Other Organizations

The municipality may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as [a] related organizations, [b] joint ventures and jointly governed organizations, and [c] component units of another government with characteristics of a joint venture or jointly governed organization.

Considered in the determination of component units of the reporting entity were the Pointe Coupee Parish Police Jury, Sheriff, Clerk of Court, Assessor, and School Board and the District Attorney and Judges for the 18th Judicial District. It was determined that these governmental entities are not component units of the Town of Livonia reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of the Town of Livonia.

Also, excluded from the reporting entity:

Fire Protection District No. 4 of the Parish of Pointe Coupee, Louisiana

This potential component unit has a separate board appointed jointly by the area governments' governing bodies. It provides services to residents, within the geographic boundaries of the government and other areas adjacent to it. This unit is excluded from the reporting entity because the government does not have the ability to exercise influence or control over its daily operations, approve budgets or provide funding.

Fund Accounting

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

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

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

Funds of the municipality are classified into two categories: governmental and proprietary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Fund**

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

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

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

*Debt service funds*--account for transactions relating to resources retained and used for the payment of principal and interest on those long-term obligations recorded in the general long-term obligations account group.

**Proprietary Fund Type**

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

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

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

*Basis of Accounting*

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

*Revenues*

1. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis and attach as an enforceable lien and become due and payable on the date the tax rolls are filed with the recorder of mortgages. Louisiana Revised Statute 47:1993 requires that the tax roll be filed on or before November 15 of each year. Ad valorem taxes become delinquent if not paid by December 31. The taxes are normally collected in December of the current year and January and February of the ensuing year.
2. Sales and use tax revenues are recorded in the month they are received by the parish tax collector.
3. Federal and state grants and reimbursements are recorded when the Town is entitled to the funds.
4. Fines, forfeitures, and court costs are recorded in the year they are received by the Town or parish tax collector.
5. Fees, charges and commissions are recognized as revenue in the month in which they are earned and billed.
6. Substantially all other revenues are recorded when received by the Town.



TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

*Expenditures*

Expenditures are recognized under the modified accrual basis of accounting when the related fund liability is incurred.

*Other Financing Sources (Uses)*

Transfers between funds that are not expected to be repaid are accounted for as other financing sources (uses) and are recorded when the actual transfers occurs.

*Budgets*

A proposed operating budget for the fiscal year, prepared on GAAP Basis, is approved by the Board of Aldermen and adopted in accordance with the Local Government Budget Law. The operating budget includes proposed expenditures and the means of financing them.

During the year, monthly budgetary comparison statements are used as management tools to control operations. When necessary the Board adopts budget amendments which are included in minutes published in the official journal.

The Board exercises budgetary control at the line item level. Unexpended appropriations lapse at the year end and must be reappropriated in the next year's proposed budget to be expended.

*Encumbrances*

The Town does not follow the encumbrance method of accounting.

*Cash and Cash Equivalents*

Cash includes amounts in demand deposits and interest-bearing demand deposits. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less.

State statutes authorize the Town to invest in United States bonds, treasury notes and bills, or certificates or time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. In addition, local governments in Louisiana are authorized to invest in the Louisiana Asset Management Pool Inc. (LAMP), a non-profit corporation formed by an initiative of the State Treasurer and organized under the laws of the State of Louisiana, which operates a local government investment pool. Investments are stated at cost.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

Accounts Receivable and Bad Debts

The Town uses the direct charge-off method whereby uncollectible amounts due from ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. The direct charge-off method is used because it does not cause a material departure from GAAP and it approximates the valuation method.

Short-Term Interfund Receivables/Payables

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

Inventories

Inventories for supplies are immaterial and are recorded as expenditures when purchased.

