OFFICIAL FILE COPY DO NOT SEND OUT (Xerox necessary copies from this copy and PLACE BACK in FILE) 99100019 2323 Ì 64 ANNUAL FINANCIAL REPORT <u>OF THE</u> TOWN OF SUNSET, LOUISIANA FOR THE YEAR ENDED JUNE 30, 1998

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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 evailable 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 JAN 2 7 1999

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John Newton Stout, CPA Joel Lanclos, Jr., CPA Russell J. Stelly, CPA Dwight Ledoux, CPA Chizal S. Fontenot, CPA James L. Nicholson, Jr., CPA G. Kenneth Pavy, II, CPA Darren J. Cart, CPA



JOHN S. DOWLING & COMPANY A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS John S. Dowling, CPA (1904-1984)

Harold Dupre, CPA Retired

INDEPENDENT AUDITOR'S REPORT

The Honorable John L. Olivier and Members of the Board of Aldermen Town of Sunset, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Sunset, 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's management. Our responsibility is to express an opinion on these general purpose 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 <u>Government Auditing</u> <u>Standards</u>, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Because of the inadequacy of accounting records on general fixed assets, we were unable to form an opinion regarding the amounts at which the General Fixed Assets Account Group are recorded in the accompanying balance sheet at June 30, 1998 (stated at \$1,228,308). The general fixed assets records are not complete as to the cost or estimated cost for individual fixed assets, and this precluded the application of sufficient audit tests necessary for us to satisfy ourselves as to the valuation of general fixed assets.

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had the accounting records of the General Fixed Assets Account Group been adequate, the general purpose financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Town of Sunset, Louisiana, as of June 30, 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 principles.

In accordance with <u>Government Auditing Standards</u>, we have also issued a report dated September 24, 1998, on our consideration of the Town of Sunset's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

P. O. Box 433 4766 I-49 North Service Road Opelousas, Louisiana 70571-0433 Telephone 318-948-4848 Telefax 318-948-6109

The Honorable John L. Olivier and Members of the Board of Aldermen Page 2

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Sunset, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules for the years ended June 30, 1998 and 1997, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Sunset, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group, on which we express no opinion, 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.

John S. Douling r Co.

Opelousas, Louisiana September 24, 1998

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GENERAL PURPOSE FINANCIAL STATEMENTS

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	TOTALS (Memorandum Only) 1998 1997	\$65,237 \$100,254 107,596 109,240	249 109 19,	, 287 40, 69 691 50	,116 6, ,286	6,023 8,181 35,474 30,820 4,277 4,502	56,787 92,147 95,597 149,511 283 212	2,787,662 2,964,998	37,237 40,953	102,763 112,047	<u>3,381,855</u> 3,687,086			
	GROUPS GENERAL LONG - TERM DEBT								\$37,237	102,763	140,000	•		
GROUPS	RY GENERAL PE FIXED Y ASSETS					Ŀ		\$1,228,308			5 2,228,308			
AND ACCOUNT	RY FIDUCIARY E FUND TYPE E AGENCY	4		287	227	181 661 \$655 277	787 597 283	354		}	88 655			
F SUNSET, LOUISIANA - ALL FUND TYPES AND JUNE 30, 1998	PROPRIETARY FUND TYPE ENTERPRISE	\$EL\$		40,2	з, 2	8 H 4	56,7 95,5 2	1,559,3			1,769,7			
TOWN OF SUNSE SHEET - ALL I JUNE 30	D TYPES DEBT SERVICE	\$13,092 30,790	51	500		23,027					67,460			
BALANCE	GOVERNMENTAL FUND SPECIAL NERAL <u>REVENUE</u>	\$5,973									5, 973			
COMBINED	E E	546,038 76,806	198 21,109	191	5,889 3,286	10, 131					169,671		•	
	۲	ents Mes, net of allowance	collectibles ty taxes hise taxes	its est	ther governments	n restricted assets n other funds insurance	ra augeru menta ed interest receivable r and equipment net of	ated depreciation vailable in Debt Service	o be provided for retirement		Total assets	tement continued on next page.		

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81	COMBINED BALANCE	SHEET -	OF SUN JUNE	ISET, LOUISIANA TYPES AND ACCOUNT 30, 1998	GROUPS	(CONTINUED)	·		
S AND FUND BOULTY	GENERAL	GOVERNMENTAL FUND SPECIAL NERAL REVENUE	TYPES DEBT SERVICE	PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GENERAL FIXED <u>ASSETS</u>	GROUPS GENERAL LONG - TERM DEBT	TOTALS (Memorandum 1998	TOTALS randum Only) 1997
ifts rable iyable is payable	\$1,119 5,513			\$9,833 11,387	\$536 119			\$11,488 16,900 119	85 27 04
	8,906		\$25,558	1,010				35,474	4,571 2,521 30,820
n resurncted assers deposits srating account onds payable iterest payable				26,483 8,181 15,088 601 30,000				26,483 8,181 15,088 601 30,000	27,826 8,081 39,132 239 239
ebt ondo payable vlígation bondo				359,973				359,973	373,861
1 liabilities	15,538	-0	25,558	462,556	655	-0-	\$ <u>140,000</u> <u>140,000</u>	140,000 644,307	153,000 736,231
capital in general fixed assets mince				2,317,102	\$1,	1,228,308	•	2,317,102 1,228,308	2,294,171 1,209,214
				102,314 (1,112,184)				102,314 (1,112,184)	166,592 (882,844)
d, undesignated al fund equity	<u>154, 133</u> <u>154, 133</u>	\$ <u>5,973</u>	37,237 4,665 41,902	1,307,232		1,228,308	0	37,237 164,771 2,737,548	40,953 122,769 2,950,855
al liabilities and Nd equity	<u>169,671</u>	5,973	67,460	1,769,788	655 1	1,228,308	140,000	3,381,855	3,687,086
ing notes are an integral part of	these statements	ита.							

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LIABILITIES Bank overdraft Accounts payab Insurance payab Payroll taxes Retirement pays Insurance payab Due to other fu Payable from re Customers' de Customers' de Due to operat Revenue bonds Accrued inter Long-term debt Revenue bonds General oblig payable Iotal payable Iong-term debt Revenue bonds Payable FUND EQUITY Contributed can Investment in Retained earnin Reserved Unreserved Unreserved, u Unreserved, u Total 1 fund balance accompanying The

LIABILITIES

<u>S I ANA</u>			
AND CHANGES	IN	FUND	BALANCES
TYPES			

Statewent TOWN OF SUN COMBINED STATEWENT OF REVENUES. EXP ALL GOVERNME YEAR ENDED YEAR ENDED Ses and permits Sovernmental es for services and forfeits Inneous Inneous	ISET ISET	CHANGE 273 273 273 273 273 273 273 748 NUE 1AL ND 748 748 ND	IN FUND DEBT 2,164 12,364 12,364 (11,118)	BALANCES TOTALS (MEMORANDUM (1998 1998 1998 50,271 44,247 8,092 50,271 474,347 6,922 50,271 474,347 11,4988 11,4988 11,4988 11,49888 1	ALS MM ONLY) UM ONLY) 1997 72,712 72,712 72,712 51,170
nsfers in nsfers ou other fi	320, 682 <u>320, 682</u>	(141,780) (141,780)	7,200	327,882 (<u>141,780</u>) <u>186,102</u>	399,020 (<u>144,000</u>) <u>255,020</u>
atement continued on next page.					

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EXCESS OF OTHER FIN Operati Operati REVENUES Taxes License Intergo Charges Fines a Investm Miscell EXPENDITU Current Gener Stree Polic Fire Mealt Debt se Princ Inter This

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FUND BALANCES NI CHANGES (CONTINUED) AND LOUISIANA 1998 ES.

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ALS UM ONLY) 1997	\$61,040	102,682	163,722
TOTALS (MEMORANDUM ONLY) 1997 1997	\$38,286	<u>163,722</u>	<u>202,008</u>
TYPES DEBT SERVICE	\$(3,918)	45,820	<u>41,902</u>
ENTAL FUND TYPES SPECIAL DE REVENUE SER	\$(17,976)	23,949	5,973

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COMBINED STATEME COMBINED STATEME STATEME STATEME COMBINED STATEME OF REVENUES AND OTHER SOURCES R) EXPENDITURES AND OTHER SOURCES R) EXPENDITURES AND OTHER SOURCES ALANCE, beginning of year ALANCE, end of year ALANCE, end of year SIANCE, end of year ALANCE are an integr		NDITURES AND OTHER (USES) second of year end of year loginary 154,133	ving notes are an integral part of these statements.
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EXCESS OF The acco FUND BAL BA EXCESS FUND

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BALANCES CHANGES IN FUND

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	TOTALS (Memorandum Only) 1998	\$254,402 63,255 44,247 8.092	35,076 4,758 50,271 460,101	205,787 96,593 281,584	1,337 <u>1,337</u> 596,799	(<u>136,698</u>)	320,682 (<u>141,780</u>) 178,902	42,204	<u>117,902</u> 160,106
FU	VARIANCE FAVORABLE (UNFAVORABLE)	\$4,646	36 4,682	, (11)	(11)	4,671	(<u>28,000</u>) (<u>28,000</u>)	(<u>23,329</u>)	
SPECIAL REVENUE	ACTUAL	\$124,748	329 125,077	1,273	1,273	123,804	(<u>141,780</u>) (<u>141,780</u>)	(17,976)	23,949 5,973
SI	BUDGET	\$120,102	293 <u>120, 395</u>	1,262	1,262	<u>119, 133</u>	(<u>113,780</u>) (<u>113,780</u>)	5,353	

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	COMBINED STATEMENT OF	TOWN OF REVENUES, BUD ENBRAL AND FOR THE YEA	LOUISIANA URES, AND CTUAL REVENUE F	CHANG 998
	•	GBNERAL F	FUND	
	Budget		VARIANCE FAVORABLE (UNFAVORABLE)	1 141
d permits	\$128,708 63,535	\$129,654 63.2 5 5	\$946 (280)	۲¢.
mental gerviren	40,806	, 24	3,441	
orfeits income	32,314	35,076	2,762	
us al revenues	311,836		<u>15,532</u> 23,188	1-1
rating nď adminiotrative	190,911 94,825 283,969	204,514 96,593 281,584	(13,603) (1,768) 2,385	
d welfare <u>al expenditures</u>			· ~1 4	
ENUES OVER NDITURES	(<u>270,329</u>)	(<u>260,502</u>)	9,827	
NG SOURCES (USES) ransfers in ransfers out	311,008	320,682	9,674	5
F (5)	311,008	320,682	9,674	2 24
ENUES AND OTHER SOURCES EXPENDITURES AND OTHER	40, 679	60,180	<u>19, 501</u>	•
beginning of year		.93,953		
end of year		154, 133		

