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TOWN OF COTTONPORT, LOUISIANA

Financial Report

Year Ended June 30, 1999

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Release Date DEC 22 1999

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INDEPENDENT AUDITORS' REPORT

The Honorable Paul Gauthier, Mayor
and Members of the Council
Town of Cottonport, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Cottonport, Louisiana, as of and for the year ended June 30, 1999, 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 Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Cottonport, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 4, 1999, on our consideration of the Town of Cottonport's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations and contracts.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 54 is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the Town of Cottonport is or will become year 2000 compliant, that the Town's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town does business are or will be year 2000 compliant.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The supplementary information listed in the table of contents on pages 29 through 54 is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the Town of Cottonport. Such information, except for that portion marked "unaudited" 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 presented in all material respects in relation to the general purpose financial statements taken as a whole.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed a qualified opinion on the general purpose financial statements of the Town of Cottonport, Louisiana.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
August 4, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

TOWN OF COTTONPORT, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Groups
 June 30, 1999

| | Governmental Fund Types | | | Proprietary Fund Type Enterprise | Fiduciary Fund Type Agency | Account Groups | | | Totals (Memorandum Only) | |
|--|-------------------------|-----------------|------------------|--|----------------------------------|----------------------------|--------------------|--------------------|-----------------------------|------|
| | General | Special Revenue | | | | General Fixed Assets | Long-Term Debt | Totals | | |
| | | Debt Service | Capital Projects | | | | | 1999 | | 1998 |
| ASSETS AND OTHER DEBITS | | | | | | | | | | |
| Cash and interest-bearing deposits | \$139,761 | \$77,693 | \$5,257 | \$ 97 | \$ 347,177 | \$5,154 | \$ - | \$ 575,139 | \$ 723,437 | |
| Receivables: | | | | | | | | | | |
| Taxes | 5,270 | 9,047 | - | - | - | - | - | 14,317 | 21,268 | |
| Accounts | - | - | - | 47,975 | - | - | - | 47,975 | 45,282 | |
| Due from other funds | - | - | - | 8,500 | 943 | - | - | 9,841 | 11,593 | |
| Due from other governmental agencies | - | - | - | 5,280 | - | - | - | 5,280 | 441,680 | |
| Accrued interest | 716 | 483 | - | - | 2,783 | - | - | 3,982 | 4,102 | |
| Other | 32,660 | - | - | - | 1,239 | - | - | 33,899 | 33,718 | |
| Restricted assets: | | | | | | | | | | |
| Cash and interest-bearing deposits | - | - | - | - | 29,732 | - | - | 29,732 | 27,085 | |
| Land | - | - | - | - | - | - | 60,031 | 60,031 | 60,031 | |
| Buildings and improvements | - | - | - | - | - | - | 648,228 | 648,228 | 612,843 | |
| Furniture, fixtures and equipment | - | - | - | - | - | - | 187,960 | 187,960 | 175,995 | |
| Automobiles, trucks and tractors | - | - | - | - | - | - | 380,465 | 380,465 | 190,146 | |
| Utility property, plant and equipment | - | - | - | - | 3,367,293 | - | - | 3,367,293 | 3,361,355 | |
| Accumulated depreciation | - | - | - | - | (1,326,582) | - | - | (1,326,582) | (1,246,709) | |
| Amount available in debt service funds | - | - | - | - | - | - | 5,257 | 5,257 | - | |
| Amount to be provided for retirement of general long-term debt | - | - | - | - | - | - | 120,935 | 120,935 | 147,245 | |
| Total assets and other debits | \$178,407 | \$87,223 | \$5,257 | \$13,877 | \$2,468,776 | \$7,336 | \$1,276,684 | \$4,163,752 | \$4,609,071 | |

(continued)

TOWN OF COTTONPORT, LOUISIANA
 Combined Balance Sheet - All Fund Types and Account Groups (Continued)
 June 30, 1999

| | Governmental Fund Types | | | | Proprietary Fund Type Enterprise | Fiduciary Fund Type | | | Account Groups | | | Totals (Memorandum Only) | |
|--|-------------------------|-----------------|----------------|-----------------|--|------------------------|--------------------|------------------|--------------------|--------------------|------------------|-----------------------------|------|
| | General | Special Revenue | | Debt Service | | Capital Projects | Agency | General | | Long-Term Debt | 1998 | | 1997 |
| | | 100 | - | | | | | - | - | | | | |
| LIABILITIES, EQUITY AND OTHER CREDITS | | | | | | | | | | | | | |
| Liabilities: | | | | | | | | | | | | | |
| Accounts payable | \$ 5,529 | \$ 100 | \$ - | \$ - | \$ 21,236 | \$ - | \$ - | \$ - | \$ - | \$ 26,865 | \$ 24,416 | | |
| Due to other funds | 8,536 | - | - | - | - | 1,305 | - | - | - | 9,841 | 11,593 | | |
| Other liabilities | - | - | - | - | - | 6,031 | - | - | - | 6,031 | 12,672 | | |
| Contracts payable | - | - | - | 13,780 | - | - | - | - | - | 13,780 | 405,722 | | |
| Retainage payable | - | - | - | - | - | - | - | - | - | - | 52,080 | | |
| Payable from restricted assets - | | | | | | | | | | | | | |
| Customers' deposits | - | - | - | - | 29,732 | - | - | - | - | 29,732 | 27,085 | | |
| Lease payable | - | - | - | - | - | - | - | 11,192 | - | 11,192 | 21,245 | | |
| Certificates of indebtedness | - | - | - | - | - | - | - | 115,000 | - | 115,000 | 126,000 | | |
| Total liabilities | <u>14,065</u> | <u>100</u> | <u>-</u> | <u>13,780</u> | <u>50,968</u> | <u>7,336</u> | <u>-</u> | <u>126,192</u> | <u>-</u> | <u>212,441</u> | <u>680,813</u> | | |
| Equity and other credits: | | | | | | | | | | | | | |
| Contributed capital | - | - | - | - | 1,828,707 | - | - | - | - | 1,828,707 | 1,893,772 | | |
| Investment in general fixed assets | - | - | - | - | - | - | - | 1,276,684 | - | 1,276,684 | 1,039,015 | | |
| Retained earnings - | | | | | | | | | | | | | |
| Unreserved | - | - | - | - | 589,101 | - | - | - | - | 589,101 | 584,716 | | |
| Total retained earnings | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>589,101</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>589,101</u> | <u>584,716</u> | | |
| Fund balances - | | | | | | | | | | | | | |
| Reserved for debt service | - | - | 5,257 | - | - | - | - | - | - | 5,257 | - | | |
| Unreserved, undesignated | 164,342 | 87,123 | - | 97 | - | - | - | - | - | 251,562 | 410,755 | | |
| Total fund balances | <u>164,342</u> | <u>87,123</u> | <u>5,257</u> | <u>97</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>256,819</u> | <u>410,755</u> | | |
| Total equity and other credits | <u>164,342</u> | <u>87,123</u> | <u>5,257</u> | <u>97</u> | <u>2,417,808</u> | <u>-</u> | <u>1,276,684</u> | <u>-</u> | <u>-</u> | <u>3,951,311</u> | <u>3,928,258</u> | | |
| Total liabilities, equity and other credits | <u>\$178,407</u> | <u>\$87,223</u> | <u>\$5,257</u> | <u>\$13,877</u> | <u>\$2,468,776</u> | <u>\$7,336</u> | <u>\$1,276,684</u> | <u>\$126,192</u> | <u>\$4,163,752</u> | <u>\$4,609,071</u> | | | |

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -
All Governmental Fund Types
Year Ended June 30, 1999