Restricted Assets

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

Under the terms of the bond indenture on the Utility Revenue Bonds dated September 1, 1968, which were retired during 1998, all income and revenue (hereinafter referred to as revenue) of every nature, earned or derived from operation of the Utility System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

All of the revenues to be earned from the operating of the system shall be deposited in a separate and special bank account known and designated as "*Gas and Water Revenue Fund*", and said fund shall be established, maintained and administered in the following order of priority and for the following express purposes:

1. The payment of all reasonable expenses of administration, operations and maintenance of the system.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

2. The establishment and maintenance of the *Sinking Fund* through monthly deposits of an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due.
3. There shall also be set aside into a *Bond Reserve Fund* through monthly deposits of an amount at least equal to twenty percent (20%) of the amount required to be paid into the aforesaid *Sinking Fund* specified in paragraph 2. above, until there has been accumulated in the *Reserve Fund* an amount equal to the maximum principal and interest requirements in any succeeding year. Such fund shall be retained solely for the purpose of paying the principal and interest on bonds payable and interest coupons for which sufficient funds are not on deposit in the aforesaid Sinking Fund and as to which there would otherwise be default.
4. Funds will also be set aside into a *Depreciation and Contingencies Fund* each month in a sum equal to a five percent (5%) of the gross revenues of the system for the preceding month, providing that such sum is available after provision is made for the payment in 1., 2., 3. above. In addition to caring for extensions, additions, operations of the system, the money in said *Depreciation and Contingencies Fund* shall also be used to pay the principal and the interest on the bonds for which there is not sufficient money in the *Sinking Fund* or *Reserve Fund*. No further monthly payment into the *Depreciation and Contingencies Fund* need be made when there shall be in said fund the sum of \$75,00.
5. Any money remaining in the Gas and Water Revenue Fund in excess of \$7,500 after making the above required payments may be used by the Town for the purpose of calling and/or purchasing and paying bonds payable from the revenues of the system, or for such other lawful corporate purposes as the governing authority of the Town approves.

After retirement of the bonds, the Town has elected to continue the Depreciation and Contingencies Fund for the purpose of maintaining the utility system.

General Fixed Assets

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are reported in the general fixed assets account group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than building, including roads, streets, drainage systems, and lighting systems, are not capitalized with other fixed

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

assets. Interest cost incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available. Repairs and maintenance are recorded as expenditures; renewals and betterments are capitalized.

Property, Plant and Equipment - Proprietary Fund

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value at time of contribution. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation is charged as an expense against operations. Depreciation is computed using the straight-line method with estimated useful lives as follows:

Buildings	20 Years
Natural Gas System	20 Years
Water System	5 - 50 Years
Vehicles	6 Years
Tractors and Equipment	5 Years

Compensated Absences

Accumulated unpaid vacation and sick leave is accrued when incurred in proprietary funds. The amount of accumulated vacation and sick leave recorded in the governmental funds is that amount, adjusted to current salary costs, which is expected to be liquidated with expendable available financial resources. Only the current portion is reflected in the funds. The remainder of the liability is reported in the General Long-Term Debt Account Group. The guidelines of Financial Accounting Standards Board Statement (FASB) No. 43 "Accounting for Compensated Absences" were applied in determining the liability for both governmental and proprietary funds.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

Fund Equity

*Contributed Capital*

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted from the acquisition or construction of capital assets. Contributed capital is not amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources.

**Reserves**

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

*Unreserved Retained Earnings*

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

*Designated Fund Balances*

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

*Unreserved-Undesignated Fund Balances*

The unreserved-undesignated fund balances for governmental funds represent the amount available for budgeting future operations.

Interfund Transactions

All interfund transfers are reported as operating transfers.

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1998

Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, complete comparative data (i.e., presentation of prior year totals by fund type in each of the statements) have not been presented since their inclusion would make the statements unduly complex and difficult to read.

Total Columns on Combined Statements

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position or results of operations, in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**NOTE 3 - CASH DEPOSITS WITH FINANCIAL INSTITUTIONS**

At December 31, 1998, the status of deposited funds and collateralized balances are as follows:

	Balance per Bank Statement	Secured by FDIC	Pledged Collateral	Unsecured/ Uncollat- eralized
Demand Accounts -				
Operating funds	\$170,441	\$100,000	\$250,000	
Trustee Accounts -				
Revenue bond sinking fund	6	6		
Revenue bond reserve fund	46	46		
Grand Total	<u>\$170,493</u>	<u>\$100,052</u>	<u>\$250,000</u>	

These deposits are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**TOWN OF LIVONIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1998**

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement No. 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - INVESTMENTS**