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Licenses and p Intergovernmen	- P1	oper al an	Street Police	ኪ 1 1	Total	EXCESS OF REVENU (UNDER) EXPENDI	U	0 0	EXCESS OF REVENU OVER (UNDER) EX USES	FUND BALANCE, be	FUND BALANCE, en	The accompanying
	and tment 11ane To	н орг	ਅ ਪ ਪ ਪ ਪ	מיש ניביט א	1 (LU) (LU) (LU) (LU) (LU) (LU) (LU) (LU)	H (L)	e and stment stment ellanec ent nera reet reet reet re re re re re re re re re re re re re	estment cellanec cellanec cellanec rent Tot rent Ope cheet a clice ire ire celth an clice fire fire fire fire fire fire fire fir	estment cellanec cellanec cellanec cellanec rent Tot cellanec cell	estment cellanec cellanec cellanec cellanec rent Dire trent ope celth an ealth an ealth an ealth an ealth an cating t rating t rating t rating t	restment vestment vestment strent ope fire Fire Police Fire Fire Exting t erating t erating t SS OF REV SS OF REV	restment vestment vestment scellanec screet fot fot strent ope general a strent ope for screet ope fot fot screet ope fot fot fot fot fot fot fot fot fot fot
Charges for se	Miscellaneous Total	0 10	ប្រុ ប្រុប	0 10 10 10	1 V V V V V	14.12 N N N 14.1	ellanec ITURES ent ope reet ope reet a reet a reet a reet a reet a reet a reet a reet a	cellanec <u>Firent ope</u> rent ope eneral a treet ope ire ire ire ealth an ealth an ealth an FINANCI FINANCI	cellanec rent Tot rent ope eneral a treet ope ire olice ealth an ealth an ealth an ealth an ealth an rating t rating t rating t	cellanec <u>Find Tot</u> rent operater creet operater cr	BCellanec Tot Tot Frent ope General a Street ope Fire Fire Health an Health an Health an Fire Extend t Exting t erating t erating t BALANCE, BALANCE, BALANCE,	BCellaned Tot Tot Frent ope General a Street ope Fire Fire Fire Fire Evaling t erating t erating t Evalue BALANCE, BALANCE, BALANCE,

<u>REVENUES</u> Taxes License

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TOWN OF SUNSET. LOUISIANA STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS ALL PROPRIETARY FUND TYPES FOR THE YEAR ENDED JUNE 30, 1998

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	TOTALS	
		(MEMORANDUM ONLY)
	. <u> </u>	1997
OPERATING REVENUES		
Charges for services		
Gas sales	\$221,390	\$217,685
Water sales	101,717	96,092
Sewer sales	110,051	110,147
Miscellaneous income	<u>18,717</u>	6,330
<u>Total operating revenues</u>	451,875	430,254
OPERATING EXPENSES		
Personal services	84,240	73,975
Contractual services	98,085	110,121
Supplies	20,326	16,232
Other expenses	107,815	101,997
Depreciation	240,153	235,828
<u>Total operating expenses</u>	550,619	538,153
OPERATING LOSS	<u>(98,744</u>)	(<u>107,899</u>)
NONOPERATING REVENUES (EXPENSES)		
Interest income	9,778	13,293
Interest expense	(18,216)	(17,836)
Paying agent fees	<u>(334</u>)	(567)
<u>Total nonoperating revenues (expenses)</u>	<u>(8,772</u>)	(5,110)
INCOME BEFORE OPERATING TRANSFERS	(107,516)	(113,009)
OPERATING TRANSFERS OUT	(186,102)	(<u>249,020</u>)
<u>NET LOSS</u>	(293,618)	(362,029)
<u>RETAINED EARNINGS</u> , beginning of year	<u>(716,252</u>)	(<u>354,223</u>)
<u>RETAINED EARNINGS</u> , end of year	· (<u>1,009,870</u>)	(<u>716,252</u>)

The accompanying notes are an integral part of these statements.

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<u>TOWN OF SUNSET, LOUISIANA</u> <u>STATEMENT OF CASH FLOWS</u> <u>ALL PROPRIETARY FUND TYPES - ENTERPRISE FUND</u> <u>FOR THE YEAR ENDED JUNE 30, 1998</u>

	TOTALS		
		(MEMORANDUM ONLY)	
	1998	<u> </u>	
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash received from customers	\$449,515	\$428,738	
Cash payments to suppliers for goods and services	(224,400)	(239,331)	
Cash payments to employees for services	<u>(75,419</u>)	<u>(68,456</u>)	
Net cash provided by operating activities	<u>149,696</u>	120,951	
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Operating transfers - out to other funds	(186, 102)	(249,019)	
Net cash used for noncapital			
<u>financing activities</u>	(<u>186,102</u>)	(<u>249,019</u>)	
αλότι ΣΤΟΓΙΩ ΠΡΟΜ αλητώλη ΑΝΊΝ ΠΕΙΛΦΕΝ ΣΤΝΑΝΑΤΛΙΟ			
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and construction of capital assets	(43,723)	(25,797)	
Principal paid on revenue bonds	(37, 932)	(29,797) (39,133)	
Interest paid on revenue bonds	(17,854)	(20,580)	
Principal paid on loan	(17,004) (20,000)	(20,500)	
Customers' deposits, net	(1,343)	541	
Contributed capital	(1,545)	(6,000)	
Construction grant received from state	22,931	(0,000)	
	•	15671	
Paying agent fees Utility bond proceeds	(334)	(567)	
Utility bond proceeds <u>Net cash used for capital and related</u>		20,836	
<u>financing activities</u>	<u>(98,255</u>)	(70,700)	
<u>Linancing</u> accivicies	<u>()0,299</u>)	<u>(70,700</u>)	
CASH FLOWS FROM INVESTING ACTIVITIES			
Redemption of investments	58,500	143,411	
Interest earned on investments	9,707	14,258	
Reinvestment of interest earned	(4,586)	(2,731)	
<u>Net cash provided by investing activities</u>	63,621	154,938	
<u>NET DECREASE IN CASH</u>	(71,040)	(43,830)	
<u>CASH AND CASH EQUIVALENTS</u> , beginning of year	<u>127,961</u>	<u>171,791</u>	
<u>CASH AND CASH EQUIVALENTS</u> , end of year	<u>56,921</u>	<u>127,961</u>	

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This statement continued on next page.

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TOWN OF SUNSET. LOUISIANA STATEMENT OF CASH FLOWS ALL PROPRIETARY FUND TYPES - ENTERPRISE FUND (CONTINUED) FOR THE YEAR ENDED JUNE 30, 1998

	TOTALS		
	1998	(MEMORANDUM ONLY) 1997	
-		•	
RECONCILIATION OF OPERATING INCOME TO NET CASH			
PROVIDED BY OPERATING ACTIVITIES			
Operating income	\$ <u>(98,7</u> 44)	\$(<u>107,899</u>)	
Adjustments to reconcile operating income	·		
to net cash provided by operating activities:			
Depreciation	240,153	235,828	
(Increase) decrease in receivables	406	(611)	
(Increase) decrease in prepaid insurance	225	(987)	
(Increase) decrease in due from other funds	(506)	377	
(Increase) decrease in due from other governments	(2,766)	(461)	
Increase (decrease) in accounts payable	816	(5,583)	
Increase (decrease) in sales tax payable		(444)	
Increase (decrease) in due to other funds	279	731	
Increase (decrease) in bank overdrafts	<u>9,8</u> 33		
<u>Total adjustments</u>	248,440	228,850	
<u>Net cash provided by operating activities</u>	<u>149,696</u>	<u>120,951</u>	

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The accompanying notes are an integral part of these statements.

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(1)SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies and reporting practices of the Town of Sunset conform to generally accepted accounting principles as applicable to governments.

The following is a summary of certain significant accounting policies and practices of the Town of Sunset.

<u>REPORTING ENTITY</u>. Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Sunset 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 includes:

1. Appointing a voting majority of an organization's governing body, and

a. The ability of the Town 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 Town.
- Organizations for which the Town does not appoint a voting majority but are 2. fiscally dependent on the Town.
- 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.

The Town of Sunset is a primary government and the accompanying general purpose financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

FUND ACCOUNTING. The accounts of the Town are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

Governmental Funds

<u>General Fund</u>. The General Fund is the general operating fund of the Town. Ιt

is used to account for all financial resources except those required to be accounted for in another fund.

<u>TOWN OF SUNSET, LOUISIANA</u> <u>NOTES TO FINANCIAL STATEMENTS</u> <u>JUNE 30, 1998</u>

(1) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

<u>Special Revenue Fund</u>. The Special Revenue Fund is used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts, or major capital projects) that are legally restricted to expenditures for specified purposes.

<u>Debt Service Funds</u>. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

<u>Capital Projects Funds</u>. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds and Trust Funds).

Proprietary Fund

Enterprise Fund. The Enterprise Fund is used to account for operations (a) that

are financed and operated in a manner similar to private business enterprises 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.

Fiduciary Fund

<u>Agency Funds</u>. Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

<u>BASIS OF ACCOUNTING</u>. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e.,

revenues) and decreases (i.e., expenses) in net total assets.

<u>TOWN OF SUNSET, LOUISIANA</u> <u>NOTES TO FINANCIAL STATEMENTS</u> JUNE 30, 1998

(1) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

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The modified accrual basis of accounting is used by all governmental fund types and fiduciary funds. 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 that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

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' The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred. Revenues earned and expenses incurred are recognized in a government's proprietary funds in essentially the same manner as in commercial accounting. However, where the GASB has issued pronouncements applicable to entities and activities recognized in a government's proprietary funds, those entities and activities should be guided by the GASB pronouncements. Only minor adaptations are involved in applying the revenue realization and expense recognition principles in the governmental environment.

<u>CASH AND INVESTMENTS</u>. Louisiana statutes authorize the Town to invest in direct United States Treasury obligations; bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by federal agencies and backed by the United States; bonds debentures, notes, or other evidence of indebtedness issued or guaranteed by United States government instrumentalities, which are federally sponsored; and certificates of deposits.

Bank deposits must be secured by federal depository insurance or the pledge of securities owned by the bank. The market value of the pledged securities must at all times equal or exceed 100% of the uninsured amount on deposit with the bank.

At June 30, 1998, the carrying amount of the Town's deposits was \$325,217. The bank balance of cash was \$145,958 and of investments was \$203,193. Investments are stated at cost, which approximates market. These investments consist of certificates of deposit. Of the bank balance, approximately \$155,099 is covered by federal depository insurance, and approximately \$194,052 is covered by securities held by the

bank in the Town's name.

(1) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

FIXED ASSETS AND LONG-TERM LIABILITIES. All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Fund are recorded in the General Fixed Assets Account Group, Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

14

Property, plant, and equipment which constitute assets of the Enterprise Fund are recorded at cost and depreciation is computed thereon under the straight-line method of depreciation based on estimated useful lives of the individual assets.