| | General | Special Revenue | Debt Service | Capital Projects | Totals (Memorandum Only) | |
|--|-------------------|--------------------|-----------------|---------------------|-----------------------------|-------------------|
| | | | | | 1999 | 1998 |
| Revenues: | | | | | | |
| Taxes | \$ 30,142 | \$ 125,672 | \$ - | \$ - | \$ 155,814 | \$ 156,684 |
| Franchise fees | 76,771 | - | - | - | 76,771 | 75,757 |
| Licenses and permits | 51,341 | - | - | - | 51,341 | 53,553 |
| Intergovernmental | 100,526 | 8,869 | - | 5,280 | 114,675 | 580,527 |
| Fines and forfeits | 39,091 | - | - | - | 39,091 | 60,894 |
| Miscellaneous | 18,840 | 8,013 | 63 | - | 26,916 | 22,632 |
| Total revenues | <u>316,711</u> | <u>142,554</u> | <u>63</u> | <u>5,280</u> | <u>464,608</u> | <u>950,047</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| General government | 147,283 | 1,182 | 57 | - | 148,522 | 145,879 |
| Public safety: | | | | | | |
| Police | 145,106 | - | - | - | 145,106 | 124,611 |
| Fire | 28,783 | 5,447 | - | - | 34,230 | 29,870 |
| City Court | 2,366 | - | - | - | 2,366 | 4,557 |
| Streets and bridges | 154,174 | - | - | - | 154,174 | 139,745 |
| Health and sanitation | 2,163 | - | - | - | 2,163 | 2,035 |
| Capital outlay | 243,870 | 7,315 | - | 23,223 | 274,408 | 617,825 |
| Debt service - | | | | | | |
| Principal retirement | 10,053 | - | 11,000 | - | 21,053 | 13,905 |
| Interest and fiscal charges | 1,095 | - | 5,577 | - | 6,672 | 1,923 |
| Total expenditures | <u>734,893</u> | <u>13,944</u> | <u>16,634</u> | <u>23,223</u> | <u>788,694</u> | <u>1,080,350</u> |
| Excess (deficiency) of revenues over expenditures | <u>(418,182)</u> | <u>128,610</u> | <u>(16,571)</u> | <u>(17,943)</u> | <u>(324,086)</u> | <u>(130,303)</u> |
| Other financing sources (uses): | | | | | | |
| Proceeds from issuance of debt | - | - | - | - | - | 126,000 |
| Operating transfers in | 346,114 | - | 21,828 | 18,040 | 385,982 | 341,656 |
| Operating transfers out | (37,277) | (178,522) | - | (33) | (215,832) | (201,666) |
| Total other financing sources (uses) | <u>308,837</u> | <u>(178,522)</u> | <u>21,828</u> | <u>18,007</u> | <u>170,150</u> | <u>265,990</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(109,345)</u> | <u>(49,912)</u> | <u>5,257</u> | <u>64</u> | <u>(153,936)</u> | <u>135,687</u> |
| Fund balances, beginning | <u>273,687</u> | <u>137,035</u> | <u>-</u> | <u>33</u> | <u>410,755</u> | <u>275,068</u> |
| Fund balances, ending | <u>\$ 164,342</u> | <u>\$ 87,123</u> | <u>\$ 5,257</u> | <u>\$ 97</u> | <u>\$ 256,819</u> | <u>\$ 410,755</u> |

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

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

| | General Fund | | | Special Revenue Funds | | |
|--|------------------|------------------|--|-----------------------|------------------|--|
| | Budget | Actual | Variance - Favorable (Unfavorable) | Budget | Actual | Variance - Favorable (Unfavorable) |
| Revenues: | | | | | | |
| Taxes | \$ 30,010 | \$ 30,142 | \$ 132 | \$120,357 | \$125,672 | \$ 5,315 |
| Franchise fees | 72,199 | 76,771 | 4,572 | - | - | - |
| Licenses and permits | 41,400 | 51,341 | 9,941 | - | - | - |
| Intergovernmental | 93,750 | 100,526 | 6,776 | 8,417 | 8,869 | 452 |
| Fines and forfeits | 31,000 | 39,091 | 8,091 | - | - | - |
| Miscellaneous | 18,071 | 18,840 | 769 | 4,800 | 8,013 | 3,213 |
| Total revenues | <u>286,430</u> | <u>316,711</u> | <u>30,281</u> | <u>133,574</u> | <u>142,554</u> | <u>8,980</u> |
| Expenditures: | | | | | | |
| Current - | | | | | | |
| General government | 152,632 | 147,283 | 5,349 | 1,205 | 1,182 | 23 |
| Public safety: | | | | | | |
| Police | 149,100 | 145,106 | 3,994 | - | - | - |
| Fire | 32,158 | 28,783 | 3,375 | 6,481 | 5,447 | 1,034 |
| City court | 2,900 | 2,366 | 534 | - | - | - |
| Streets and bridges | 162,380 | 154,174 | 8,206 | - | - | - |
| Health and sanitation | 2,095 | 2,163 | (68) | - | - | - |
| Capital outlay | 245,000 | 243,870 | 1,130 | 5,627 | 7,315 | (1,688) |
| Debt service | 11,148 | 11,148 | - | - | - | - |
| Total expenditures | <u>757,413</u> | <u>734,893</u> | <u>22,520</u> | <u>13,313</u> | <u>13,944</u> | <u>(631)</u> |
| Excess (deficiency) of revenues over expenditures | <u>(470,983)</u> | <u>(418,182)</u> | <u>52,801</u> | <u>120,261</u> | <u>128,610</u> | <u>8,349</u> |
| Other financing sources (uses): | | | | | | |
| Operating transfers in | 346,080 | 346,114 | 34 | - | - | - |
| Operating transfers out | <u>(40,000)</u> | <u>(37,277)</u> | <u>2,723</u> | <u>(175,785)</u> | <u>(178,522)</u> | <u>(2,737)</u> |
| Total other financing sources (uses) | <u>306,080</u> | <u>308,837</u> | <u>2,757</u> | <u>(175,785)</u> | <u>(178,522)</u> | <u>(2,737)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(164,903)</u> | <u>(109,345)</u> | <u>55,558</u> | <u>(55,524)</u> | <u>(49,912)</u> | <u>5,612</u> |
| Fund balances, beginning | <u>273,687</u> | <u>273,687</u> | <u>-</u> | <u>137,035</u> | <u>137,035</u> | <u>-</u> |
| Fund balances, ending | <u>\$108,784</u> | <u>\$164,342</u> | <u>\$55,558</u> | <u>\$ 81,511</u> | <u>\$ 87,123</u> | <u>\$ 5,612</u> |

The accompanying notes are an integral part of this statement.

Debt Service Fund

| Budget | Actual | Variance - Favorable (Unfavorable) |
|-----------------|-----------------|--|
| \$ - | \$ - | \$ - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>50</u> | <u>63</u> | <u>13</u> |
| <u>50</u> | <u>63</u> | <u>13</u> |
| 59 | 57 | 2 |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| - | - | - |
| <u>16,426</u> | <u>16,577</u> | <u>(151)</u> |
| <u>16,485</u> | <u>16,634</u> | <u>(149)</u> |
| <u>(16,435)</u> | <u>(16,571)</u> | <u>(136)</u> |
| 19,091 | 21,828 | 2,737 |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>19,091</u> | <u>21,828</u> | <u>2,737</u> |
| 2,656 | 5,257 | 2,601 |
| <u>-</u> | <u>-</u> | <u>-</u> |
| <u>\$ 2,656</u> | <u>\$ 5,257</u> | <u>\$2,601</u> |

TOWN OF COTTONPORT, LOUISIANA

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

| | <u>1999</u> | <u>1998</u> |
|--|-------------------|-------------------|
| Operating revenues: | | |
| Charges for services - | | |
| Water services | \$ 302,272 | \$ 282,819 |
| Sewer services | 94,780 | 82,013 |
| LAWCO water line | 109,601 | 105,119 |
| Total operating revenues | <u>506,653</u> | <u>469,951</u> |
| Operating expenses: | | |
| Water department | 210,974 | 191,886 |
| Sewer department | 71,672 | 84,327 |
| General and administrative | 48,198 | 38,950 |
| Depreciation | 81,572 | 80,128 |
| Total operating expenses | <u>412,416</u> | <u>395,291</u> |
| Operating income | <u>94,237</u> | <u>74,660</u> |
| Nonoperating revenues: | | |
| Interest income | <u>15,233</u> | <u>17,203</u> |
| Income before operating transfers | <u>109,470</u> | <u>91,863</u> |
| Operating transfers in (out): | | |
| Operating transfers in | - | 63,010 |
| Operating transfers out | <u>(170,150)</u> | <u>(203,000)</u> |
| Total operating transfers in (out) | <u>(170,150)</u> | <u>(139,990)</u> |
| Net loss | (60,680) | (48,127) |
| Add: Depreciation of fixed assets acquired by funds externally restricted for capital acquisitions and construction that reduces contributed capital | 65,065 | 64,594 |
| Retained earnings, beginning | <u>584,716</u> | <u>568,249</u> |
| Retained earnings, ending | <u>\$ 589,101</u> | <u>\$ 584,716</u> |

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Comparative Statement of Cash Flows -
Proprietary Fund Type
Years Ended June 30, 1999 and 1998

| | Enterprise | |
|---|------------------|------------------|
| | 1999 | 1998 |
| Cash flows from operating activities: | | |
| Operating income | <u>\$ 94,237</u> | <u>\$ 74,660</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities - | | |
| Depreciation | 81,572 | 80,128 |
| Changes in current assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (2,693) | 868 |
| (Increase) decrease in other receivables | (544) | 1,214 |
| Increase in accounts payable | <u>6,329</u> | <u>3,339</u> |
| Total adjustments | <u>84,664</u> | <u>85,549</u> |
| Net cash provided by operating activities | <u>178,901</u> | <u>160,209</u> |
| Cash flows from noncapital financing activities: | | |
| Operating transfers in from other funds | - | 63,010 |
| Operating transfers out to other funds | <u>(170,150)</u> | <u>(203,000)</u> |
| Net cash used by noncapital financing activities | <u>(170,150)</u> | <u>(139,990)</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of property, plant and equipment | (7,637) | (22,800) |
| Net increase in meter deposits | <u>2,647</u> | <u>671</u> |
| Net cash used by capital and related financing activities | <u>(4,990)</u> | <u>(22,129)</u> |
| Cash flows from investing activities: | | |
| Interest received on interest-bearing deposits | 15,233 | 17,203 |
| Net decrease in interest-bearing deposits | <u>99,589</u> | <u>86,419</u> |
| Net cash provided by investing activities | <u>114,822</u> | <u>103,622</u> |