Investments held at December 31, 1998, include \$574,972 in the Louisiana Asset Management Pool Inc. (LAMP), a local government investment pool (see Summary of Significant Accounting Policies). In accordance with GASB Codification Section 150.165, the investment in LAMP at December 31, 1998, is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the investment is in the pool of funds and therefore not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a non-profit corporation organized under the laws of the State of Louisiana, which was formed by an initiative of the State Treasurer in 1993. The corporation is governed by a board of directors comprising the State Treasurer, representatives from various organizations of local government, the Government Finance Officers Association of Louisiana, and the Society of Louisiana CPA's. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to provide a safe environment for the placement of public funds in short-term, high-quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days, and consists of no securities with a maturity in excess of 397 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

NOTE 5 - CHANGES IN FIXED ASSETS

A summary of changes in general fixed assets follows:

	<u>1-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-98</u>
Land	\$6,137			\$6,137
Buildings and improvements	127,629	\$23,490		127,629
Furniture and equipment	72,505	7,608	(\$964)	79,149
Vehicles	59,555		(15,211)	44,344
Tractors and Equipment	50,127	16,510	(13,056)	53,581
Totals	<u>\$315,953</u>	<u>\$47,608</u>	<u>(\$29,231)</u>	<u>\$310,840</u>

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

	<u>1-1-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>12-31-98</u>
Land	\$3,000			\$3,000
Buildings	18,136			18,136
Natural gas system	105,521			105,521
Water system	393,017	\$6,780		399,797
Vehicles	12,785			12,785
Tractors and equipment	38,967			38,967
Office equipment & furniture	11,958	1,150		13,108
	<u>583,384</u>	<u>\$7,930</u>		<u>591,314</u>
Less accumulated depreciation	<u>325,324</u>	<u>\$23,532</u>		<u>348,856</u>
	<u>\$258,060</u>			<u>\$242,458</u>



**TOWN OF LIVONIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1998**

**NOTE 6 - CHANGES IN LONG-TERM OBLIGATIONS**

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

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Redemptions</u>	<u>Ending Balances</u>
General Obligation Bonds - 1968 Public Improvement	\$3,000		\$3,000	
Enterprise Fund Revenue Bonds - 1968 Gas and Water Utility	<u>15,000</u>		<u>15,000</u>	
	<u><u>\$18,000</u></u>		<u><u>\$18,000</u></u>	

**NOTE 7 - AD VALOREM TAXES**

All taxable property located within the State of Louisiana is subject by law to taxation on the basis of its assessed valuation. The assessed value is determined by the Parish Assessor, except for public utility property which is assessed by the Louisiana Tax Commission.

The 1974 Louisiana Constitution provided that, beginning in 1978, all land and residential property were to be assessed at 10% of fair market value; agricultural, horticultural, marsh lands, timber lands and certain historic buildings are to be assessed at 10% of "use" value; and all other property is to be assessed at 15% of fair market value. Fair market values are determined by the elected assessor of the parish and are subject to review and final certification by the Louisiana Tax Commission. The Assessor is required to reappraise all property every four years.

The Sheriff of Pointe Coupee Parish, as provided by State Law, is the official tax collector of general property taxes levied by the Town. All taxes are due by December 31 of the year and are delinquent on January 1 of the next year, which is also the lien date.

State law requires the Sheriff to collect property taxes in the calendar year in which the assessment is made. If the 1998 taxes are not paid by the due date of December 31st, the taxes bear interest at 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed.

**TOWN OF LIVONIA, LOUISIANA**  
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**DECEMBER 31, 1998**

Property taxes are recognized as revenue in the year for which they are levied and become due. The majority of the year's taxes are collected from November to February by the Sheriff. Any amounts not collected at December 31st are shown as accounts receivable.

Ad valorem taxes as presented in these financial statements are as follows:

Fund	Mills	Property Assessed Valuations	Taxes Assessed For	
			General Purpose	Debt Service
General Fund	6.63	\$3,517,646	\$23,323	

**NOTE 8 - SALES TAX DEDICATION**

Proceeds of a 1% sales and use tax levied by the Town, after administrative and collection costs, can be spent for any and all lawful purposes.

**NOTE 9 - NATURAL GAS SERVICE AGREEMENT**

On July 10, 1997, the Town entered into a fixed-price contract with the Louisiana Municipal Gas Purchasing Authority, effective January 1, 1998 for a period of ten months at a total delivered price. Subsequent contracts will be for a twelve month period beginning November 1<sup>st</sup>. The price will be based upon a 12-month average NYMEX strip price plus supplier margin, transportation, and fees.