Interest costs during construction, where applicable, are capitalized.

BAD DEBTS. Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Uncollectible amounts due from customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual accounts deemed uncollectible at the end of each fiscal year,

Allowance for uncollectible accounts receivable in the Enterprise Fund at June 30, 1998, is \$166.

BUDGETS AND BUDGETARY ACCOUNTING. The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

- At least 30 days prior to the beginning of the fiscal year the 1. Mayor submits to the Town Council an operating and capital budget for the succeeding year.
- 2.
- A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
- The budget must be finally adopted by the Council no later than 3, the last day of the preceding fiscal year.

(1) <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u> (Continued)

BUDGETS AND BUDGETARY ACCOUNTING - Continued

- 4. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
- 5. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
- 6. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

ENCUMBRANCES. The Town does not employ the encumbrance system of accounting.

<u>INVENTORY</u>. The Town practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Town does not record any of these items as inventory because the amount of the items in stock is insignificant.

<u>COMPENSATED ABSENCES</u>. The Town's employees earn and use their vacation and sick leave during the fiscal year. Therefore, there is no provision for compensated absences.

<u>CASH AND CASH EQUIVALENTS</u>. For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

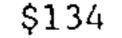
<u>COMPARATIVE DATA</u>. Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

<u>TOTAL COLUMNS</u>. Total columns on the general purpose financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows 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.

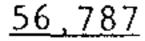
(2) <u>CASH AND CASH EQUIVALENTS</u>

Cash and cash equivalents for the purposes of the statement of cash flows consist of the following as of June 30, 1998:

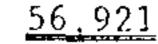
Unrestricted assets Cash Restricted assets Cash



15



Total cash and cash equivalents



(3) ACCOUNTS RECEIVABLE - ENTERPRISE FUND

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1998. An accounts receivable schedule is as follows:

		<u>June 30, 1998</u>
	Unbilled receivable Uncollected billed receivable <u>Total accounts receivable</u>	\$6,623 <u>33,830</u> 40,453
	Less: allowance for uncollectible accounts	<u> 166</u>
	<u>Net accounts receivable</u>	<u>40,287</u>
(4)	INTERFUND RECEIVABLES, PAYABLES	

Interfund	Interfund
<u>Receivables</u>	<u>Payables</u>

General Fund	\$10,131	\$8,906
Debt Service Funds Public Improvement Bonds 2/1/73 General Obligation Bonds 4/1/88 Enterprise Fund	7,000 16,027 1,661	15,427 10,131 1,010
Agency Fund Payroll Account	<u> 655</u>	_
	<u>35,474</u>	<u>35,474</u>

(5) <u>DEFICITS - IN INDIVIDUAL FUNDS</u>

The following fund reflected a deficit fund balance or retained earnings at June 30, 1998.

Enterprise Fund \$(1,009,870)

(6) <u>RETIREMENT PLANS</u>

<u>General</u>. The Town participates in funding two retirement plans which are described as follows:

Municipal Employees' Retirement System

<u>Plan Description</u>: Substantially all full-time employees of the Town are members of the Municipal Employees' Retirement System of Louisiana, Plan A. The retirement system is a cost-sharing, multiple-employer, statewide retirement system which is administered and controlled by a separate board of trustees. It provides retirement, disability, and survivor benefits to participating, eligible employees. Contributions of participating agencies are pooled within the system to fund accrued benefits,

(6) <u>RETIREMENT PLANS</u> (Continued)

with contribution rates approved by state statute. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Route, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy: Plan A members of the Municipal Employees' Retirement System are required by state statute to contribute 9.25% of their annual covered salary and the Town (as the employer) is required to contribute at an actuarially determined rate. The current employer rate is 5.75% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, 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 employer contribution is additionally funded by the State of Louisiana through the annual legislative appropriation. The Town of Sunset's employer contributions to the Municipal Employees' Retirement System for the years ended June 30, 1998, 1997, 1996, were \$8,417, \$8,395, \$9,497, respectively, and were equal to the required contribution for each year.

Municipal Police Employees' Retirement System

<u>Plan Description</u>: Two full-time employees are currently members of the Municipal Police Employees' Retirement System of Louisiana. The retirement system is a costsharing, multiple-employer plan which was created for full-time municipal police officers in Louisiana. The system is administered by a Board of Trustees and includes a representative from the Retirement Committee of the House of Representatives and the Chairman of the Senate Finance Committee or their designees to serve as voting exofficio members of the Board.

Membership is mandatory for any full-time police officer employed by a municipality of the State of Louisiana and engaged in law enforcement, empowered to make arrest, providing he does not have to pay social security and providing he meets the statutory criteria.

Any member is eligible for normal retirement after he has been a member of the system for one year, if he has 25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years creditable service and is age 55.

Benefit rates are three and one-third percent of average final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100% of final salary. The Municipal Police Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Police Employees' Retirement System, P. O. Box 6614, Baton Rouge, Louisiana, 70896-6614 or by calling (225) 925-4878.

<u>Funding Policy</u>: Contributions for all members are established by state statute at 7.50% of earnable compensation. The contributions are deducted from the member's salary and remitted by the participating municipality. Contributions for all employers

(6) <u>RETIREMENT PLANS</u> (Continued)

are established by state statute at 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. In addition, according to state statute, the system receives the difference in the actuarially required employer contribution and the estimated actual employer contributions in insurance premium tax. This tax is appropriated by the legislature each year based on an actuarial study. The Town of Sunset's employer contributions to the Municipal Police Employees' Retirement System for the years ended June 30, 1998, 1997 and 1996 were \$2,394, \$1,214, \$-0-, respectively, and were equal to the required contribution for each year.

(7) <u>AD VALOREM TAXES</u>

For the year ended June 30, 1998, the Town of Sunset levied a general tax of 7.35 mills, and a special tax of 1.88 mills on property with assessed valuation totaling \$6,448,700. Total tax levied was \$59,523. Net taxes receivable at June 30, 1998 totaled \$249.

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The Town's ad valorem tax, levied for the calendar year, is due on or before December 31, and becomes delinquent on January 1.

(8) <u>RESERVES OF FUND EQUITY</u>

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The Town records reserves to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves used by the Town.

	Balance at <u>June 30, 1998</u>
Debt Service Funds Reserved for debt retirement	<u>\$37,237</u>
Enterprise Fund Reserved for customers' deposits Reserved for bond retirement	3,226 <u>99,088</u> <u>102,314</u>
<u>Total reserves of fund equity</u>	<u>139,551</u>

DEDICATION OF SALES TAX PROCEEDS (9)

Proceeds of the 1% sales and use tax are dedicated to the following purposes:

Constructing and purchasing fire department stations and equipment; constructing and purchasing police department stations and equipment; opening, constructing, paving, resurfacing and improving streets, sidewalks, and bridges; constructing and improving drains, drainage canals and subsurface drainage; constructing, acquiring or improving any work of public permanent improvement; and purchasing and acquiring all equipment and furnishings for the public works, buildings, improvements and facilities of the Town of Sunset, title to which shall be in the public.

PROPRIETARY FUNDS - RESTRICTED ASSETS (10)

Certain assets of the Enterprise Fund have been restricted for construction, debt service and customers' deposits. These assets consist of cash, short-term investments and interest receivables restricted for the following:

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	Debt service	\$114,777	
	Customers' deposits	37,890	
		152,667	
(11)	CONTRIBUTED CAPITAL		
	$C_{n} = \sum_{i=1}^{n} \sum_{j=1}^{n} \sum_{i=1}^{n} \sum_{i=1}^{n} \sum_{i=1}^{n} \sum_{j=1}^{n} \sum_{i=1}^{n} \sum_{i=1}^$	mainta afi	
	Contributed capital on June 30, 1998 co	nsists of:	
	Contributions from federal agencies	\$1,430,584	
	Contributions from state grants	282,788	
	Contributions from Town of Sunset		
	Special Revenue Fund	496,079	
	Capital Projects Fund	<u>107,651</u>	
	· · · ·		•
		2,317,102	
		•	· .

(12)PROPRIETARY FUND - CHANGES IN DEBT

The following is a summary of changes in Proprietary Fund debt for the year ended June 30, 1998:

<u>Description of Debt</u>	Balance at <u>July 1, 1997</u>	Issued	<u>Retired</u>	Balance at <u>June 30, 1998</u>
\$150,000 of Utilities Revenue Bonds dated October 1, 1967	\$9,000		\$9,000	
$6000 000 ef 11 \neq i 1 \neq i e = Detremute$				

\$200,000 of Utilities Revenue Bonds dated February 1, 1973 14,000 14,000

\$410,000 of Utilities Revenue Bonds dated February 17, 1997

<u>389,993</u> \$375,061 <u>14,932</u>



<u>PROPRIETARY FUND - CHANGES IN DEBT</u> (Continued) (12)

The annual requirements to retire debt as of June 30, 1998, are as follows:

Years Ended			
<u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
1999	\$15,088	\$16,039	\$31,127
2000	15,781	15,346	31,127
2001	16,506	14,621	31,127
2002	17,264	13,863	31,127
2003	18,057	13,070	31,127
2004-2008	103,518	52,115	155,633
2009-2013	129,583	26,050	155,633
2014-2015	<u>59,264</u>	1,800	61,064
	375,061	152,904	527,965

(13) <u>PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUND</u>

A summary of property, plant, and equipment of the Enterprise Fund at June 30, 1998 is as follows:

<u>Description</u>	Life in <u>Years</u>	<u>Cost</u>	Accumulated <u>Depreciation</u>	<u>Net</u>	Depreciation <u>This Year *</u>		
Land		\$50,208		\$50,208			
Waterworks and gas	-						
systems	10	1,591,852	\$1,237,501	354,351	\$52,616		
Sewer plant and line	• •						
extensions	10	2,545,975	1,410,388	1,135,587	181,296		
Equipment	5	<u> </u>	<u> 15,200</u>	<u> 19,208</u>	<u>6,241</u>		
<u>Total</u>		<u>4,222,443</u>	<u>2,663,089</u>	<u>1,559,354</u>	<u>240,153</u>		
<u>Changes During the Year</u>							
<u>BALANCE</u> , beginning of y	ear	\$4,178,720	\$2,422,936				
Additions: Waterworks and gas sy Depreciation	stems	43,723	240,153				
BALANCE, end of year		<u>4,222,443</u>	<u>2,663.089</u>				

* All assets are depreciated under the straight-line method.

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PROPRIETARY FUND TYPE - FLOW OF FUNDS - RESTRICTION ON USE (14)

Under the terms of the bond indentures on outstanding Utilities Revenue Bonds dated October 1, 1967 and February 1, 1973, all income and revenues 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:

Out of the revenue there shall be set aside from time to time into an "Operation and Maintenance Fund" amounts sufficient to provide for the payment of the reasonable and necessary expenses of operating and maintaining the system.