(continued)

TOWN OF COTTONPORT, LOUISIANA

Comparative Statement of Cash Flows -
Proprietary Fund Type (Continued)
Years Ended June 30, 1999 and 1998

| | Enterprise | |
|--|-------------------|-------------------|
| | <u>1999</u> | <u>1998</u> |
| Net increase in cash and cash equivalents | \$ 118,583 | \$ 101,712 |
| Cash and cash equivalents, beginning of period | <u>218,280</u> | <u>116,568</u> |
| Cash and cash equivalents, end of period | <u>\$ 336,863</u> | <u>\$ 218,280</u> |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: | | |
| Cash and cash equivalents, beginning of period - | | |
| Cash and interest-bearing deposits - unrestricted | \$ 330,830 | \$ 316,208 |
| Cash and interest-bearing deposits - restricted | 27,085 | 26,414 |
| Less: Certificates of deposit with a maturity over three months when purchased | <u>(139,635)</u> | <u>(226,054)</u> |
| Total cash and cash equivalents | <u>218,280</u> | <u>116,568</u> |
| Cash and cash equivalents, end of period - | | |
| Cash and interest-bearing deposits - unrestricted | 347,177 | 330,830 |
| Cash and interest-bearing deposits - restricted | 29,732 | 27,085 |
| Less: Certificates of deposit with a maturity over three months when purchased | <u>(40,046)</u> | <u>(139,635)</u> |
| Total cash and cash equivalents | <u>336,863</u> | <u>218,280</u> |
| Net increase | <u>\$ 118,583</u> | <u>\$ 101,712</u> |

The accompanying notes are an integral part of this statement.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The Town of Cottonport (Town) was incorporated on March 28, 1896. On October 21, 1924, under the provisions of the Lawrason Act, the Town began operating under a Mayor-Council form of government.

The accounting and reporting policies of the Town of Cottonport conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

The Town's combined financial statements include the accounts of all Town operations. The criteria for including organizations as component units within the Town's reporting entity, as set forth in Section 2100 of GASB's Codification of Governmental Accounting and Financial Reporting Standards, include whether:

- * the organization is legally separate (can sue and be sued in their own name)
- * the Town holds the corporate powers of the organization
- * the Town appoints a voting majority of the organization's board
- * the Town is able to impose will on the organization
- * the organization has the potential to impose a financial benefit/burden on the Town
- * there is fiscal dependency by the organization on the Town

Based on the aforementioned criteria, the Town of Cottonport has no component units.

B. Basis of Presentation - Fund Accounting

The accounts of the Town of Cottonport 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 an individual fund based upon the purposes for which they are to be spent and the means by which spending activities are controlled. Account groups are reporting devices used to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

The Town has the following fund types and account groups:

Governmental Fund Types –

General Fund

The General Fund is the general operating fund of the Town. It is used to account for all financial resources except those required to be accounted for in another fund.

Special revenue funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service fund

The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

Capital projects funds

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 Type -

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 or 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. The Town of Cottonport's enterprise fund is the Utility Fund.

Fiduciary Fund Type -

Agency Fund

The agency fund is custodial in nature and does not present results of operations or have a measurement focus. This fund is used to account for assets that the Town holds for others in an agency capacity and is accounted for using the modified accrual basis of accounting.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

Account Groups -

General Fixed Assets Account Group

This is not a fund but rather an account group that is used to account for general fixed assets acquired principally for general purposes and excludes fixed assets in the Enterprise Fund.

General Long-Term Debt Account Group

This is not a fund but rather an account group that is used to account for the outstanding principal balances of general obligation bonds and other long-term debt not reported in proprietary funds.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered "measurable" when in the hands of 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. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, interest on interest-bearing deposits and franchise fees. Licenses, permits, and fines are recognized when received because they are not objectively measurable.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. However, interest on general long-term debt is recognized when due and purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred.

D. Budgets and Budgetary Accounting

The Town follows these procedures in establishing the budgetary data reflected in the financial statements:

1. The Town Clerk prepares a proposed budget and submits it to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Town Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the Town Council. Such amendments were not material in relation to the original appropriations.

E. Cash and Interest-Bearing Deposits

Cash and interest-bearing deposits include cash on hand, demand deposits, and time deposits, which are stated at cost, which approximates market.

F. Statement of Cash Flows

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid interest-bearing deposits with a maturity of three months or less when purchased to be cash equivalents.

G. Due to and Due from Other Funds

Interfund receivables and payables arise from interfund transactions and are recorded by all funds affected in the period in which transactions are executed.

H. Fixed Assets

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group and are recorded as expenditures in the governmental fund types when purchased. The Town has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

The cost of normal maintenance and repairs that do not add to the value of assets or materially extend asset lives are not included in the general fixed assets account group or capitalized in the proprietary fund.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

| | |
|------------------------------|------------|
| Water Utility: | |
| Wells | 20 years |
| Meters and pumps | 10 years |
| Buildings | 20 years |
| Lines | 50 years |
| Vehicles and Other Equipment | 5 years |
| Sewerage Utility: | |
| Lines and Treatment Plant | 50 years |
| Automobiles and Trucks | 5 years |
| Other equipment | 6-10 years |

All fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

I. Long-Term Debt

Long-term obligations of the Town are reported in the General Long-Term Debt Account Group. Long-term liabilities consist of an equipment lease payable and Certificates of Indebtedness, Series 1998, at June 30, 1999.

J. Bad Debts

Uncollectible amounts due for ad valorem taxes and utility accounts receivable are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the receivable. No allowance for uncollectible amounts was made due to immateriality at June 30, 1999.

K. Compensated Absences

Town employees are entitled to certain compensated absences based upon their length of service.

Vacation and sick leave are accounted for on a fiscal year basis beginning January 1st through December 31st.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

Vacation leave is earned at the rate of five days to fifteen days per year depending on the employee's length of service with the Town. Vacation leave earned does not accumulate from year to year and expires on January 31st of the succeeding year in which it was earned.

Sick leave is earned at the rate of five days per year for employees who have been employed one to five years. Employees who have been employed greater than five years are granted an additional day for each year of employment over five years. Accumulated sick leave is not payable at time of separation.

At June 30, 1999, vested leave benefits have not been accrued as required by GASB statement No. 16 "Accounting for Compensated Absences" due to immateriality.

L. Total Columns on Combined Statements - Overview

Total columns on the Combined Statements - Overview 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 changes in financial position 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) Cash and Interest-Bearing Deposits

Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The Town may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1999, the Town has cash and interest-bearing deposits (book balances) totaling \$604,871 as follows:

| | |
|-------------------------------|------------------|
| Cash on hand | \$ 50 |
| Demand deposits | 13,570 |
| Money market interest bearing | 249,039 |
| Certificates of Deposit | <u>342,212</u> |
| Total | <u>\$604,871</u> |

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. The bank balances are categorized below to give an indication of the level of risk assumed by the Town at June 30, 1999. Category 1 includes bank balances that are insured or collateralized with securities held by the entity or by its agent in the entity's name.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

Category 2 includes bank balances that are collateralized with securities held by the pledging financial institution's trust department or agent in the entity's name. Category 3 includes bank balances that are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the entity's name. Deposit balances (bank balances) at June 30, 1999, are as follows:

| | |
|---------------|-------------------|
| Bank balances | <u>\$ 608,431</u> |
|---------------|-------------------|

At June 30, 1999, the deposits are secured as follows:

| | |
|---------------------------------|----------------|
| Federal deposit insurance | 122,771 |
| Pledged securities (Category 3) | <u>454,486</u> |

| | |
|-------|----------------|
| Total | <u>577,257</u> |
|-------|----------------|

| | |
|-------------------------|------------------|
| Unsecured bank balances | <u>\$ 31,174</u> |
|-------------------------|------------------|

Even though the pledged securities are considered uncollateralized (Category 3) Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Town that the fiscal agent has failed to pay deposited funds upon demand.