**NOTE 10 - UTILITY SERVICE AGREEMENT**

An agreement between the Solid Waste Disposal System of the Parish of Pointe Coupee and the Town of Livonia provides for the billing of customers on the Town's system. This billing agreement went into effect for the month of October 1985. Under the terms of the agreement, the Town retains a \$ .75 per customer as a billing fee. The amount owed to the Solid Waste Disposal System as of December 31, 1998 is \$12,004.

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

**NOTE 11 - CENTRALIZED COLLECTION AGENCY AGREEMENT**

In accordance with Paragraph (B)(1) of Section 3 of Article VII of the Constitution of the State of Louisiana, the Town entered into an agreement on May 20, 1992 with all of the sales and use taxing authorities of the Parish of Pointe Coupee designating the Sales Tax Department of the Pointe Coupee Parish Police Jury as the single tax collection entity. The agreement is effective as of July 1, 1992, the agreement authorizes the Town to compensate the collection agency 1.25% of the gross amounts collected.

**NOTE 12 - FRANCHISE AGREEMENTS**

The Town has granted three franchises:

*Cable Television*

A non-exclusive cable television franchise was granted to Green's Incorporated on October 13, 1981 for a period of 15 years. The agreement was extended on February 14, 1995 for an additional 15 year period. The annual franchise fee for this franchise shall be \$500 or 3% of the annual gross subscriber revenues (whichever is greater).

*Telephone*

On April 9, 1999, the Town adopted Ordinance Number 103 granting a non-exclusive telephone franchise to Star Telephone Company, Inc. for a period of ten years, beginning, effective January 1, 1997, and ending on December 31, 2007. The franchise fee is 3% of the Company's gross receipts payable quarterly.

*Electric*

On October 1, 1972, the Town renewed a franchise to Gulf States Utilities Company to supply electric energy to the Town and the inhabitants thereof for a period of 60 years. In consideration, the Town shall receive a fee of 4.5% of the gross receipts from sales of electricity within the corporate limits of the Town from October 1, 1972 to September 30, 1982. Then from November 1, 1982 to September 30, 2032 a fee of 5%.

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1998

NOTE 13 - INTERFUND TRANSFERS

Transfers between funds for the year ended December 31, 1998 were as follows:

	Transfers	
	In	Out
General Fund from Sales Tax Fund	\$18,000	
Sales Tax Fund to General Fund		\$18,000
	\$18,000	\$18,000

NOTE 14 - PENSION PLAN AND RETIREMENT COMMITMENTS

Social Security System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System, are members of the Federal Social Security System, administered by the State of Louisiana. The total payroll for employees of the Town covered by the System for the year 1998 was \$119,793.

The total contribution to the System is 12.4% of taxable payroll of which the Town and employees contribute 6.2% each. For the year 1998, the Town contributed \$7,427 to the System.

Medicare System -

All employees of the Town, except policemen covered under the Municipal Police Employees Retirement System and elected officials before 1986, are members of the Federal Medicare System. The total payroll for employees of the Town covered by the System for the year 1998 was \$167,267.

The total contribution to the system is 2.9% of taxable payroll of which the Town and employees contribute 1.45% each. For the year 1998, the Town contributed \$2,425 to the System.

Municipal Police Employees' Retirement System of Louisiana -

*Plan Description:* All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years

TOWN OF LIVONIA, LOUISIANA  
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
DECEMBER 31, 1998

of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

*Funding Policy:* Plan members are required by state statute to contribute 7.5% of their annual covered salary and the Town of Livonia is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Livonia are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer 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 of Livonia contributions to the System for the years ending December 31, 1998, 1997, and 1996, were \$5,520, \$2,908, and \$2,796, respectively, equal to the required contributions for each year.

**NOTE 15 - CONTINGENT LIABILITIES**

There is no pending litigation against the Town.

TOWN OF LIVONIA, LOUISIANA  
 NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
 DECEMBER 31, 1998

**NOTE 16 - COMPENSATION PAID TO BOARD MEMBERS**

In compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature, compensation paid to the outgoing mayor and board members is as follows:

Mayor	- Warren Pourciau	\$7,200
Council Mem-	- Ronald J. Barlow	2,700
	- Kevin W. Bergeron	2,750
	- Patsy Hutchinson	2,750
	- Glen Sayger	2,750
	- Linda C. Walker	2,750
		\$20,900
		\$20,900

**NOTE 17 - FEDERAL FINANCIAL ASSISTANCE**

The Town received two Local Law Enforcement Block Grants during the year amounting to \$5,705. The Town's match to these grants was \$753. The total amount expended for law enforcement was \$6,458.