Each month, there will be set aside into a fund called the "Utilities Revenue Bond Sinking Fund" 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 Such transfers shall be fully sufficient to assure the prompt payment of bonds. principal and interest installments as they become due, and may be used only for such payments. This deposit must be made on or before the 20th of each month.

There shall also be set aside into a "Utilities Revenue Bond Reserve Fund" an amount equal to 20% of the principal and interest payments required during the current fiscal year until there shall have been accumulated in the Reserve Account an amount equal to the maximum principal and interest requirements in any one maturity year. Such amounts may be used only for the payment of maturing bonds and interest coupons for which sufficient funds are not on deposit in the Utilities Revenue Bond Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a "Utilities Depreciation and Contingency Fund" an amount equal to 5% of the gross revenues of the preceding month. Money in this fund may be used for the making of extraordinary repairs or replacements to the system which are necessary to keep the system in operating condition and for which money is not available as a maintenance and operation expense. Money in this fund may also be used to pay principal or interest on the bonds falling due at any time there is not sufficient money for payment in the other bond funds.

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

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(15) <u>CHANGES IN GENERAL FIXED ASSETS</u>

The following is a summary of changes in general fixed assets for the year ended June 30, 1998:

	Balance, July 1, <u>1997</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1998</u>
Buildings and land Equipment	\$207,156 197,459	\$15,000		\$222,156 197,459
Other structures and improvements	804,599	4,094		808,693
<u>Total</u>	<u>1,209,214</u>	<u>19,094</u>	<u>-0-</u>	<u>1,228,308</u>

(16) <u>GENERAL FIXED ASSETS</u>

The Town of Sunset does not have a value placed on all general fixed assets. The procedure of assigning values to individual fixed assets, which began in 1992-1993, was still in process during 1997-1998.

(17) <u>CHANGES IN LONG-TERM DEBT</u>

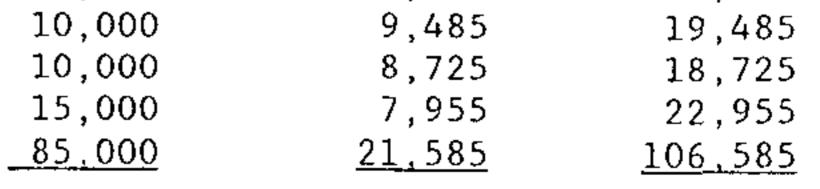
The general long-term debt as of June 30, 1998 follows:

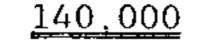
General <u>Obligation</u>	Original <u>Amount</u>	Interest <u>Rate</u>	Balance Outstanding 7/1/97	Issued (Retired) During Year	Balance Outstanding 6/30/98
Public Improvement Bonds 2/01/73	\$50,000	5,50%	\$3,000	\$3,000	
General Obligation Bonds 4/01/88	<u>200,000</u>	9.00%	<u>150,000</u>	<u>10,000</u>	\$ <u>140,000</u>
	<u>250,000</u>		<u>153,000</u>	<u>13,000</u>	<u>140,000</u>
The annual requires	ents to re	stire long	r-term debt av	s of June 30	1998 are as

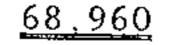
The annual requirements to retire long-term debt as of June 30, 1998, are as follows:

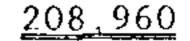
Years Ended <u>June 30</u>	Principal	<u>Interest</u>	<u>Totals</u>
1999	\$10,000	\$10,975	\$20,975
2000	10,000	10,235	20,235

2001 2002 2003 2004 - 2008









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(18) <u>UTILITY REVENUE BOND</u>

A bond for \$410,000 was issued on February 17, 1995 for improvements on the Town's sewer system. The bond has a stated interest of 4 1/2% and is payable over a twenty year period. The first payment consisting of interest only, was due on February 17, 1996. Payments of \$2,681.40 are due on the 17th of each month thereafter through February 17, 2015. The monthly payments shall be equal in amount and consist of fully amortized payments of principal and interest.

Actual monthly payments into the Sinking Fund during the interest only period depend on the schedule of advances of principal made to the Town during construction. Beginning February 20, 1997, a sum of \$2,681.40 is to be deposited each month into the Sinking Fund until February 20, 2015.

Commencing with the month following completion of the project, until February 20, 1997, a sum of \$77 per month is to be deposited into a Reserve Fund. Thereafter, a sum of \$135 is to be deposited into the Reserve Fund until \$32,176.80 has been accumulated therein.

Also, commencing with the month following completion of the project, a sum of \$243 per month must be deposited into a Contingency Fund through February 20, 2015.

(19) PROPRIETARY FUND - LOAN PAYABLE

The State Bond Commission gave the Town of Sunset the authority to incur debt and borrow an amount not to exceed in the aggregate the sum of \$50,000, at an interest rate not to exceed zero percent per annum to be repaid by December 31, 1995, but has been extended indefinitely. These funds were used for the purpose of completing the Town's Water Well Project, and are secured by and payable from revenues accruing to the general fund budget during the time the loan is outstanding. The loan was made at the Bank of Sunset and the balance at June 30, 1998 is \$30,000.

(20) PRIOR YEAR - MEMORANDUM ONLY (RESTATED)

The information for the prior year contained in the combined financial statements is presented under the caption "memorandum only" to indicate that it is presented only to facilitate financial analysis.

Prior year balances in the Enterprise Fund have been restated to reclassify \$10,181 of engineering fees which were included in legal and accounting; and to reflect a \$6,000 operating transfer to the General Fund which was recorded as contributed capital instead of unreserved retained earnings.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

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GENERAL FUND

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The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

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TOWN OF SUNSET. LOUISIANA <u>GENERAL FUND</u> BALANCE SHEET JUNE 30, 1998 AND 1997

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ASSETS	1998	<u> 1997 </u>
Cash	\$46,038	\$26,505 [°]
Investments	76,806	72,869
Receivables, net of allowance for uncollectibles	r	, _ , _ , .
Property taxes	198	703
From other governments	5,889	6,081
Franchise taxes	21,109	19,276
Interest receivable	191	
From other funds	10,131	10,131
Grants	3,286	,
Other	6.023	6,425
<u>Total assets</u>	<u>169,671</u>	<u>141,990</u>
LIABILITIES AND FUND BALANCE		
<u>LIABILITIES</u>		
Bank overdrafts	\$1,119	\$14,857
Accounts payable	5,513	18,706
Retirement payable		2,426
Due to other funds	8,906	9,527
Insurance payable	•	2,521
<u>Total liabilities</u>	15,538	48,037
FUND BALANCE		•
Unreserved, undesignated	<u>154,133</u>	93,953
Total liabilities and fund balance	<u>169,671</u>	<u>141,990</u>

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TOWN OF SUNSET, LOUISIANA GENERAL FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE BUDGET AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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	1998			
	BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1997 <u>ACTUAL</u>
REVENUES				
Taxes	\$128,708	\$129,654	\$946	\$119,773
Licenses and permits	63,535	63,255	(280)	72,712
Intergovernmental	40,806	44,247	3,441	28,681
Charges for services	7,960	8,092	132	7,647
Fines and forfeits	32,314	35,076	2,762	51,170
Investment income	3,774	4,429	655	3,474
Miscellaneous	<u>34,739</u>	<u>50,271</u>	<u>15,532</u>	43,337
<u>Total revenues</u>	<u>311,836</u>	<u>335,024</u>	23,188	326,794

EXPENDITURES

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Current operating				
General and administrative	190,911	204,514	(13,603)	270,231
Street department	94,825	96,593	(1,768)	76,616
Police department	283,969	281,584	2,385	267,835
Fire department	11,518	11,498	20	19,432
Health and welfare	<u> </u>	1.337	<u>(395</u>)	365
<u>Total expenditures</u>	<u>582,165</u>	<u>595,526</u>	(<u>13,361</u>)	634,479
<u>EXCESS OF REVENUES OVER (UNDER)</u> EXPENDITURES	(<u>270,329</u>)	(<u>260,502</u>)	<u>9,827</u>	(<u>307,685</u>)
OTHER FINANCING SOURCES				
Operating transfers in	<u>311,008</u>	<u>320,682</u>	<u>9,674</u>	<u>391,820</u>
<u>Total other financing</u>	<u>311.008</u>	300 600	0 674	201 020
sources	<u>JII,000</u>	<u>320,682</u>	<u>9,674</u>	<u>391,820</u>
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER)				
EXPENDITURES AND OTHER USES	40,679	60,180	<u>19,501</u>	84,135
FUND BALANCE, beginning of year		<u>93,953</u>		<u>9,818</u>
FUND BALANCE, end of year		154,133		<u>93,953</u>

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TOWN OF SUNSET, LOUISIANA GENERAL FUND DETAILED SCHEDULE OF REVENUES BUDGET AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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		1998		
			VARIANCE	
			FAVORABLE	1997.
•	BUDGET	<u>ACTUAL</u>	(UNFAVORABLE)	ACTUAL
	· <u>·····</u>			
TAXES				
Property taxes	\$48,720	\$47,831	\$(889)	\$44,840
Franchise - electric	68,987	69,802	815	64,487
Franchise - telephone	9,453	9,668	215	8,942
Franchise - cable television	<u>1,548</u>	2,353	<u>805</u>	1,504
<u>Total taxes</u>	128,708	<u>129,654</u>	946	<u>119,773</u>
<u>ICENSES AND PERMITS</u>	(1 50)	(1) 1-0		50 110
Occupational licenses	61,784	61,473	(311)	72,142
Plumbers' licenses	250	250	• -•	150
Building permits	<u>1,501</u>	<u> 1,532</u>	31	<u> </u>
<u>Total licenses and</u>	×			
<u>permits</u>	<u>63,535</u>	<u>63,255</u>	(280)	72,712
<u>NTERGOVERNMENTAL</u>				
State beer tax	3,692	4,098	406	4,027
State tobacco tax	11,450	11,450	400	11,450
Housing Authority	6,081	5,889	(192)	6,081
Office of Family Support	176	117	(59)	287
Cops Fast Grant	19,407	22,693	3,286	6,836
<u>Total intergovernmental</u>	40,806	44,247	3,441	28,681
			· · ·	
HARGES FOR SERVICES				
Grass cutting	7,960	7,972	12	7,587
House moving		120	<u> 120 </u>	60
<u>Total charges for services</u>	7,960	8,092	<u> 132</u>	7,647
INES AND FORFEITS				-
Court fines	32,314	<u> 35 ,076</u>	2,762	<u>51,170</u>
ΝΊΩΕςΨΜΈΝΙΨ ΤΝΙΟΟΜΈ				
<u>NVESTMENT INCOME</u>	ערר נ	1. 1.00	(<u>ስ / ኮ/</u>
Interest income	3,774	4,429	<u> 655</u>	3,474
<u>IISCELLANEOUS</u>				
Court costs	18,328	17,227	(1, 101)	24,195
Video poker fees	4,955	5,887	932	6,031
Other	1,631	2,780	1,149	878
Fire department donations			- , - • •	1,973
Fire insurance rebates	4.312	4,312		6,508