(3) Utility Receivables

Billed utility receivables of \$47,975 consisted of the following at June 30, 1999:

| | |
|------------------|-----------------|
| Current billings | \$46,685 |
| Over 30 days | 934 |
| over 60 days | <u>356</u> |
| | <u>\$47,975</u> |

Unbilled utility receivables are not recorded in these financial statements due to immateriality at June 30, 1999.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(4) Other Receivables

Other receivables of \$32,660 consist of the following at June 30, 1999:

| | |
|-------------------------|------------------|
| NSF checks receivable | \$ 11 |
| Road maintenance refund | 2,303 |
| Video poker revenue | 3,082 |
| Franchise fees | 15,485 |
| Casino revenues | <u>11,779</u> |
| Total other receivables | <u>\$ 32,660</u> |

(5) Interfund Receivables, Payables

A summary of interfund receivables and payables at June 30, 1999 follows:

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | \$ - | \$ 8,536 |
| Utility Fund | 398 | - |
| Agency Fund | 943 | 1,305 |
| Capital Projects Fund | <u>8,500</u> | <u>-</u> |
| Totals | <u>\$ 9,841</u> | <u>\$ 9,841</u> |

(6) Restricted Assets - Proprietary Fund Type

Restricted assets consist of the following at June 30, 1999:

| | |
|------------------------------------|------------------|
| Cash and interest-bearing deposits | <u>\$ 29,732</u> |
|------------------------------------|------------------|

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(7) Changes in Fixed Assets

A summary of changes in general fixed assets follows:

| | <u>Balance 7/1/98</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/99</u> |
|---------------------------------------|---------------------------|------------------|------------------|----------------------------|
| Land and Improvements | \$ 60,031 | \$ - | \$ - | \$ 60,031 |
| Buildings and improvements | 612,843 | 35,385 | - | 648,228 |
| Furniture, Fixtures, and Equipment | 175,995 | 11,965 | - | 187,960 |
| Vehicles and Tractors | <u>190,146</u> | <u>203,834</u> | <u>13,515</u> | <u>380,465</u> |
| Totals | <u>\$1,039,015</u> | <u>\$251,184</u> | <u>\$13,515</u> | <u>\$1,276,684</u> |

A summary of proprietary fund type property, plant and equipment at June 30, 1999, follows:

Water department:

| | |
|----------------------------------|--------------|
| Water lines, well and extensions | \$ 1,203,313 |
| Meters and pumps | 46,223 |
| Service vehicles | 44,922 |
| Office equipment | 8,328 |
| Building and fences | 32,432 |
| Other Equipment | 41,465 |

Sewer department:

| | |
|--|------------------|
| Treatment facility , Lines and Equipment | <u>1,990,610</u> |
| | 3,367,293 |

Less: Accumulated depreciation (1,326,582)

Net Utility Fund property, plant and equipment \$2,040,711

(8) Certificates of Indebtedness

On June 15, 1998, the Town of Cottonport issued \$126,000 of Certificates of Indebtedness, Series 1998. These Certificates are due May 1 and November 1 of each year, beginning November 1, 1998 through May 1, 2008 and are secured by excess annual revenues of the Town. The interest rate ranges from 4.65 to 5.10 percent.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

The annual requirements to amortize the certificates of indebtedness outstanding as of June 30, 1999, including interest payments of \$30,432, are as follows:

| <u>Year Ending June 30,</u> | <u>Certificates of Indebtness</u> |
|-----------------------------|---------------------------------------|
| 2000 | \$ 16,670 |
| 2001 | 16,153 |
| 2002 | 15,625 |
| 2003 | 16,092 |
| 2004 | 16,510 |
| 2005-2008 | <u>64,382</u> |
| Totals | <u>\$145,432</u> |

(9) Changes In Agency Fund

The following is a summary of changes in assets and liabilities of the Agency Fund for the year ended June 30, 1999:

| | <u>Balance 7/1/98</u> | <u>Additions</u> | <u>Deletions</u> | <u>Balance 6/30/99</u> |
|------------------------------|---------------------------|------------------|------------------|----------------------------|
| Assets | | | | |
| Cash | \$ 9,086 | \$385,648 | \$389,580 | \$5,154 |
| Due from other funds | 1,645 | 105,258 | 105,960 | 943 |
| Other receivables | - | 1,239 | - | 1,239 |
| | <u>\$10,731</u> | <u>\$492,145</u> | <u>\$495,540</u> | <u>\$7,336</u> |
| Liabilities | | | | |
| Due to other funds | \$ 1,409 | \$308,107 | \$308,211 | \$1,305 |
| Payroll taxes payable | 4,877 | 90,195 | 94,304 | 768 |
| Retirement payable | 4,236 | 20,586 | 20,027 | 4,795 |
| Employee garnishment payable | 209 | 6,108 | 5,849 | 468 |
| | <u>\$10,731</u> | <u>\$424,996</u> | <u>\$428,391</u> | <u>\$7,336</u> |

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(10) Contributed Capital

Amounts contributed to the Enterprise Fund for acquisition or construction of fixed assets is recognized as contributed capital. The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:

| | <u>Municipality</u> | <u>State Grants</u> | <u>Federal Grants</u> | <u>Total</u> |
|---|---------------------|-------------------------|---------------------------|--------------------|
| Contributed capital at July 1, 1998 | \$460,454 | \$908,327 | \$1,532,679 | \$2,901,460 |
| Add: Capital contributed | - | - | - | - |
| Less: Accumulated amortization | - | - | <u>1,072,753</u> | <u>1,072,753</u> |
| Contributed capital at June 30, 1999 | <u>\$460,454</u> | <u>\$908,327</u> | <u>\$ 459,926</u> | <u>\$1,828,707</u> |

(11) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to taxpayers in December. Billed taxes become delinquent on January 1 of the following year. The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of Avoyelles Parish. Ad valorem tax revenues are budgeted in the year billed.

For the year ended June 30, 1999, taxes of 6.14 mills were levied on property with assessed valuations totaling \$4,908,940 and were dedicated as follows:

| | |
|----------------------------|------------|
| General corporate purposes | 6.14 mills |
|----------------------------|------------|

Total taxes levied were \$30,141. Taxes receivable at June 30, 1999, was \$1,104.

(12) Dedication of Proceeds and Flow of Funds - Sales and Use Tax Levy

On October 21, 1995, the voters of the Town of Cottonport approved a one percent (1%) sales and use tax for a period of twenty-five years from April 1, 1996. The revenues derived from said sales and use tax are to be used for the purpose of constructing, acquiring, extending, improving, operating and maintaining sewers and sewerage disposal works, waterworks facilities, public streets and drainage facilities.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(13) Water Purchase Contracts

The Town of Cottonport has various contract agreements in effect for the sale of water with details and terms as follows:

1. Louisiana Water Company (LAWCO) - contract dated July 1, 1995, requiring the Town of Cottonport to supply water for resale in Mansura, Louisiana for a period of twenty (20) years at a rate of \$1.28 per 1,000 gallons with a minimum of \$500 per month.
2. Ward 3 Avoyelles Water District - contract dated January 23, 1995, requiring the Town of Cottonport to supply water for resale to Ward 3 of Avoyelles Parish for twenty (20) years at a rate of \$1.12 per 1,000 gallons with a minimum rate of \$500 per month.
3. Village of Plaquemine - contract dated February 1, 1999, requiring the Town of Cottonport to supply water for resale to Plaquemine, Louisiana for a term of one (1) year at a rate of \$1.12 per 1,000 gallons per month.
4. Louisiana Correctional Facilities Corporation - verbal agreement requiring the Town of Cottonport to supply water for resale to the Medium Security Prison in Cottonport at a rate of \$1.04 per 1,000 gallons.

(14) Franchise Agreements

The Town of Cottonport has entered into franchise agreements with various public utility companies that provide services within the corporate limits of the Town. A summary of each such agreement follows:

1. Central Louisiana Electric Company, Inc. (CLECO) - effective October 9, 1985, for a period of thirty (30) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the Town. Fees payable quarterly within thirty (30) days of the end of the quarter. Other franchise provisions are as follows:
 - A. Franchise payments will be reduced in an amount equal to the sum of any new or increased taxes of any nature whatsoever levied by the municipality and payable by CLECO (except uniform ad valorem taxes, based on property values).
 - B. CLECO will provide free electric service to the Town and reduce street light rates until November 1988. Thereafter, prevailing commercial rates shall apply and street light rates will increase.
 - C. Galaxy Cablevision - effective June 8, 1981 for a period of fifteen (15) years. The franchise fee is based on five percent (5%) of gross subscription receipts, less sales taxes, federal excise tax and copyright fees, received by the company within the Town limits.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

Fees are payable to the Town quarterly, by the 10th of the following month. On May 11, 1994, the Town transferred this franchise agreement from Galaxy Cablevision to Friendship Cable and extended the agreement for an additional thirteen (13) years after expiration of the original franchise.

3. Entex - effective July 12, 1995, for a period of fifteen (15) years. Franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial purposes billed on residential and commercial rates within the limits of the Town. Fees are payable on or before the 10th of each February.
4. Central Louisiana Telephone Company - effective January 1, 1994, for a period of twenty-five (25) years. The franchise fee is based on five percent (5%) of the approved tariff rate for local access line telephone service provided by the Company within the corporate limits of the Town and the Company shall provide free to the Town three (3) local access lines. Fees are payable no later than sixty (60) days after the end of each calendar quarter.