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**SUPPLEMENTAL INFORMATION**



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**SCHEDULE 1**  
**TOWN OF LIVONIA, LOUISIANA**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES - BUDGET AND ACTUAL (GAAP BASIS)**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<i>Taxes:</i>				
General property	\$21,400	\$22,951	\$1,551	\$21,249
Electric franchise	27,900	31,138	3,238	31,599
Cable TV franchise	2,000	1,538	(462)	3,936
Telephone franchise	3,743	3,749	6	3,655
<b>Total Taxes</b>	<b>\$55,043</b>	<b>\$59,376</b>	<b>\$4,333</b>	<b>\$60,439</b>
<i>Licenses and Permits:</i>				
Occupational - local business	\$18,100	\$21,921	\$3,821	\$16,071
Occupational - insurance	21,000	20,050	(950)	23,191
Liquor and beer permits	1,800	1,950	150	2,820
<b>Total Licenses and Permits</b>	<b>\$40,900</b>	<b>\$43,921</b>	<b>\$3,021</b>	<b>\$42,082</b>
<i>Intergovernmental Revenues:</i>				
La - Tobacco taxes	\$5,200	\$5,245	\$45	\$5,245
La - Beer taxes	1,000	1,706	\$706	958
La - Video poker	84,000	79,548	(4,452)	68,349
La - Law Enforcement	8,889	8,889		1,203
La - Public Safety - police supplemental	11,400	11,400		11,154
La - Rural Development	17,500	17,500		
<b>Total Intergovernmental Revenues</b>	<b>\$127,989</b>	<b>\$124,288</b>	<b>(\$3,701)</b>	<b>\$86,909</b>
<i>Fines and Forfeitures:</i>				
Traffic fines	\$117,932	\$125,710	\$7,778	\$101,081
<i>Miscellaneous Revenues:</i>				
Interest earned	\$11,700	\$12,035	\$335	\$5,111
La - Department of Transportation	3,343	3,343		3,343
Sale of fixed assets	2,175	2,175		1,427
Mowing and backhoe rental	525	525		450
Other	1,402	1,560	158	683
<b>Total Miscellaneous Revenues</b>	<b>\$19,145</b>	<b>\$19,638</b>	<b>\$493</b>	<b>\$11,014</b>

**SCHEDULE 2**  
**TOWN OF LIVONIA, LOUISIANA**  
**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (GAAP BASIS)**  
**GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<i>General Government:</i>				
Mayor's per diem	\$7,200	\$7,200		\$6,000
Council members per diem	13,725	13,700	\$25	9,000
Salary - clerk	11,474	11,474		11,834
Benefits	1,623	1,620	3	1,523
Attorney fee	500		500	
Assessor fee	750	721	29	645
Audit fee	1,350	1,350		1,350
Professional fees	800	225	575	1,096
Conventions, conferences, seminars	2,143	1,758	385	1,748
Utilities	2,909	2,539	370	2,701
Insurance	3,657	3,758	(101)	3,626
Telephone	1,210	1,139	71	1,156
Publishing and recording	1,250	1,094	156	2,347
Mayor's expense account	1,000	1,000		1,000
Travel	1,100	1,134	(34)	
Dues and subscriptions	790	797	(7)	783
Tourism and promotion	500	442	58	837
Beautification program	2,000	1,946	54	1,714
Maintenance of building	5,000	4,298	702	4,301
Janitorial and other supplies	2,400	2,197	203	2,075
Equipment maintenance	642	595	47	836
Office expense and postage	2,100	2,137	(37)	2,401
Animal ordinance expense	1,750	1,859	(109)	1,875
Miscellaneous expenses	808	1,091	(283)	1,039
	<u>\$66,681</u>	<u>\$64,074</u>	<u>\$2,607</u>	<u>\$59,887</u>
<i>Total General Government</i>				
<i>Public Safety - Police:</i>				
Salary - Chief of Police	\$16,818	\$16,818		\$21,721
Salary - police officers	53,952	53,352	600	49,689
Salary - part-time	9,100	6,913	2,187	8,844
State supplemental pay	11,400	11,400		11,154
Benefits	18,935	18,492	443	18,638
Conventions and conferences		25	(25)	336
Insurance	9,400	7,365	2,035	10,636
Telephone and paging system	2,600	2,561	39	1,986
Vehicle - gas and oil	4,200	4,256	(56)	4,647
Vehicle - repairs	5,500	5,567	(67)	8,284
Supplies and maintenance	3,600	2,113	1,487	2,283
Repairs - radios and equipment	1,850	3,367	(1,517)	2,422
Other services and charges	2,837	2,091	746	1,528
	<u>\$140,192</u>	<u>\$134,320</u>	<u>\$5,872</u>	<u>\$142,168</u>
<i>Total Public Safety - Police</i>				