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4,312 4,312 Fire insurance rebates 6,508 3,813 3,665 (148) First Response donations 3,752 600 900 (300) Gym rental Franco Fete donations 800 800 <u>15,000</u> Donations <u>15,000</u> 34,739 43,337 <u>Total miscellaneous</u> <u>50,271</u> <u>15,532</u> <u>335.024</u> <u>311,836</u> <u>23,188</u> <u>326,794</u> <u>Total revenues</u>

<u>TOWN OF SUNSET, LOUISIANA</u> <u>GENERAL FUND</u> <u>DETAILED SCHEDULE OF EXPENDITURES</u> <u>BUDGET AND ACTUAL</u> FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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	BUDGET	<u>ACTUAL</u>	VARIANCE FAVORABLE (UNFAVORABLE)	1997 <u>actual</u>
<u>GENERAL AND ADMINISTRATIVE</u>			· · ·	
<u>Personal services</u> Salaries - Mayor and Councilmen Salaries - Clerk and	\$25,200	\$25,200		\$25,450
Town Supervisor	58,800	58,215	\$ 585	52,720
Payroll taxes	4,704	4,570	134	4,271
Retirement	6,022	6,811	(789)	10,866
<u>Supplies</u> Office supplies and postage Uniforms	4,250 712	4,868 593	(618) 119	8,101

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<u>Other</u>				
Insurance	34,300	33,703	597	81,112
Utilities	2,402	2,283	119	3,237
Travel expense	912	1,360	(448)	516
Conventions and conferences	8,300	7,919	381	13,063
Telephone	2,282	2,265	17	2,814
Legal and accounting	32,186	25,768	6,418	43,650
Repairs and maintenance	998	883	115	1,198
Miscellaneous	4,189	3,979	210	9,845
Publications and notices	613	652	(39)	1,611
Dues and subscriptions	883	1,351	(468)	1,605
Pest control				196
Election expense				352
Tax roll and assessor's expense		986	(986)	<u>,</u> 973
Tourism	39	400	(361)	
Consulting		3,614	(3,614)	
<u>Capital Outlay</u>	•			
Equipment, buildings, land				
and improvements	4,119	<u>19,094</u>	(<u>14,975</u>)	<u> </u>
<u>Total executive and</u>				
administrative	<u>190,911</u>	204.514	(<u>13,603</u>)	<u>270,231</u>
STREET DEPARTMENT				
<u>Personal Services</u>				
Salaries	34,878	34,768	110	31,283
Payroll taxes	2,790	2,625	165	2,539
Retirement	812	910	(98)	
<u>Supplies</u>				
Materials and supplies	1,518	2,394	(876)	5,595
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TOWN OF SUNSET, LOUISIANA GENERAL FUND DETAILED SCHEDULE OF EXPENDITURES BUDGET AND ACTUAL (CONTINUED) FOR THE YEARS ENDED JUNE 30. 1998 AND 1997

	1998				
	<u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1997 <u>ACTUAL</u>	
<u>STREET DEPARTMENT</u> - Continued					
<u>Other</u>					
Repairs and maintenance	\$633	\$1,168	\$(535)	\$25 5	
Miscellaneous	2,984	2,553	431		
Shells, dirt	2,384	3,595	(1,211)	2,384	
Utilities	25,744	25,820	(76)	21,247	
Insurance	17,010	17,583	(573)	7,296	
Diesel	577	481	96	441	
Dump truck expense	610	524	86	1,022	
Tractor	1,249	1,089	160	359	
Animal control	338	295	43	322	
Backhoe expense	383	658	(275)	1,429	
Utility shed	449	621	(172)	651	
Station	1,475	555	920	1,568	
Gasoline	<u> </u>	<u> </u>	<u>(18</u>)		
<u>Total street department</u>	94,825	<u>96,593</u>	(<u>1,768</u>)	76,616	
POLICE DEPARTMENT					
<u>Personal Services</u>					
Salaries	166,758	165,830	928	160,768	
Payroll taxes	13,341	14,038	(697)	13,729	
Retirement	2,663	2,587	76	1,021	
<u>Supplies</u>					
Office supplies and postage	. 4,759	4,975	(216)	6,460	
Uniforms	2,590	2,238	352	1,605	
Supplies and repairs	2,767	3,082	(315)	4,541	
Other					
Insurance	58,228	56,242	1,986	28,628	
Telephone	5,030	4,914	116	4,673	
Repairs - radio and radar	1,265	1,106	159	3,070	
Prisoners' meals	1,266	1,372	(106)	1,559	
Auto expense	4,706	5,708	(1,002)	11,831	
Dues and subscriptions	120	100	20	100	
Conventions and conferences	72	60	12	1,085	
Miscellaneous	1,024	1,720	(696)	2,350	
Utilities	3,563	3,438	125	3,558	
Travel	104	87	17	734	

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Gasoline

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<u>TOWN OF SUNSET, LOUISIANA</u> <u>GENERAL FUND</u> <u>DETAILED SCHEDULE OF EXPENDITURES</u> <u>BUDGET AND ACTUAL (CONTINUED)</u> FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	1998			
	<u>BUDGET</u>	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	1997 <u>ACTUAL</u>
<u>POLICE DEPARTMENT</u> - Continued				
<u>Other</u> (Continued) Civil defense Pest control	\$3,999	\$2,392	\$1,607	\$3,267 196
Legal and professional Drug testing	3,640 926	3,632 916	8 10	848

<u>Capital outlay</u>

9.410

Equipment <u>Total police department</u>	283,969	281,584	2,385	<u>9,410</u> 267,835
Total porte deparemente	2001100			
<u>FIRE DEPARTMENT</u>				
<u>Supplies</u>				
Supplies and repairs	3,464	3,477	(13)	6,809
Uniforms	88	154	(66)	1,380
Office supplies	196	250	(54)	1,148
Other				
Insurance	4,334	4,319	15	7,160
Utilities	884	816	68	649
Telephone	1,404	1,411	(7)	822
Banquet		60	. (60)	518
Miscellaneous	332	300	. 32	182
Conventions and conferences	484	403	81	374
Dues	116	97	19	103
Gasoline	216	211	5	287
<u>Total fire department</u>	11,518	11,498	20	<u>19,432</u>
HEALTH AND WELFARE				
<u>Other</u>				
Grass cutting	942	1,337	<u>(395</u>)	365
<u>Total expenditures</u>	<u>582,165</u>	<u>595,526</u>	(<u>13,361</u>)	634,479

SPECIAL REVENUE FUND

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The Special Revenue Fund is used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short-lived assets.

The Sales Tax Fund is used to account for the collection and expenditure of the Town's 1% sales tax.

TOWN OF SUNSET, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND
BALANCE SHEET
JUNE 30, 1998 AND 1997

	1998	<u>1997</u>
<u>ASSETS</u>		•
Cash	\$ <u>5,973</u>	\$ <u>23,949</u>
<u>Total assets</u>	<u>5,973</u>	<u>23,949</u>

LIABILITIES AND FUND BALANCE

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<u>Total liabilities</u>	-0-	-0-
<u>FUND BALANCE</u> Unreserved, undesignated	\$ <u>5,973</u>	\$ <u>23,949</u>
<u>Total liabilities and</u> <u>fund balance</u>	<u>5,973</u>	<u>23,949</u>

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TOWN OF SUNSET, LOUISIANA SPECIAL REVENUE FUND SALES TAX FUND STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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<u>1998</u>

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REVENUES	
Taxes	
Sales tax collections	\$124,748 \$129,235
Interest income	$\frac{329}{105,077}$ $\frac{438}{100,572}$
<u>Total revenues</u>	<u>125,077</u> <u>129,673</u>
<u>EXPENDITURES</u>	
Current operating	
General and administrative	<u>1,273</u> <u>1,302</u>
<u>Total expenditures</u>	<u>1,273</u> <u>1,302</u>
EXCESS OF REVENUES OVER	
(UNDER) EXPENDITURES	<u>123,804</u> <u>128,371</u>
OTHER FINANCING USES	
Operating transfers out	(<u>141,780</u>) (<u>144,000</u>)
EXCESS OF REVENUES AND	
OTHER SOURCES OVER (UNDER)	
EXPENDITURES AND OTHER USES	(17,976) (15,629)
FUND RAIANCE beginning of	
<u>FUND BALANCE</u> , beginning of year	<u>23,949</u> <u>39,578</u>
year -	
<u>FUND BALANCE</u> , end of year	5,973 23,949

1997

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TOWN OF SUNSET. LOUISIANA SPECIAL REVENUE FUND SALES TAX FUND STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

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	1998			
	<u>BUDGET</u>	<u>ACTUAL</u>	VARIANCE FAVORABLE <u>(UNFAVORABLE)</u>	1997 <u>ACTUAL</u>
<u>REVENUES</u> Taxes				
Sales tax collections Interest income <u>Total revenues</u>	\$120,102 <u>293</u> <u>120,395</u>	\$124,748 <u>329</u> <u>125,077</u>	\$4,646 <u>36</u> <u>4,682</u>	\$129,235 <u>438</u> <u>129,673</u>

EXPENDITURES

Current operating General and administrative 34

	Ceneral and administrative Collection fees <u>Total expenditures</u>	<u> 1,262</u> <u> 1,262</u>	1,273 1,273	<u>(11</u>) (11)	1,302 1,302
	<u>ESS OF REVENUES OVER</u> NDER) EXPENDITURES	119,133	123,804	4,671	128,371
	<u>ER FINANCING USES</u> perating transfers out	(<u>113,780</u>)	(<u>141,780</u>)	(<u>28,000</u>)	(<u>144,000</u>)
SO	<u>ESS OF REVENUES AND OTHER</u> URCES OVER (UNDER) EXPENDITURES D OTHER USES	<u>5,353</u>	(17,976)	(<u>23,329</u>)	(15,629)
<u>FUN</u>	<u>D BALANCE</u> , beginning of year		23,949		39,578
<u>FUN</u>	<u>D BALANCE</u> , end of year		5,973		<u>23,949</u>

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DEBT SERVICE FUNDS

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

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TOWN OF SUNSET, LOUISIANA
DEBT SERVICE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998 AND 1997