(15) Road Maintenance Agreement

On July 1, 1998 the Town of Cottonport entered into a maintenance agreement with the Department of Transportation and Development for a one-year period whereby the Town will maintain its municipal streets and roads, including mowing and litter pickup, and the Department of Transportation and Development will reimburse the Town with semi-annual payments totaling \$4,605, which was determined at a rate of \$921 per mile for five miles of undivided streets per year.

(16) Pension Plans

Eligible employees of the Town participate in the Municipal Employees' Retirement System, a multiple-employer public employee retirement system which is controlled and administered by a separate board of trustees. Police officers are eligible to participate in the Municipal Police Retirement System, a multiple-employer public employee retirement system. For the current year, however, no one in the police department chose to participate.

Municipal Employee's Retirement System

Plan members are required to contribute 5.00% of their annual covered salary to the system while the Town is required to contribute at the statutory rate of 3.75% of the total annual covered salary. The Town's contributions to the system for the years ended June 30, 1999, 1998 and 1997 were \$7,998, \$5,587, \$5,271, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employee's Retirement System, 7937 Office Park Bldg., Baton Rouge, Louisiana 70809.

TOWN OF COTTONPORT, LOUISIANA

Notes to Financial Statements (Continued)

(17) Compensation of Town Officials

A detail of compensation paid to the Mayor, Council, and Police Chief for the year ended June 30, 1999, follows:

| | |
|------------------------------|----------------------|
| Paul A. Gauthier, Mayor | \$ 11,888 |
| Council: | |
| Curtis Francisco | 2,400 |
| Rickey Brouillette | 2,400 |
| Luke L. Welch | 2,400 |
| Lonis A. Laurent | 2,400 |
| Sarah A. Williams | 2,400 |
| Gerald Mayeaux, Police Chief | <u>23,548</u> |
| Total | <u>\$ 47,436</u> |

(18) Sales Tax Collection Agreement

On June 5, 1992, the Town of Cottonport entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1992, whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the Town of Cottonport under the Town's ordinances for a monthly fee of 1.5 percent of the gross tax revenues collected by the School Board. The School Board will remit collections to the Town on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee. This contract automatically renewed for a one year period commencing July 1, 1998.

SUPPLEMENTARY INFORMATION

SCHEDULES OF INDIVIDUAL FUNDS

GENERAL FUND

To account for resources traditionally associated with governments which are not required to be accounted for in another fund.

TOWN OF COTTONPORT, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1999 and 1998

| | 1999 | 1998 |
|--|---------------|---------------|
| ASSETS | | |
| Cash and interest bearing deposits | \$139,761 | \$256,752 |
| Receivables net of allowance for uncollectibles: | | |
| Taxes - | | |
| Ad valorem | 1,104 | 1,065 |
| Tobacco | 2,683 | 2,683 |
| Beer | 1,483 | 1,551 |
| Accrued interest | 716 | 867 |
| Other | 32,660 | 33,718 |
| Total assets | \$178,407 | \$296,636 |
| LIABILITIES AND FUND BALANCE | | |
| Liabilities: | | |
| Accounts payable | \$ 5,529 | \$ 9,415 |
| Due to other funds | 8,536 | 10,184 |
| Other liabilities | - | 3,350 |
| Total liabilities | 14,065 | 22,949 |
| Fund balance: | | |
| Unreserved, undesignated | 164,342 | 273,687 |
| Total liabilities and fund balance | \$178,407 | \$296,636 |

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balances -
Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | 1999 | | Variance - Favorable (Unfavorable) | 1998 Actual |
|--|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Taxes | \$ 30,010 | \$ 30,142 | \$ 132 | \$ 30,737 |
| Franchise fees | 72,199 | 76,771 | 4,572 | 75,757 |
| Licenses and permits | 41,400 | 51,341 | 9,941 | 53,553 |
| Intergovernmental | 93,750 | 100,526 | 6,776 | 99,230 |
| Fines and forfeits | 31,000 | 39,091 | 8,091 | 60,894 |
| Miscellaneous | 18,071 | 18,840 | 769 | 17,609 |
| Total revenues | <u>286,430</u> | <u>316,711</u> | <u>30,281</u> | <u>337,780</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 152,632 | 147,283 | 5,349 | 144,690 |
| Public safety: | | | | |
| Police | 149,100 | 145,106 | 3,994 | 124,611 |
| Fire | 32,158 | 28,783 | 3,375 | 25,500 |
| City court | 2,900 | 2,366 | 534 | 4,557 |
| Streets and bridges | 162,380 | 154,174 | 8,206 | 139,745 |
| Health and sanitation | 2,095 | 2,163 | (68) | 2,035 |
| Capital outlay | 245,000 | 243,870 | 1,130 | 20,742 |
| Debt service | 11,148 | 11,148 | - | 15,828 |
| Total expenditures | <u>757,413</u> | <u>734,893</u> | <u>22,520</u> | <u>477,708</u> |
| Deficiency of revenues over expenditures | <u>(470,983)</u> | <u>(418,182)</u> | <u>52,801</u> | <u>(139,928)</u> |
| Other financing sources (uses): | | | | |
| Proceeds from certificates of indebtedness | - | - | - | 126,000 |
| Operating transfers in | 346,080 | 346,114 | 34 | 220,028 |
| Operating transfers out | (40,000) | (37,277) | 2,723 | (121,628) |
| Total other financing sources (uses) | <u>306,080</u> | <u>308,837</u> | <u>2,757</u> | <u>224,400</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (164,903) | (109,345) | 55,558 | 84,472 |
| Fund balance, beginning | <u>273,687</u> | <u>273,687</u> | - | <u>189,215</u> |
| Fund balance, ending | <u>\$108,784</u> | <u>\$164,342</u> | <u>\$55,558</u> | <u>\$273,687</u> |

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | 1999 | | Variance - Favorable (Unfavorable) | 1998 Actual |
|--|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Taxes: | | | | |
| Ad valorem | <u>\$ 30,010</u> | <u>\$ 30,142</u> | <u>\$ 132</u> | <u>\$ 30,737</u> |
| Franchise fees: | | | | |
| Electric | 38,500 | 39,253 | 753 | 37,783 |
| Gas | 11,299 | 11,299 | - | 13,527 |
| Cable TV | 12,000 | 15,443 | 3,443 | 13,970 |
| Telephone | <u>10,400</u> | <u>10,776</u> | <u>376</u> | <u>10,477</u> |
| Total franchise fees | <u>72,199</u> | <u>76,771</u> | <u>4,572</u> | <u>75,757</u> |
| Licenses and permits: | | | | |
| Occupational licenses/permits | <u>41,400</u> | <u>51,341</u> | <u>9,941</u> | <u>53,553</u> |
| Intergovernmental: | | | | |
| State of Louisiana - | | | | |
| Tobacco tax | 10,732 | 10,732 | - | 10,732 |
| Beer tax | 5,000 | 6,122 | 1,122 | 4,873 |
| Video poker contributions | 15,500 | 14,884 | (616) | 21,767 |
| DOTD maintenance | 4,605 | 4,605 | - | 4,605 |
| Grant revenue | 2,595 | 4,509 | 1,914 | |
| Housing authority payment in lieu of taxes | 5,318 | 5,318 | - | 4,865 |
| Casino revenue | <u>50,000</u> | <u>54,356</u> | <u>4,356</u> | <u>52,388</u> |
| Total intergovernmental | <u>93,750</u> | <u>100,526</u> | <u>6,776</u> | <u>99,230</u> |
| Fines and forfeits | <u>31,000</u> | <u>39,091</u> | <u>8,091</u> | <u>60,894</u> |
| Miscellaneous: | | | | |
| Interest revenue | 8,845 | 8,795 | (50) | 5,681 |
| Excise tax refund | 1,379 | 1,379 | - | 1,302 |
| Grass cutting | 400 | 415 | 15 | 606 |
| Copies | 25 | 26 | 1 | 12 |
| Christmas festival funds | 4,972 | 4,972 | - | 4,676 |
| Property rental | 450 | 855 | 405 | 2,095 |
| Impounding fees | - | - | - | 117 |
| Miscellaneous | <u>2,000</u> | <u>2,398</u> | <u>398</u> | <u>3,120</u> |
| Total miscellaneous | <u>18,071</u> | <u>18,840</u> | <u>769</u> | <u>17,609</u> |
| Total revenues | <u>\$286,430</u> | <u>\$316,711</u> | <u>\$30,281</u> | <u>\$337,780</u> |