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<i>Streets and Drainage:</i>				
Salary - foreman	\$4,709	\$4,709		\$4,212
Salary - laborers	9,700	9,303	397	9,556
Benefits	2,943	2,670	273	3,690
Professional fees - engineer	3,260	3,260		
Street lighting	13,000	11,129	1,871	13,445
Insurance	1,817	2,500	(683)	2,586
Satellite truck system	8,550	8,500	50	8,240
Concrete and asphalt	8,000	6,746	1,254	2,375
Gravel, limestone and shell	3,500	2,968	532	4,501
Dirt and sand				120
Culverts				774
Drainage		295	(295)	608
Road and street signs and speed bumps	1,000	889	111	1,681
Vehicle - gas and oil	1,500	1,551	(51)	1,842
Vehicle - repairs	2,500	2,320	180	1,085
Equipment maintenance	2,000	1,717	283	3,908
Small tools and supplies	750	461	289	1,952
Chemicals - weed control	2,100	2,100		1,959
Other services and charges	1,600	1,589	11	91
Total Streets and Drainage	<u>\$66,929</u>	<u>\$62,707</u>	<u>\$4,222</u>	<u>\$62,625</u>
<i>Capital Outlays:</i>				
General government	\$1,150	\$1,150		\$1,725
Public safety - police	6,458	6,458		26,455
Street and drainage	40,000	40,000		
Total Capital Outlays	<u>\$47,608</u>	<u>\$47,608</u>		<u>\$28,180</u>

**SCHEDULE 3**  
**TOWN OF LIVONIA, LOUISIANA**  
**SCHEDULE OF EXPENSES - BUDGET AND ACTUAL (GAAP BASIS)**  
**PROPRIETARY FUND TYPE - ENTERPRISE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 1998**

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
<i>Operating Expenses:</i>				
Natural Gas Expenses -				
Safety and odorization	\$180	\$365	(\$185)	\$180
Cathodic protection survey	300	275	25	275
Leakage survey	300	275	25	275
Drug testing policy fees	430	418	12	264
Operations manual				1,800
Insurance	2,538	2,476	62	2,348
Natural gas purchases	60,000	50,858	9,142	64,890
Maintenance of meters	700	1,100	(400)	1,915
Maintenance of lines	2,650	3,929	(1,279)	6,308
Supplies and small tools	2,400	1,903	497	1,419
Miscellaneous supplies	300	188	112	401
Depreciation	2,258	2,423	(165)	2,258
	<u>\$72,056</u>	<u>\$64,210</u>	<u>\$7,846</u>	<u>\$82,333</u>
Total Natural Gas Expenses				
Water Expenses -				
Current used in pumping	\$9,700	\$8,692	\$1,008	\$10,277
Insurance	1,441	1,421	20	1,378
Maintenance of pumping equipment				7,210
Maintenance of lines and meters	6,000	6,845	(845)	14,504
Maintenance of water tower	3,111	3,111		3,297
Maintenance of generator & chlorinator	700	646	54	361
Supplies and small tools	1,000	784	216	1,456
Chlorine	2,300	2,104	196	1,445
Miscellaneous supplies	570	455	115	454
Depreciation	8,666	8,730	(64)	8,666
	<u>\$33,488</u>	<u>\$32,788</u>	<u>\$700</u>	<u>\$49,048</u>
Total Water Expenses				