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	PUBLIC IMPROVEMENT BONDS	GENERAL OBLIGATION BONDS		TALS
	2/01/73	4/01/88	<u> 1998 </u>	<u> 1997 </u>
<u>ASSETS</u>				
Cash	\$13,092		\$13,092	\$11,298
Investments		\$30,790	30,790	36,371
Property taxes receivable,				
net of allowance for uncollectibles		51	51	180
Accrued interest receivable		500	500	502
Due from other funds	7,000	<u>16,027</u>	<u>23,027</u>	<u>18,031</u>
<u>Total assets</u>	<u>20,092</u>	<u>47,368</u>	<u>67,460</u>	<u>66,382</u>

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LIABILITIES AND FUND BALANCE

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<u>LIABILITIES</u> Due to other funds <u>Total liabilities</u>	\$ <u>15,427</u> <u>15,427</u>	\$ <u>10,131</u> <u>10,131</u>	\$ <u>25,558</u> 25,558	\$ <u>20,562</u> 20,562
<u>FUND BALANCE</u> Reserved for debt service Unreserved <u>Total fund balance</u>	<u>4,665</u> <u>4,665</u>	37,237 <u>37,237</u>	37,237 <u>4,665</u> <u>41,902</u>	40,953 <u>4,867</u> <u>45,820</u>
<u>Total liabilities and</u> <u>fund balance</u>	<u>20,092</u>	<u>47,368</u>	<u>67,460</u>	<u>66,382</u>

TOWN OF SUNSET, LOUISIANA DEBT SERVICE FUNDS COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

· · ·	PUBLIC IMPROVEMENT BONDS 2/01/73	GENERAL OBLIGATION BONDS <u>4/01/88</u>	<u> </u>	LS 1997
<u>REVENUES</u> Taxes Property taxes Interest income <u>Total revenues</u>	<u>-0-</u>	\$12,082 <u>2,164</u> <u>14,246</u>	\$12,082 <u>2,164</u> <u>14,246</u>	\$11,467 <u>1,928</u> <u>13,395</u>
<u>EXPENDITURES</u> Debt service Bond principal paid Interest expense Legal and paying agent fees <u>Total expenditures</u>	\$3,000 165 <u>37</u> <u>3,202</u>	10,000 11,800 362 22,162	13,000 11,965 <u>399</u> 25,364	14,000 13,525 <u>536</u> 28,061
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(3,202)	(7,916)	(11,118)	(14,666)
<u>OTHER FINANCING SOURCES</u> Operating transfers in	-	<u>7,200</u>	<u>7,200</u>	7,200
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES	(3,202)	(716)	(3,918)	(7,466)
FUND BALANCES, beginning of year	<u>7,867</u>	<u>37,953</u>	<u>45,820</u>	<u>53,286</u>
FUND BALANCES, end of year	<u>4,665</u>	<u>37,237</u>	<u>41,902</u>	<u>45,820</u>

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ENTERPRISE FUND

The Enterprise Fund is used to account for operations that are financed and operated in a manner where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis are to be financed or recovered primarily through user charges.

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TOWN OF SUNSET, LOUISIANA ENTERPRISE FUND BALANCE SHEET JUNE 30, 1998 AND 1997

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、 · ·	1998	1997
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$134	\$35,814
Receivables, net of allowance		
for uncollectibles		
Accounts	40,287	40,693
From other funds	1,661	1,155
From other governments	3,227	461
Due from restricted assets	8,181	8,081
Prepaid insurance	4,277	4,502
<u>Total current assets</u>	57,767	90,706
RESTRICTED ASSETS		
' Cash		
FmHA excess sewer rate - Sinking Fund	431	472
Sinking Fund	30,547	28,983
Reserve Fund	8,617	40,185
Depreciation and Contingency Fund	14,347	10,429
Customers' meter deposits	2,845	11,300
FmHA bond proceeds		778
Investments		
Depreciation and Contingency - CD	60,655	93,973
Customers' meter deposits - CD	34,942	55,538
Interest receivable		
Depreciation and Contingency	180	
Customers' meter deposits	103	212
Total restricted assets	<u>152,667</u>	241,870
PROPERTY AND EQUIPMENT		
Utility plant, net	<u>1,559,354</u>	<u>1,755,784</u>
Total property and equipment	1,559,354	1,755,784

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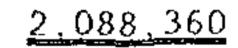
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TOWN OF SUNSET, LOUISIANA ENTERPRISE FUND BALANCE SHEET (CONTINUED) JUNE 30, 1998 AND 1997

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	1998	
LIABILITIES AND FUND EQUITY		
<u>CURRENT LIABILITIES</u> (from current assets)		
Accounts payable	\$11,387	\$10,571
Bank overdrafts	9,833	φ10,571
Loan payable	30,000	50,000
Due to other funds	1,010	731
<u>Total</u>	52,230	$\frac{731}{61,302}$
<u>CURRENT_LIABILITIES</u> (from restricted assets)		
Customers' deposits	26 / 02	07 004
Due to operating account	26,483	27,826
Revenue bonds payable	8,181	8,081
Accrued interest payable	15,088	39,132
Total	<u> 601</u>	239
	<u> </u>	<u> </u>
<u>Total current liabilities</u>	<u> 102,583</u>	136,580
OTHER LIABILITIES		
Revenue bonds payable	359,973	373,861
<u>Total liabilities</u>	462,556	510,441
FUND EQUITY		
Contributed capital		
Contribution from municipality	603,730	(02 720
Contribution from federal grants	1,430,584	603,730
Contribution from state grants	282,788	1,430,584
Total contributed capital	$\frac{202,788}{2,317,102}$	<u> 259,857</u> 2,294,171
<u>Retained Earnings</u>		
Reserved for customers' deposits	3,226	31,143
Reserved for bond retirement	99,088	134,671
Reserved for equipment		778
Unreserved retained earnings	(<u>1,112,184</u>)	<u>(882,844</u>)
<u>Total retained earnings</u>	(1,009,870)	(716,252)
<u>Total fund equity</u>	<u>1,307,232</u>	<u>1,577,919</u>
Total liabilities and fund equity	<u>1,769,788</u>	<u>2,088,360</u>

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<u>TOWN OF SUNSET, LOUISIANA</u> <u>ENTERPRISE FUND</u> <u>STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS</u> <u>FOR THE YEARS ENDED JUNE 30, 1998 AND 1997</u>

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	<u> 1998 </u>	1997
<u>OPERATING REVENUES</u>	· .	
Charges for services		
Gas sales	\$221,390	\$217,685
Water sales	101,717	96,092
Sewer sales	110,051	110,147
Miscellaneous income	18,717	<u>6,330</u>
<u>Total operating revenues</u>	<u> 451,875</u>	<u>430,254</u>
OPERATING EXPENSES		
Personal services	84,240	73,975
Contractual services	98,085	110,121
Supplies	20,326	16,232
Other expenses	107,815	101,997
Depreciation	240,153	235,828
<u>Total operating expenses</u>	550,619	<u>538,153</u>
OPERATING LOSS	<u>(98,744</u>)	(<u>107,899</u>)
NONOPERATING REVENUES (EXPENSES)		
Interest income	9,778	13,293
Interest expense	(18,216)	(17,836)
Paying agent fees	(334)	<u>(567</u>)
<u>Total nonoperating revenues (expenses)</u>	<u>(8,772</u>)	<u>(5,110</u>)
LOSS BEFORE OPERATING TRANSFERS	(107,516)	(113,009)
OPERATING TRANSFERS OUT	<u>(186,102</u>)	(<u>249,020</u>)
<u>NET LOSS</u>	(293,618)	(362,029)
<u>RETAINED EARNINGS</u> , beginning of year	<u>(716,252</u>)	(<u>354,223</u>)
<u>RETAINED EARNINGS</u> , end of year	(<u>1,009,870</u>)	(<u>716,252</u>)

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TOWN OF SUNSET. LOUISIANA

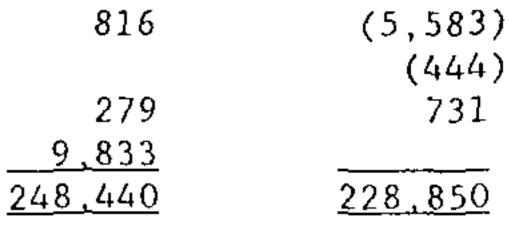
ENTERPRISE FUND

STATEMENT OF CASH FLOWS

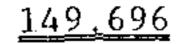
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

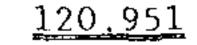
	1998	<u> 1997 </u>
CASH FLOWS FROM OPERATING ACTIVITIES	4 F. F. F.	
Cash received from customers	\$449,515	\$428,738
Cash payments to suppliers for goods and services	(224,400)	(239,331)
Cash payments to employees for services	<u>(75,419</u>)	<u>(68,456</u>)
Net cash provided by operating activities	<u>149,696</u>	<u>120,951</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		•
Operating transfers - out to other funds	(186, 102)	(<u>249,019</u>)
Net cash used for noncapital financing	, <u> </u>	
<u>activities</u>	(<u>186,102</u>)	(<u>249,019</u>)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets	(43,723)	(25,797)
	(37,932)	(39,133)
Principal paid on revenue bonds	(17,854)	(20,580)
Interest paid on revenue bonds	(20,000)	(20, 500)
Principal paid on loan	(1,343)	541
Customers' deposits	(1,545)	-
Contributed capital	00 021	(6,000)
Construction grant received from state	22,931	(5(7))
Paying agent fees	(334)	(567)
Utility bond proceeds		20,836
<u>Net cash used for capital and related</u>		
<u>financing activities</u>	<u>(98,255</u>)	<u>(70,700</u>)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of investments	58,500	143,411
Interest earned on investments	9,707	14,258
Reinvestment of interest earned	(4,586)	<u>(2,731</u>)
<u>Net cash provided by investing activities</u>	63,621	<u>154,938</u>
NET DECREASE IN CASH	(71,040)	(43,830)
CASH AND CASH EQUIVALENTS, beginning of year	<u>127,961</u>	<u>171,791</u>
CASH AND CASH EQUIVALENTS, end of year	<u>56,921</u>	<u>127,961</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ <u>(98,744</u>)	\$(<u>107,899</u>)
Adjustments to reconcile operating income		
to net cash provided by operating activities:		
Depreciation	240,153	235,828
(Increase) decrease in receivables	406	(611)
(Increase) decrease in prepaid insurance	225	(987)
(Increase) decrease in due from other funds	(506)	377
(Increase) decrease in due from other governments	(2,766)	(461)
	ົ່ວາເ	(r r o o)

Increase (decrease) in accounts payable
Increase (decrease) in sales tax payable
Increase (decrease) in due to other funds
Increase (decrease) in bank overdrafts
<u>Total adjustments</u>