TOWN OF COTTONPORT, LOUISIANA

General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1999
 With Comparative Actual Amounts for Year Ended June 30, 1998

| | 1999 | | Variance - Favorable (Unfavorable) | 1998 Actual |
|------------------------------|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| Current: | | | | |
| General government - | | | | |
| Salaries | \$ 61,000 | \$ 60,787 | \$ 213 | \$ 58,009 |
| Employee benefits | 10,200 | 10,693 | (493) | 9,514 |
| Payroll taxes | 4,800 | 4,736 | 64 | 4,518 |
| Utilities | 4,400 | 4,038 | 362 | 4,313 |
| Telephone | 5,000 | 4,467 | 533 | 3,353 |
| Advertising and publications | 2,500 | 2,198 | 302 | 5,153 |
| Travel | 5,500 | 4,754 | 746 | 5,657 |
| Dues and subscriptions | 1,500 | 1,399 | 101 | 1,388 |
| Professional fees | 5,700 | 5,581 | 119 | 6,328 |
| Copier rental | 1,812 | 1,812 | - | 1,820 |
| Insurance | 8,200 | 7,351 | 849 | 7,570 |
| Recreation park | 6,000 | 6,399 | (399) | 480 |
| Property rental | 500 | 500 | - | 500 |
| Community center | 1,500 | 1,304 | 196 | 1,796 |
| Office supplies | 10,500 | 9,769 | 731 | 8,733 |
| City hall maintenance | 5,500 | 5,345 | 155 | 2,168 |
| Tax roll and assessor's fees | 780 | 780 | - | 763 |
| Christmas festival | 11,850 | 11,825 | 25 | 19,651 |
| Miscellaneous | 5,390 | 3,545 | 1,845 | 2,976 |
| Total general government | <u>152,632</u> | <u>147,283</u> | <u>5,349</u> | <u>144,690</u> |
| Public safety: | | | | |
| Police - | | | | |
| Salaries | 92,000 | 92,827 | (827) | 78,645 |
| Supplies | 2,000 | 2,445 | (445) | 3,446 |
| Uniforms | 1,300 | 1,196 | 104 | 1,943 |
| Payroll taxes | 7,900 | 7,965 | (65) | 6,970 |
| Employee benefits | 6,600 | 6,676 | (76) | 5,805 |
| Automobile maintenance | 17,000 | 14,402 | 2,598 | 12,807 |
| Insurance | 13,700 | 13,626 | 74 | 12,747 |
| Telephone | 600 | 512 | 88 | 645 |
| Miscellaneous | 8,000 | 5,457 | 2,543 | 1,603 |
| Total police | <u>149,100</u> | <u>145,106</u> | <u>3,994</u> | <u>124,611</u> |

(continued)

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | 1999 | | Variance - Favorable (Unfavorable) | 1998 Actual |
|------------------------------------|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| Fire - | | | | |
| Salaries | 3,900 | 3,900 | - | 3,900 |
| Payroll taxes | 308 | 306 | 2 | 306 |
| Employee benefits | 150 | 146 | 4 | 107 |
| Engineering | 2,900 | 2,860 | 40 | 1,404 |
| Miscellaneous | 2,300 | 540 | 1,760 | 524 |
| Truck | 7,500 | 7,209 | 291 | 5,275 |
| Materials and supplies | 3,000 | 1,405 | 1,595 | 2,340 |
| Insurance | 9,000 | 9,676 | (676) | 8,791 |
| Telephone | 700 | 635 | 65 | 728 |
| Utilities | 2,400 | 2,106 | 294 | 2,125 |
| Total fire | <u>32,158</u> | <u>28,783</u> | <u>3,375</u> | <u>25,500</u> |
| City court - | | | | |
| Magistrate fees | 300 | 300 | - | 300 |
| Prisoner rations | 2,500 | 2,034 | 466 | 4,224 |
| Miscellaneous | 100 | 32 | 68 | 33 |
| Total city court | <u>2,900</u> | <u>2,366</u> | <u>534</u> | <u>4,557</u> |
| Streets and bridges: | | | | |
| Salaries | 86,000 | 85,167 | 833 | 65,201 |
| Payroll taxes | 6,800 | 6,674 | 126 | 5,107 |
| Employee benefits | 2,180 | 2,139 | 41 | 1,280 |
| Equipment maintenance | 13,600 | 11,111 | 2,489 | 9,979 |
| Materials | 10,300 | 10,193 | 107 | 10,698 |
| Street lighting | 18,000 | 17,359 | 641 | 17,371 |
| Insurance | 14,000 | 12,917 | 1,083 | 13,807 |
| Miscellaneous | 7,500 | 6,257 | 1,243 | 5,131 |
| Animal control | 3,000 | 1,872 | 1,128 | 6,074 |
| Engineering | 1,000 | 485 | 515 | 5,097 |
| Total streets and bridges | <u>162,380</u> | <u>154,174</u> | <u>8,206</u> | <u>139,745</u> |
| Health and sanitation: | | | | |
| Pest control | 145 | 177 | (32) | 149 |
| Solid waste disposal | 1,950 | 1,986 | (36) | 1,886 |
| Total health and sanitation | <u>2,095</u> | <u>2,163</u> | <u>(68)</u> | <u>2,035</u> |

(continued)

TOWN OF COTTONPORT, LOUISIANA
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | 1999 | | Variance - Favorable (Unfavorable) | 1998 Actual |
|-----------------------------|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Capital outlay: | | | | |
| General government - | | | | |
| Equipment | 1,800 | 1,687 | 113 | 3,880 |
| Furniture | 4,200 | 4,173 | 27 | - |
| Building annex to Town Hall | 36,000 | 34,585 | 1,415 | - |
| Public safety - | | | | |
| Police: | | | | |
| Vehicle | 20,000 | 19,710 | 290 | - |
| Equipment | 5,000 | 6,904 | (1,904) | 2,256 |
| Fire: | | | | |
| Fire truck | 176,000 | 175,861 | 139 | - |
| Equipment | - | - | - | 2,002 |
| Van | - | - | - | 1,182 |
| Streets and bridges - | | | | |
| Van | - | - | - | 2,500 |
| Equipment | 2,000 | 950 | 1,050 | 3,642 |
| Health and sanitation - | | | | |
| Animal pens | - | - | - | 5,280 |
| Total capital outlay | <u>245,000</u> | <u>243,870</u> | <u>1,130</u> | <u>20,742</u> |
| Debt service: | | | | |
| Principal | 10,053 | 10,053 | - | 13,905 |
| Interest | 1,095 | 1,095 | - | 1,923 |
| Total debt service | <u>11,148</u> | <u>11,148</u> | <u>-</u> | <u>15,828</u> |
| Total expenditures | <u>\$757,413</u> | <u>\$734,893</u> | <u>\$22,520</u> | <u>\$477,708</u> |

SPECIAL REVENUE FUNDS

Sales Tax Fund -

To account for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated for the constructing, acquiring, extending, improving, operating and maintaining the following:

- A. Sewers and Sewerage Disposal Facilities
- B. Waterworks Facilities
- C. Public Streets
- D. Drainage Facilities

Volunteer Fire Department Fund -

To account for the receipt and use of proceeds of an Ad Valorem tax. These taxes are dedicated for the purchase of equipment or supplies, salaries of firemen, repair of equipment training and/or training aides, fire station building and/or maintenance, and/or any other fire protection related expenses with in the subdistrict, pursuant to Article 8 of the Avoyelles Fire Protection District #2 for the Cottonport Volunteer Fire Department.

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 1999
With Comparative Actual Amounts for June 30, 1998

| | <u>Sales Tax Fund</u> | <u>Volunteer Fire Department Fund</u> | <u>Totals</u> | |
|--|-------------------------------|---|---------------------|----------------------|
| | | | <u>1999</u> | <u>1998</u> |
| ASSETS | | | | |
| Cash and interest bearing deposits | \$59,427 | \$18,266 | \$77,693 | \$120,476 |
| Receivables: | | | | |
| Sales taxes | 9,047 | - | 9,047 | 8,452 |
| Ad valorem taxes | - | - | - | 7,517 |
| Accrued interest | <u>483</u> | <u>-</u> | <u>483</u> | <u>684</u> |
| Total assets | <u>\$68,957</u> | <u>\$18,266</u> | <u>\$87,223</u> | <u>\$137,129</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 100 | \$ - | \$ 100 | \$ 94 |
| Fund balances: | | | | |
| Unreserved, undesignated | <u>68,857</u> | <u>18,266</u> | <u>87,123</u> | <u>137,035</u> |
| Total liabilities and fund balances | <u>\$68,957</u> | <u>\$18,266</u> | <u>\$87,223</u> | <u>\$137,129</u> |

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | Sales Tax Fund | Volunteer Fire Department Fund | Totals | |
|--|----------------------|--------------------------------------|-------------------|------------------|
| | | | 1999 | 1998 |
| Revenues: | | | | |
| Taxes | \$ 97,562 | \$ 28,110 | \$ 125,672 | \$125,947 |
| Intergovernmental | - | 8,869 | 8,869 | 8,417 |
| Miscellaneous | 4,197 | 3,816 | 8,013 | 5,023 |
| Total revenues | <u>101,759</u> | <u>40,795</u> | <u>\$ 142,554</u> | <u>\$139,387</u> |
| Expenditures: | | | | |
| Current - | | | | |
| General government | 1,182 | - | 1,182 | 1,189 |
| Public safety - fire | - | 5,447 | 5,447 | 4,370 |
| Capital outlay | - | 7,315 | 7,315 | 3,608 |
| Total expenditures | <u>1,182</u> | <u>12,762</u> | <u>13,944</u> | <u>9,167</u> |
| Excess of revenues over expenditures | <u>100,577</u> | <u>28,033</u> | <u>128,610</u> | <u>130,220</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | - | - | - | 1,000 |
| Operating transfers out | (130,000) | (48,522) | (178,522) | (80,000) |
| Total other financing sources (uses) | <u>(130,000)</u> | <u>(48,522)</u> | <u>(178,522)</u> | <u>(79,000)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (29,423) | (20,489) | (49,912) | 51,220 |
| Fund balances, beginning | <u>98,280</u> | <u>38,755</u> | <u>137,035</u> | <u>85,815</u> |
| Fund balances, ending | <u>\$ 68,857</u> | <u>\$ 18,266</u> | <u>\$ 87,123</u> | <u>\$137,035</u> |