	1998		Variance Favorable (Unfavorable)	1997
	Budget	Actual		Actual
General and Administrative -				\$20,900
Salary - superintendent	\$21,500	\$21,500		12,901
Salary - maintenance	18,633	17,280	1,353	7,890
Salary - clerk	7,650	7,650		13,412
Salary - office personnel	14,449	14,449		7,698
Benefits	7,921	8,659	(738)	1,350
Professional fees - audit	1,350	1,350		1,400
Professional fees - accounting	1,200	225	975	269
Uniform expense	100	219	(119)	816
Utilities	992	941	51	2,643
Insurance	2,704	2,589	115	591
Telephone	1,100	1,037	63	241
Paging system	450	448	2	736
Printing	744	744		146
Travel	300	260	40	305
Continuing education	350	334	16	652
Dues	850	746	104	4,725
Maintenance of buildings	5,000	4,482	518	715
Janitorial and other supplies	700	523	177	1,050
Vehicle - gas and oil	1,100	1,073	27	3,236
Maintenance of trucks	1,700	1,528	172	1,175
Maintenance of equipment	4,490	4,003	487	632
Maintenance of computer	700	441	259	1,054
Office supplies and stationery	1,100	1,022	78	1,887
Postage	2,500	2,527	(27)	57
Miscellaneous	1,357	785	572	11,684
Depreciation	11,684	12,378	(694)	
Total General and Administrative	<u>\$110,624</u>	<u>\$107,193</u>	<u>\$3,431</u>	<u>\$98,165</u>

**SCHEDULE 4**  
**TOWN OF LIVONIA, LOUISIANA**  
**PUBLIC UTILITY SYSTEM**  
**SCHEDULE OF CHANGES IN ASSETS RESTRICTED**  
**FOR REVENUE BOND DEBT SERVICE**  
**FOR YEAR ENDED DECEMBER 31, 1998**

	Current Debt Service	Future Debt Service Reserve	Contingency	Total
<b>Cash and Investments - January 1</b>	<u>\$7,418</u>	<u>\$19,953</u>	<u>\$47,970</u>	<u>\$75,341</u>
<i>Cash Receipts:</i>				
Transfers from operations	10,600		4,100	14,700
Interest received	<u>471</u>	<u>966</u>	<u>2,191</u>	<u>3,628</u>
<b>Total Cash Receipts</b>	<u>11,071</u>	<u>966</u>	<u>6,291</u>	<u>18,328</u>
<b>Total Cash and Investments Available</b>	<u>18,489</u>	<u>20,919</u>	<u>54,261</u>	<u>93,669</u>
<i>Cash Disbursements:</i>				
Transfer to operations	2,536	20,779	8,280	31,595
Principal payments	15,000			15,000
Interest payments	900			900
Trustee fees	<u>47</u>	<u>94</u>		<u>141</u>
<b>Total Cash Disbursements</b>	<u>18,483</u>	<u>20,873</u>	<u>8,280</u>	<u>47,636</u>
<b>CASH &amp; INVESTMENTS-DECEMBER 31</b>	<u><u>\$6</u></u>	<u><u>\$46</u></u>	<u><u>\$45,981</u></u>	<u><u>\$46,033</u></u>

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

	12/31/89	12/31/90	12/31/91	12/31/92	12/31/93	12/31/94	12/31/95	12/31/96	12/31/97	12/31/98
Revenues and Transfers:										
Taxes	\$41,919	\$44,637	\$44,851	\$45,138	\$48,747	\$53,485	\$49,547	\$54,107	\$60,439	\$59,376
Licenses and permits	25,287	23,720	23,675	24,751	34,997	40,821	31,429	39,919	42,282	43,921
Intergovernmental revenues	6,588	7,009	11,349	20,688	12,895	41,752	65,950	87,089	86,909	124,288
Fines and forfeitures	82,076	69,133	76,115	107,885	83,126	78,654	69,663	118,381	101,081	125,710
Miscellaneous revenues	13,970	15,827	14,755	13,910	9,621	6,904	10,458	10,582	11,014	19,639
Transfers from other funds	28,643	21,203	222,000	27,000	53,000	56,000	86,000	87,000	12,000	18,000
Total Revenues and Transfers	198,483	181,529	392,745	239,372	242,386	277,616	313,027	397,078	313,525	390,934
Expenditures and Transfers:										
General government	29,032	34,052	36,788	46,604	55,553	59,471	58,450	59,599	59,887	62,215
Police department	76,381	81,219	85,310	108,713	107,284	111,161	123,339	136,574	142,168	134,320
Fire department	28,434	46,156	46,478	60,926	53,344	78,468	104,222	73,044	62,625	64,566
Streets and sanitation	25,522	10,134	273,974	16,713	42,878	12,868	3,377	28,670	28,180	47,608
Capital outlays		5,064								
Transfers to other funds										
Total Expenditures and Transfers	159,369	176,625	442,550	232,957	259,059	261,968	289,388	297,887	292,860	308,709
Excess (Deficiency) of Revenues and Transfers Over Expenditures and Transfers	\$39,114	\$4,904	(\$49,805)	\$6,415	(\$16,673)	\$15,648	\$23,639	\$99,191	\$20,665	\$82,225