Net cash provided by operating activities





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	TOTALS 8 1997	\$401,638	14,704	43,839	6,325	467,360	15,000 15,000	, 72, 18, 18, 18, 18, 18, 18, 18, 18, 18, 18	<u>34,889</u> 225,490	241,870	
	199	\$241,870	9,775	59,818	4,711	316,174	83,300 23,942 14,500	6, 6, 6, 6, 6, 6, 6, 6, 6, 7, 6, 7, 6, 7, 6, 7, 6, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7, 7,	<u>34,858</u> <u>163,507</u>	152,667	
SERVICE FmHA EXCESS SEWER RATE SINKING FUND	FmHA EXC SEWER R SINKING	\$472	12	34,858		35,342		53	<u>34,858</u> <u>34,911</u>	431	
E BOND DEBT 1997	CUSTOMERS' METER	\$67,050	2,472		4,711	74.233	30,300	5,954 89	36,343	37,890	
RESTRICTED FOR REVENUE MERS' METER DEPOSITS MERS' METER DEPOSITS NDED JUNE 30, 1998 AND NDED JUNE 30, 1998 AND RESERVE CONTINGENCY	CONTINGENCY	\$104,402	6,313			110.715	21,000	33	35,533	75,182	
	RESERVE	\$40,185	432			40,617	32,000		32,000	8,617	
IOWN IN ASSE7 AND CUS HE YEARS	BOND AND INTEREST REDEMPTION	\$28,983	246	24,960		54,489	23,942		23,942	30,547	
E OF CHANGES FOR T	EQUIPMENT RESERVE	\$778				778	4.	778	778	Ċ	•
SCHEDULE	μ.Υ. Ι	<u> </u>	<u>TS</u> earned	rrom oper	rs rrom cenerar rund rs' deposits collected	oceeds <u>Total cash available</u>	<u>URSEMENTS</u> rs to General Fund rs to paying agent	s' deposits ref rative expenses	d interest payments <u>Total cash disbursed</u>	<u> NCE</u> , June 30	

SHBALANCSHBALANCSHRECEIPInterestTransfersBondprocTransfersTransfersTransfersTransfersTransfersTransfersSHBondProcTSHBondProcTSHBondSHBondSHBondandSHBondandSHBondAdministrSHBalaNC
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TOWN OF SUNSET, LOUISIANA ENTERPRISE FUND SCHEDULE OF OPERATING EXPENSES FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

	<u> 1998 </u>	1997
GAS FUND EXPENSES		
<u>Personal services</u>	· ·	
Salaries	\$29,733	\$26,735
Payroll taxes	2,228	2,174
Retirement	377	
<u>Contractual services</u>		
Gas purchases	86,166	90,870
Survey expense	4,934	3,400
Engineering fees	302	
<u>Supplies</u>		
Materials and supplies	1,484	2,930
Office supplies and postage	779	2,254
Uniforms	193	
<u>Other</u>		
Repairs and maintenance	12,812	2,804
Insurance	14,107	15,025
Miscellaneous	1,227	721
Bad debt expense	453	673
Drug testing	610	1,388
Truck	1·, 921	2,510
Gasoline	2,208	1,392
Depreciation	17,102	13,572
<u>Total gas fund expenses</u>	176,636	166,448
WATER FUND EXPENSES		
<u>Personal services</u>		·
Salaries	39,049	35,930
Payroll taxes	3,045	2,872
Retirement	2,273	·
<u>Contractual services</u>		
Consulting expense	2,699	
Engineering fees	·	892
<u>Supplies</u>		
Materials and supplies	10,082	5,002
Office supplies and postage	897.	2,566
Uniforms	201	1 007

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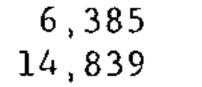
Uniforms

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<u>Other</u> Repairs and maintenance Insurance

This statement continued on next page.



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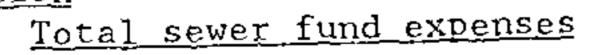
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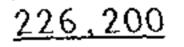
TOWN OF SUNSET, LOUISIANA ENTERPRISE FUND SCHEDULE OF OPERATING EXPENSES (CONTINUED) FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

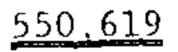
	1998	1997
WATER FUND EXPENSES - Continued	, [,] ,	۰
Other (Continued) Utilities Bad debt expense Telephone Gasoline Truck expense Miscellaneous	\$18,538 453 825 1,192 235 5,315	\$8,574 673 846 1,392 2,554 1,041
<u>Depreciation</u> <u>Total water fund expenses</u>	<u>41,755</u> <u>147,783</u>	<u>41,202</u> <u>124,837</u>

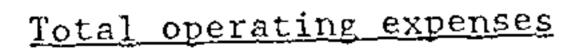
SEWER FUND EXPENSES

<u>Personal services</u> • Salaries Payroll taxes Retirement	6,637 521 377	5,791 473
<u>Contractual services</u> Survey expense Consulting expense Engineering fees	2,835 1,149	3,860 1,810 9,289
<u>Supplies</u> Materials and supplies Office supplies and postage Uniforms	5,868 664 158	2,473
<u>Other</u> Repairs and maintenance Insurance Utilities Miscellaneous Telephone Gasoline Recordation Bad debt expense Truck expense	3,141 5,321 15,874 77 1,113 650 453 66	5,547 2,218 27,340 3,711 1,068 1,392 15 673 154
<u>Depreciation</u> Total sewer fund <u>expenses</u>	<u>181,296</u> <u>226,200</u>	<u>181,054</u> <u>246,868</u>









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<u>538,153</u>

FIDUCIARY FUND TYPES

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Fiduciary Fund Types include Trust and Agency Funds which are used to account for the assets held by a government in a trustee capacity or as an Agent for individuals, private organizations, other governments, and/or other funds.

The Payroll Account is used to account for the Town's payroll and related expenses.

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TOWN OF SUNSET, LOUISIANA FIDUCIARY FUND TYPES BALANCE SHEET JUNE 30, 1998 AND 1997

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AGENCY PAYROLL 1998	FUND - ACCOUNT 1997
\$ <u>655</u> <u>655</u>	\$2,688 <u>1,503</u> <u>4,191</u>

<u>ASSETS</u>

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Cash Due from other funds

<u>Total assets</u>

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LIABILITIES

Bank overdrafts Payroll taxes payable	\$536	\$2,046 2,145
Retirement payable Insurance payable	<u>119</u>	<u>_,</u> ,
<u>Total liabilities</u>	<u>655</u>	<u>4,191</u>

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FINANCIAL STATEMENTS OF ACCOUNT GROUPS

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GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations or accounted for in trust funds.

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TOWN OF SUNSET, L	<u>OUISIANA</u>
STATEMENT OF GENERAL	FIXED ASSETS
JUNE 30, 1998 AL	ND 1997

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	<u> 1998 </u>	<u> 1997 </u>
GENERAL FIXED ASSETS AT COST		
Buildings and land	\$222,156	\$207,156
Equipment	197,459	197,459
Other structures and improvements	808,693	804,599
<u>Total general fixed assets</u>	<u>1,228,308</u>	<u>1,209,214</u>
INVESTMENTS IN GENERAL FIXED ASSETS FROM		
General Fund	\$827,019	\$807,925
Federal Revenue Sharing Fund	159,358	159,358
State Revenue Sharing Fund	8,411	8,411
Sales Tax Fund	14,360	14,360
Federal Anti-Recession Fund	5,633	5,633
General revenues	25,925	25,925
Federal grants	187.602	<u> 187,602</u>
<u>Total investments in general fixed assets</u>	1,228,308	1,209,214

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GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group accounts for long-term debt intended to be financed from governmental fund types.

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TOWN	OF	SUNS	<u>SET,</u>	LOU	ISIANA	
STATEMENT	OF	GENE	ERAL	LON	G-TERM	DEBT
JUN	<u>E 3</u>	0, 1	<u>998</u>	AND	<u>1997</u>	

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TO	TALS
1998	<u> 1997 </u>
	<u>TO</u> 1998

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AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT			
Amount available in Debt Service Fund for debt retirement	\$37,237	\$37,237	\$40,953
Amount to be provided by 2.0 mills property tax	<u>102,763</u>	<u>102,763</u>	<u>112,047</u>

<u>Total available and</u> <u>to be provided</u>	<u>140.000</u>	<u>140.000</u>	<u>153,000</u>
<u>GENERAL LONG-TERM DEBT</u>			
Bonds payable Due within one year	\$10,000	\$10,000	\$13,000
Due after one year	<u>130,000</u>	<u>130,000</u>	<u>140,000</u>
<u>Total general long-term debt</u>	<u>140,000</u>	<u>140,000</u>	<u>153,000</u>

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RELATED REPORTS

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John Newton Stout, CPA Joel Lanclos, Jr., CPA Russell J. Stelly, CPA Dwight Ledoux, CPA Chizal S. Fontenol, CPA James L. Nicholson, Jr., CPA G. Kenneth Pavy, II, CPA Darren J. Cart, CPA



JOHN S. DOWLING & COMPANY A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS John S. Dowling, CPA (1904-1984)

Harold Dupre, CPA Retired

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 John L. Olivier and Members of the Board of Aldermen Town of Sunset, Louisiana

We have audited the general purpose financial statements of the Town of Sunset, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated September 24, 1998. In our report, our opinion on the financial statements was qualified because of the inadequacy of accounting records on general fixed assets and we were unable to satisfy ourselves by means of other audit procedures. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government</u> <u>Auditing Standards</u>, issued by the Comptroller General of the United States.

Compliance

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As part of obtaining reasonable assurance about whether the Town of Sunset's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under <u>Government Auditing Standards</u> which is described in the accompanying schedule of findings and questioned costs as finding 1998-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Sunset's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all 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 general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a matter involving internal control over financial reporting that we have reported to management of the Town of Sunset, Louisiana in a separate letter dated September 24, 1998.

P. O. Box 433 4766 I-49 North Service Road Opelousas, Louisiana 70571-0433 Telephone 318-948-4848 Telefax 318-948-6109

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The Honorable John L. Olivier and Members of the Board of Aldermen Page 2

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This report is intended for the information of the Town of Sunset, Louisiana, its Board of Aldermen, the appropriate regulatory or Legislative Body, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

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John S. Doulins + Co.

Opelousas, Louisiana September 24, 1998

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TOWN OF SUNSET, LOUISIANA SCHEDULE OF FINDINGS AND QUESTIONED COSTS FOR THE YEAR ENDED JUNE 30, 1998

A. <u>SUMMARY OF AUDIT RESULTS</u>

- 1. The auditor's report expresses a qualified opinion on the general purpose financial statements of the Town of Sunset, Louisiana.
- 2. No reportable conditions relating to the audit of the financial statements are reported in the Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>.
- 3. One instance of noncompliance material to the financial statements of the Town of Sunset, Louisiana was disclosed during the audit.
- 4. There was no single audit required under OMB Circular A-133.