TOWN OF COTTONPORT, LOUISIANA
Special Revenue Funds

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

| | Sales Tax Fund | | Volunteer Fire Department Fund | | Totals | | Variance - Favorable (Unfavorable) |
|---|----------------|-----------|--------------------------------|-----------|------------|------------|--|
| | Budget | Actual | Budget | Actual | Budget | Actual | |
| Revenues: | | | | | | | |
| Taxes | \$ 95,000 | \$ 97,562 | \$ 25,357 | \$ 28,110 | \$ 120,357 | \$ 125,672 | \$ 5,315 |
| Intergovernmental | - | - | 8,417 | 8,869 | 8,417 | 8,869 | 452 |
| Miscellaneous | 4,200 | 4,197 | 600 | 3,816 | 4,800 | 8,013 | 3,213 |
| Total revenues | 99,200 | 101,759 | 34,374 | 40,795 | 133,574 | 142,554 | 8,980 |
| Expenditures: | | | | | | | |
| Current - | | | | | | | |
| General government: | | | | | | | |
| Collection fees | 1,200 | 1,177 | - | - | 1,200 | 1,177 | 23 |
| Miscellaneous | 5 | 5 | - | - | 5 | 5 | - |
| Total general government | 1,205 | 1,182 | - | - | 1,205 | 1,182 | 23 |
| Public safety - fire: | | | | | | | |
| Continuing education | - | - | 812 | 930 | 812 | 930 | (118) |
| Maintenance and materials | - | - | 4,960 | 3,602 | 4,960 | 3,602 | 1,358 |
| Miscellaneous | - | - | 709 | 915 | 709 | 915 | (206) |
| Total public safety - fire | - | - | 6,481 | 5,447 | 6,481 | 5,447 | 1,034 |
| Capital outlay | - | - | 5,627 | 7,315 | 5,627 | 7,315 | (1,688) |
| Total expenditures | 1,205 | 1,182 | 12,108 | 12,762 | 13,313 | 13,944 | (631) |
| Excess of revenues over expenditures | 97,995 | 100,577 | 22,266 | 28,033 | 120,261 | 128,610 | 8,349 |
| Other financing uses: | | | | | | | |
| Operating transfers out | (130,000) | (130,000) | (45,785) | (48,522) | (175,785) | (178,522) | (2,737) |
| Deficiency of revenues and other sources over expenditures and other uses | (32,005) | (29,423) | (23,519) | (20,489) | (55,524) | (49,912) | 5,612 |
| Fund balances, beginning | 98,280 | 98,280 | 38,755 | 38,755 | 137,035 | 137,035 | - |
| Fund balances, ending | \$ 66,275 | \$ 68,857 | \$ 15,236 | \$ 18,266 | \$ 81,511 | \$ 87,123 | \$ 5,612 |

CAPITAL PROJECTS FUNDS

STREET IMPROVEMENTS FUND -

To account for the financing and construction of street improvements funded by a \$493,368 Louisiana Community Development Block Grant.

WATER SYSTEM IMPROVEMENTS FUND -

To account for the financing and construction of water system improvements funded by a \$600,000 Louisiana Community Development Block Grant.

TOWN OF COTTONPORT, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 1999
With Comparative Actual Amounts for June 30, 1998

| | <u>Street Improvements</u> | <u>Water System Improvements</u> | <u>Totals</u> | |
|--|--------------------------------|--------------------------------------|-----------------|------------------|
| | | | <u>1998</u> | <u>1998</u> |
| ASSETS | | | | |
| Cash | \$ - | \$ 97 | \$ 97 | \$ 6,293 |
| Due from other governmental agencies | - | 5,280 | 5,280 | 441,680 |
| Due from other funds | - | 8,500 | 8,500 | 9,862 |
| Total assets | <u>\$ -</u> | <u>\$13,877</u> | <u>\$13,877</u> | <u>\$457,835</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| Liabilities: | | | | |
| Contracts payable | \$ - | \$13,780 | \$13,780 | \$405,722 |
| Retainage payable | - | - | - | 52,080 |
| Total liabilities | <u>-</u> | <u>13,780</u> | <u>13,780</u> | <u>457,802</u> |
| Fund balances: | | | | |
| Unreserved, undesignated | <u>-</u> | <u>97</u> | <u>97</u> | <u>33</u> |
| Total liabilities and fund balances | <u>\$ -</u> | <u>\$13,877</u> | <u>\$13,877</u> | <u>\$457,835</u> |

TOWN OF COTTONPORT, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Actual Amounts for Year Ended June 30, 1998

| | <u>Street</u> <u>Improvements</u> | <u>Water System</u> <u>Improvements</u> | <u>Totals</u> | |
|--|--------------------------------------|--|-----------------|------------------|
| | | | <u>1999</u> | <u>1998</u> |
| Revenues: | | | | |
| Federal grants | \$ - | \$ 5,280 | \$ 5,280 | \$472,880 |
| Expenditures: | | | | |
| Capital outlay - | | | | |
| Construction | - | 5,280 | 5,280 | 520,797 |
| Engineering | - | - | - | 72,610 |
| Administration | 9,390 | 8,553 | 17,943 | 68 |
| Total expenditures | <u>9,390</u> | <u>13,833</u> | <u>23,223</u> | <u>593,475</u> |
| Deficiency of revenues over expenditures | <u>(9,390)</u> | <u>(8,553)</u> | <u>(17,943)</u> | <u>(120,595)</u> |
| Other financing sources (uses): | | | | |
| Operating transfers in | 9,390 | 8,650 | 18,040 | 120,628 |
| Operating transfers out | (33) | - | (33) | (38) |
| Total other financing sources (uses) | <u>9,357</u> | <u>8,650</u> | <u>18,007</u> | <u>120,590</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | (33) | 97 | 64 | (5) |
| Fund balances, beginning | <u>33</u> | <u>-</u> | <u>33</u> | <u>38</u> |
| Fund balances, ending | <u>\$ -</u> | <u>\$ 97</u> | <u>\$ 97</u> | <u>\$ 33</u> |

ENTERPRISE FUND

UTILITY FUND -

To account for the provision of water and sewerage services to residents of the Town. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Balance Sheet
June 30, 1999 and 1998

| | <u>1999</u> | <u>1998</u> |
|--|---------------------------|---------------------------|
| ASSETS | | |
| Current assets: | | |
| Cash and interest-bearing deposits | \$ 347,177 | \$ 330,830 |
| Receivables - | | |
| Accounts | 47,975 | 45,282 |
| Accrued interest | 2,783 | 2,551 |
| Due from other funds | 398 | 86 |
| Total current assets | <u>398,333</u> | <u>378,749</u> |
| Restricted assets: | | |
| Cash and interest-bearing deposits | <u>29,732</u> | <u>27,085</u> |
| Property, plant and equipment, at cost, net of accumulated depreciation (1998 \$1,326,582; 1997 \$1,246,709) | <u>2,040,711</u> | <u>2,114,646</u> |
| Total assets | <u><u>\$2,468,776</u></u> | <u><u>\$2,520,480</u></u> |
| LIABILITIES AND FUND EQUITY | | |
| Liabilities: | | |
| Current liabilities (payable from current assets) - Accounts payable | <u>\$ 21,236</u> | <u>\$ 14,907</u> |
| Current liabilities (payable from restricted assets) - Customers' deposits | <u>29,732</u> | <u>27,085</u> |
| Total liabilities | <u>50,968</u> | <u>41,992</u> |
| Fund equity: | | |
| Contributed capital | 1,828,707 | 1,893,772 |
| Retained earnings, unreserved | <u>589,101</u> | <u>584,716</u> |
| Total fund equity | <u>2,417,808</u> | <u>2,478,488</u> |
| Total liabilities and fund equity | <u><u>\$2,468,776</u></u> | <u><u>\$2,520,480</u></u> |