**SCHEDULE 6  
TOWN OF LIVONIA, LOUISIANA  
TAXABLE PROPERTY VALUATIONS  
(UNAUDITED)**

<u>Year</u>	<u>Real Estate</u>	<u>Movables</u>	<u>Public Service</u>	<u>Totals</u>
1984	\$1,696,825	\$201,985	\$497,296	\$2,396,106
1985	1,725,949	213,590	533,509	2,473,048
1986	1,759,715	213,765	426,073	2,399,553
1987	1,763,360	255,285	463,967	2,482,612
1988	1,657,610	208,735	466,460	2,332,805
1989	1,696,540	198,750	482,764	2,378,054
1990	1,721,760	204,695	413,721	2,340,176
1991	1,738,635	215,281	412,386	2,366,302
1992	1,799,925	251,155	397,906	2,448,986
1993	1,858,685	369,978	416,839	2,645,502
1994	1,906,400	439,030	469,232	2,814,662
1995	1,927,235	381,267	397,222	2,705,724
1996	2,214,135	410,653	376,020	3,000,808
1997	2,434,595	478,623	323,525	3,236,743
1998	2,565,330	520,500	431,816	3,517,646

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

	Gas System		Water System	
	1998	1997	1998	1997
Sales	\$107,432	\$126,619	\$93,163	\$84,140
MCF Gas Sold	18,280	19,922	-	-
Total number of customers billed	4,629	4,421	8,610	8,218
Average number of customers billed per mont	386	368	718	685
Average annual revenue per customer	\$278.50	\$343.68	\$129.84	\$122.86
Average monthly revenue per customer	\$23.21	\$28.64	\$10.82	\$10.24
Average MCF gas billed per customer	3.95	4.51	-	-
Average revenue per MCF of gas billed	\$5.88	\$6.36	-	-
Number of customers at beginning of year	377	370	699	672
Number of customers at end of year	385	377	722	699

	1998		1997	
	Amount	MCF	Amount	MCF
Gas Sales	\$107,432	18,280	\$126,619	19,922
Gas Purchases	50,858	18,473	64,890	20,552
Gross Profit on Sales	<u>\$56,574</u>		<u>\$61,729</u>	
MCF Gas Unaccounted For - Sales (Purchases)		<u>(193)</u>		<u>(630)</u>
Percent Unaccounted For - Gas Gain (Loss)		<u>-1.0448%</u>		<u>-3.0654%</u>

# George F. Delaune

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OFFICERS ASSOCIATION

## **INDEPENDENT AUDITOR'S 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 Warren C. Pourciau  
and Members of the Town Council  
Town of Livonia, Louisiana

I have audited the financial statements of TOWN OF LIVONIA, LOUISIANA, as of and for the year ended December 31, 1998, and have issued my report thereon dated April 9, 1999. I conducted my 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 Town of Livonia, Louisiana's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing my audit, I considered Town of Livonia, Louisiana's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over

financial reporting. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

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

*George F. Delaune, CPA*

April 9, 1999

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TOWN OF LIVONIA, LOUISIANA  
SCHEDULE OF FINDINGS  
YEAR ENDED DECEMBER 31, 1998

**A. SUMMARY OF AUDIT RESULTS**

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the Town of Livonia, Louisiana.
2. No reportable conditions were disclosed during the audit of the general purpose financial statements.
3. No instances of noncompliance were disclosed during the audit of the general purpose financial statements.
4. The Town of Livonia, Louisiana received two Local Law Enforcement Block Grants during the year amounting to \$5,705 under CFDA 16.592.

**B. FINDING – FINANCIAL STATEMENTS AUDIT**

None