B. 1998 FINDING - FINANCIAL STATEMENT AUDIT

<u>Compliance</u>

1998-1. Inadequate Records for Fixed Assets

Condition:

The Town of Sunset, Louisiana does not have adequate accounting records for general fixed assets. Annual physical inventories are not conducted.

Criteria:

Adequate records for general fixed assets are essential to prepare reliable financial statements. Annual physical inventories of property are required by LSA-RS 39:24.

Effect:

The amounts reported as general fixed assets may not be accurate for financial statement purposes and requires the independent auditor to qualify his opinion.

Recommendation:

A physical inventory should be taken annually for all movable property owned by the Town. We recommend that the Town place a value on all of the assets inventoried in order to obtain reasonable assurance that the

amounts reported as general fixed assets are accurate for financial statement purposes.

OTHER SUPPLEMENTARY DATA

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TOWN OF SUNSET, LOUISIANA SCHEDULE OF PRIOR YEAR FINDINGS FOR THE YEAR ENDED JUNE 30, 1998

SECTION 1 - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

1997-1 Inadequate records for fixed assets. Unresolved - REPEAT COMMENT

1997-2 Budget Amendment Corrective action taken.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No Findings

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SECTION III - <u>MANAGEMENT LETTER</u>

Suggestion 1997-3 Customers' meter deposits Corrective action taken. 55

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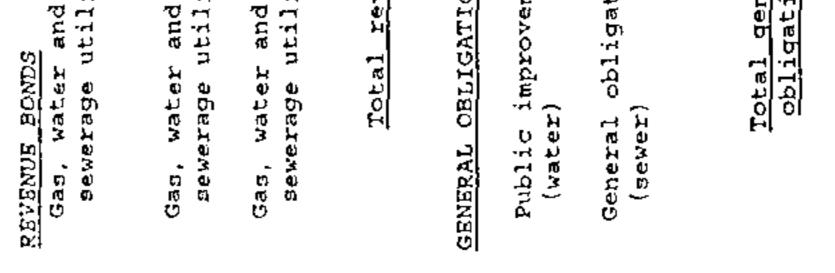
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	OUTSTANDING			\$375,061	375,061			\$140,000		<u>140,000</u>			
	RETIRED	\$150,000	200,000	34,939	384,939		\$50,000	60,000		110,000			
	BONDS ISUED RETIRED	\$150,000	200,000	410,000	760,000		\$50,000	200,000		250,000			
	AUTHORIZED	\$150,000	200,000	410,000	760,000		\$50,000	200,000		250,000			
SET, LOUISIANA LE OF BONDS PAYABLE 30, 1998	ANNUAL SERIAL PAYMENTS			Various				10,000 (1998-2002) 15,000 (2003-2006)	000				
TOWN OF SUNSET, JUNE 30, 1	PINAL MATURITY DATE	10/01/97	76/10/01	3/17/2015			2/01/98	4/01/2008					
COM	ISSUE	10/01/67	£7/10/2	2/17/95 th			2/01/73	4/01/88					
	INTEREST PAYMENT 3S DATES	10/01 04/01	10/01	17th of 2 each month			02/01 08/01	10/01 04/01				•	
	INT	4.75% 4.80%	5,60%	4.50%			5.50%	11.00% 8.00%					
		nd ility	und ility	nd ility	revenue bondo	VIION BONDS	vement	gation	qeneral	ation bonds			

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TOWN OF SUNSET, LOUISIANA COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS JUNE 30, 1998

	INTEREST <u>RATES</u>	MATURITY <u>DATES</u>	TOTAL BOOK VALUE
GENERAL FUND			
Certificate of Deposit Bank of Sunset and Trust Company	5.15%	10/27/98	\$6,057
Certificate of Deposit Bank of Sunset and Trust Company	4.50%	8/06/98	6,091
Certificate of Deposit Bank of Sunset and Trust Company	4.50%	7/07/98	64,658
<u>DEBT SERVICE FUNDS</u> Certificate of Deposit	5 95e	0707708	ጓቡ ፖዓቡ

Bank of Sunset and Trust Company	5.25%	9/07/98	30,790
ENTERPRISE FUND			
Certificate of Deposit Bank of Sunset and Trust Company	4.50%	7/07/98	34,942
Certificate of Deposit Bank of Sunset and Trust Company	4.50%	7/07/98	60,655
			202 102

<u>Total</u>

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203,193

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	EFFECTIVE DATES <u>FROM</u> <u>TO</u>	1/01/98 1/01/99	2/01/98 2/01/99	1/18/98 1/18/99	1/18/98 1/18/99	2/01/98 2/01/99	2/01/2 2/01/2	2/01/98 2/01/99 e truck eguipment	66/10/E 86/10/E (9/04/97 9/04/9B	1/17/98 1/17/99	1/17/98 1/17/99	1/17/98 1/17/99	66/11/1 86/11/1	2/01/98 2/01/99	2/01/98 2/01/99
	LIMITS OF COVERAGE	Statutory	\$200,000	\$25,500 \$25,500	\$1,384,000	\$500,000	\$500,000	\$500 deductíble \$1,000 deductíble Limits: \$60,000 truck \$15,000 equip	\$500,000/\$1,000,000 \$2,500 deductible	Accident policy - scheduled	\$100,000	\$60,000	\$100,000	\$5,000	\$500,000	\$5,000
OF SUNSET, LOUISIANA E OF INSURANCE IN FORCE JUNE 30, 1998 (UNAUDITED)	巤	Workmen's Compensation	Liability	Property damage	Fire, extended coverage and vandalism	Bodily injury Property damage Fire, legal liability Contractual	Bodily injury Property damage Fire, legal liability Contractual	Comprehensive Collision	Personal injury Property damage	Health and accident	Employee Dishonesty Bond	Employee Dishonesty Bond	Employee Dishonesty Bond	Employee Dishonesty Bond	Public officials liability	Employee Dishonesty Bond
TOWN OF SCHEDULE OF	ASSETS COVERED	Workmen's Compensation	<pre>1977 Chevrolet truck 1983 Ford truck 1985 Ford truck 1988 Ford clubwagon 1992 Dodge truck 1979 Ford dump truck 1979 Ford dump truck 1964 Ford fire truck 1980 Ford Crown Victoria 1997 Ford Crown Victoria 1997 Ford truck</pre>	1984 Ford backhoe	Blanket on all properties and buildings of insured	General liability on premises and operations	Liability on gas system operations	1980 Ford fire truck	Law enforcement officer	Volunteer firemen	Blanket on food stamp operation	Blanket on employees	Town Clerk	Assistant Town Clerk	Errors and Omissions	Town Clerk
	ER	cipal Risk ency	y Company	on Insurance Company		y Company	y Company		rance Company	e Insurance	ual Companies	ty	ual Companies	ual Companies	y Company	

5.9

<u>INSURER</u> Louisiana Munici Management Agen Titan Indemnity (Employers' Mutua] American Líberty Employers' Mutua] Employers' Mutua] Employers' Mutua] Títan Indemnity C Natíonwíde Life Company Commercial Unio Titan Indemnity Steadfast Insur-Titan Indemnity Surety Western CNA

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TOWN OF SUNSET, LOUISIANA SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY FOR THE YEAR ENDED JUNE 30, 1998

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GENERAL

COMPENSATION TO BOARD MEMBERS

The compensation of the Town of Sunset's governing body is included in the general administrative expenditures of the General Fund. The Mayor is paid \$600 per month and the board members are paid \$300 per month.

COMPENSATION

John L. Olivier, Mayor	\$7,200
Clayton Babineaux, Alderman	3,600
Dalton Belson, Jr., Alderman	3,600
Robert Carmouche Alderman	3 600

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Vivian Olivier, Alderwoman	3,600
Patrick Richard, Alderman	3,600

25,200





MANAGEMENT CORRECTIVE ACTION PLAN Loton of Sunser

Louisiana Legislative Auditor P. O. Box 94397 Baton Rouge, LA 70804-9397

Dear Sirs:

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And a fille strength 12000 1218, 662-6295

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The Town of Sunset, Louisiana respectfully submits the following Corrective Action Plan for the year ended June 30, 1998.

Name and address of independent public accounting firm:

John S. Dowling & Company

P. O. Box 433 ¿Opelousas, LA 70571-0433

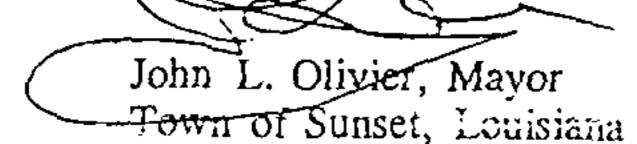
The findings from the Independent Accountant's Audit Report for the year ending, June 30, 1998, is discussed below. The finding is numbered consistently with the number assigned in the report.

1998-1 Inadequate Records for Fixed Assets - The Town Clerk and Town Supervisor will be conducting a complete physical inventory and tagging all Town property in the month of December 1998. This list will be maintained and physical inventories will be conducted at least once a year. The Board of Aldermen passed a Resolution stating that the Town of Sunset will no longer capitalize infrastructure.

Suggestion 1998-2 Reserve Deposits - We will begin the month of November 1998 as required by the Bond @ 2/17/95 to make required monthly deposits into the reserve and contingency funds. We will continue to keep sufficient funds in the Reserve and Contingency Funds in order to satisfy the bond requirements.

If you need additional information please contact us.

Sincerely,



Acche part in Station

John Newton Stout, CPA Joel Lanclos, Jr., CPA Russell J. Stelly, CPA Dwight Ledoux, CPA Chizal S. Fontenot, CPA James L. Nicholson, Jr., CPA G. Kenneth Pavy, II, CPA Darren J. Cart, CPA



JOHN S. DOWLING & COMPANY A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS John S. Dowling, CPA (1904-1984)

Harold Dupre, CPA Retired

The Honorable John L. Olivier and Members of the Board of Aldermen Town of Sunset, Louisiana

We have audited the general purpose financial statements of the Town of Sunset, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 24, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in <u>Government Auditing Standards</u>, issued by the Comptroller General of the United States.

As part of our examination, we have issued our report on the general purpose financial statements, dated September 24, 1998, and our report on internal control and compliance with laws, regulations, contracts, and grants dated September 24, 1998.

During the course of our examination, we became aware of the following matters which represent immaterial deviations of compliance or suggestions for improved internal controls.

Suggestion 1998-2 <u>Reserve Deposits</u>

Although the Town has sufficient funds in the Reserve and the Contingency Funds to satisfy the February 17, 1995 bond, the required monthly deposits must be made into these accounts. A sum of \$135 must be deposited each month into the Reserve Fund and a sum of \$243 into the Contingency Fund until February 20, 2015.

John S. Dowling + Co.

Opelousas, Louisiana September 24, 1998

P. O. Box 433 4766 I-49 North Service Road Opelousas, Louisiana 70571-0433 Telephone 318-948-4848 Telefax 318-948-6109