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings
Years Ended June 30, 1999 and 1998

| | <u>1999</u> | <u>1998</u> |
|--|--------------------------|--------------------------|
| Operating revenues: | | |
| Charges for services - | | |
| Water services | \$ 302,272 | \$ 282,819 |
| Sewer services | 94,780 | 82,013 |
| LAWCO water line | <u>109,601</u> | <u>105,119</u> |
| Total operating revenues | <u>506,653</u> | <u>469,951</u> |
| Operating expenses: | | |
| Water department | 253,163 | 232,619 |
| Sewer department | 111,055 | 123,722 |
| General and administrative | <u>48,198</u> | <u>38,950</u> |
| Total operating expenses | <u>412,416</u> | <u>395,291</u> |
| Operating income | <u>94,237</u> | <u>74,660</u> |
| Nonoperating revenues: | | |
| Interest income | <u>15,233</u> | <u>17,203</u> |
| Income before operating transfers | <u>109,470</u> | <u>91,863</u> |
| Operating transfers in (out): | | |
| Operating transfers in | - | 63,010 |
| Operating transfers out | <u>(170,150)</u> | <u>(203,000)</u> |
| Total operating transfers in (out) | <u>(170,150)</u> | <u>(139,990)</u> |
| Net loss | (60,680) | (48,127) |
| Add: Depreciation on fixed assets acquired by funds externally restricted for capital acquisitions and construction that reduces contributed capital | <u>65,065</u> | <u>64,594</u> |
| Increase in retained earnings | 4,385 | 16,467 |
| Retained earnings, beginning | <u>584,716</u> | <u>568,249</u> |
| Retained earnings, ending | <u><u>\$ 589,101</u></u> | <u><u>\$ 584,716</u></u> |

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department
Years Ended June 30, 1999 and 1998

| | <u>1999</u> | <u>1998</u> |
|-------------------------------------|----------------|----------------|
| Water department: | | |
| Salaries | \$ 42,302 | \$ 31,504 |
| Payroll taxes and employee benefits | 4,767 | 4,977 |
| Materials and supplies | 25,980 | 17,554 |
| Chemicals | 18,386 | 11,637 |
| Truck and backhoe expenses | 6,597 | 7,540 |
| Repairs and maintenance | 12,556 | 30,660 |
| Utilities and telephone | 80,618 | 72,928 |
| Insurance | 11,077 | 10,823 |
| Uniforms | 534 | 103 |
| Depreciation | 42,189 | 40,733 |
| Bad debts | 288 | 81 |
| Engineering fees | 5,644 | 624 |
| Miscellaneous | <u>2,225</u> | <u>3,455</u> |
| Total water department | <u>253,163</u> | <u>232,619</u> |
| Sewer department: | | |
| Salaries | 13,839 | 31,193 |
| Payroll taxes and employee benefits | 1,169 | 4,796 |
| Materials and supplies | 10,235 | 6,522 |
| Chemicals | 17,118 | 7,243 |
| Truck and backhoe expenses | 4,973 | 5,150 |
| Repairs and maintenance | 5,315 | 7,670 |
| Utilities and telephone | 8,887 | 10,879 |
| Insurance | 3,888 | 6,147 |
| Uniforms | 384 | 68 |
| Depreciation | 39,383 | 39,395 |
| Bad debts | 275 | 71 |
| Engineering fees | - | 624 |
| Miscellaneous | <u>5,589</u> | <u>3,964</u> |
| Total sewer department | <u>111,055</u> | <u>123,722</u> |

(continued)

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)
Years Ended June 30, 1999 and 1998

| | <u>1999</u> | <u>1998</u> |
|-------------------------------------|-----------------------------|-----------------------------|
| General and administrative: | | |
| Salaries | \$ 27,795 | \$ 25,913 |
| Payroll taxes and employee benefits | 6,012 | 5,540 |
| Professional fees | 2,925 | 2,750 |
| Office supplies and postage | 11,031 | 4,530 |
| Uniforms | 393 | 75 |
| Miscellaneous | 42 | 142 |
| Total general and administrative | <u>48,198</u> | <u>38,950</u> |
| Total operating expenses | <u><u>\$412,416</u></u> | <u><u>\$395,291</u></u> |

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows
Years Ended June 30, 1999 and 1998

| | Enterprise | |
|---|------------------|------------------|
| | 1999 | 1998 |
| Cash flows from operating activities: | | |
| Operating income | <u>\$ 94,237</u> | <u>\$ 74,660</u> |
| Adjustments to reconcile operating income to net cash provided by operating activities - | | |
| Depreciation | 81,572 | 80,128 |
| Changes in current assets and liabilities: | | |
| (Increase) decrease in accounts receivable | (2,693) | 868 |
| (Increase) decrease in other receivables | (544) | 1,214 |
| Increase in accounts payable | <u>6,329</u> | <u>3,339</u> |
| Total adjustments | <u>84,664</u> | <u>85,549</u> |
| Net cash provided by operating activities | <u>178,901</u> | <u>160,209</u> |
| Cash flows from noncapital financing activities: | | |
| Operating transfers in from other funds | - | 63,010 |
| Operating transfers out to other funds | <u>(170,150)</u> | <u>(203,000)</u> |
| Net cash used by noncapital financing activities | <u>(170,150)</u> | <u>(139,990)</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition of property, plant and equipment | (7,637) | (22,800) |
| Net increase in meter deposits | <u>2,647</u> | <u>671</u> |
| Net cash used by capital and related financing activities | <u>(4,990)</u> | <u>(22,129)</u> |
| Cash flows from investing activities: | | |
| Interest received on interest-bearing deposits | 15,233 | 17,203 |
| Net decrease in interest-bearing deposits | <u>99,589</u> | <u>86,419</u> |
| Net cash provided by investing activities | <u>114,822</u> | <u>103,622</u> |

(continued)

TOWN OF COTTONPORT, LOUISIANA
Enterprise Fund
Utility Fund

Comparative Statement of Cash Flows (Continued)
Years Ended June 30, 1999 and 1998

| | Enterprise | |
|--|------------|------------|
| | 1999 | 1998 |
| Net increase in cash and cash equivalents | \$ 118,583 | \$ 101,712 |
| Cash and cash equivalents, beginning of period | 218,280 | 116,568 |
| Cash and cash equivalents, end of period | \$ 336,863 | \$ 218,280 |
| Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet: | | |
| Cash and cash equivalents, beginning of period - | | |
| Cash and interest-bearing deposits - unrestricted | \$ 330,830 | \$ 316,208 |
| Cash and interest-bearing deposits - restricted | 27,085 | 26,414 |
| Less: Interest-bearing deposits with a maturity over three months when purchased | (139,635) | (226,054) |
| Total cash and cash equivalents | 218,280 | 116,568 |
| Cash and cash equivalents, end of period - | | |
| Cash and interest-bearing deposits - unrestricted | 347,177 | 330,830 |
| Cash and interest-bearing deposits - restricted | 29,732 | 27,085 |
| Less: Interest-bearing deposits with a maturity over three months when purchased | (40,046) | (139,635) |
| Total cash and cash equivalents | 336,863 | 218,280 |
| Net increase | \$ 118,583 | \$ 101,712 |

INTERNAL CONTROL AND COMPLIANCE

KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

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INDEPENDENT AUDITORS' 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 Paul Gauthier, Mayor
and Members of the Town Council
Town of Cottonport, Louisiana

We have audited the general purpose financial statements of the Town of Cottonport, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 4, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Cottonport, Louisiana's general purpose financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations and contracts, 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 Government Auditing Standards, which is described in the accompanying schedule of prior and current audit findings in Part II.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Cottonport'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.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
August 4, 1999

TOWN OF COTTONPORT, LOUISIANA

Schedule of Prior and Current Audit Findings
and Management's Corrective Action Plan
Year Ended June 30, 1999

I. Prior Year Findings --

A. Compliance -

There were no compliance findings at June 30, 1998.

B. Internal Control Over Financial Reporting -

There were no internal control findings at June 30, 1998.

II. Current Year Findings -

A. Compliance -

99-1 Deposits Not Adequately Secured

Finding:

Deposits in one financial institution were under-secured in the amount of \$31,174 on June 30, 1999.

Recommendation:

We recommend that controls be established to monitor bank balances in order to ascertain that deposits are properly secured by financial institutions.

Management's Corrective Action Plan:

The financial institution has been informed of the inadequate securities pledged. Management intends to implement procedures to ensure that deposits are fully secured at all times.

B. Internal Control Over Financial Reporting -

There were no internal control findings at June 30, 1999.

OTHER SUPPLEMENTARY INFORMATION

TOWN OF COTTONPORT, LOUISIANA
Impact of Year 2000 on Computer Programs (Unaudited)

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the Town's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The Town has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and that are necessary to conducting Town operations and have identified such systems as being financial reporting and utility billing.

Both the financial reporting and utility billing systems have been assessed. The Town has converted both systems to year 2000 compliant software applications. Testing and validation should not be necessary, as the software vendors have assured that the applications are year 2000 compatible.

There are no remaining contracted amounts committed to this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the Town is or will be year 2000 ready, that the Town's remediation efforts will be successful in whole or in part, or that the parties with whom the Town does business will be year 2000 ready. The Town is utilizing external resources to identify and test the systems for year 2000 compliance.