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TOWN OF COTTONPORT, LOUISIANA Financial Report Year Ended June 30, 1999

under provisions of state law, this report is a public document. A copy of the report has been submitted to the audited, or reviewed, entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court Pelease Date DEC 2 2 1999

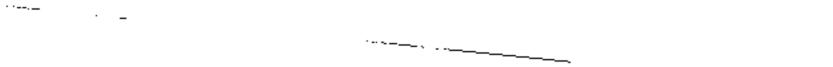


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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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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.

C Burton Kolder, CPA Russell F. Champagne, CPA Mctor R. Slaven, CPA Chris Rainey, CPA Conrad O. Chapman, CPA P. Troy Courville, CPA

Penny Angele Scruggins, CPA Mary T. Thibodeaux, CPA Gerald A. Thibodeaux, Jr., CPA Kelly M. Doucet, CPA Kenneth J. Rachal, CPA

INDEPENDENT AUDITORS' REPORT

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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 contacts.

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.

> MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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.

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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

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GENERAL PURPOSE FINANCIAL STATEMENTS (COMBINED STATEMENTS - OVERVIEW)

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							Account Groups	Groups		
		Governmental Fund Types	I Fund Types		Proprietary	Fiduciary	General	General	Totals	als
		Special	Debt	Capital	Fund Type	Fund Type	Fixed	Long-Term	(Memorandum Only)	hum Only)
	General	Revenue	Service	Projects	Enterprise	Agency	Assets	Debt	1999	1998
ASSETS AND OTHER DEBITS										
Cash and interest-bearing deposits	\$139,761	\$77,693	\$5,257	S 97	\$ 347,177	\$5,154	\$	•	\$ 575,139	\$ 723,437
Receivables:										
Taxes	5,270	9,047		ı	•	•	·	•	14,317	21,268
Accounts	ŀ	•	•	•	47,975		•	ı	47,975	45,282
Due from other funds	ı	•	•	8,500	398	943	ſ	,	9,841	11,593
Due from other governmental agencies	ſ	•	ı	5,280	•		•	•	5,280	441,680
Accrued interest	716	483	•	•	2,783	•	•	ŧ	3,982	4,102
Other	32,660	•	•	•	•	1,239	ı	•	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		•	•	•	•	ł	648,228	•	648,228	612,843
Furniture, fixtures and equipment	,	•	•	•	ı	•	187,960	•	187,960	175,995
Automobiles, trucks and tractors		•		•	ı	ı	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)	ı	•	•	(1,326,582)	(1,246,709)
Amount available in debt service funds	ł	•	•		•	,	ŧ	5,257	5,257	۴
Amount to be provided for retirement										
of general long-term debt	•	.	•	•	•	.		120,935	120,935	147,245
Total assets and other debits	\$178,407	<u>587,223</u>	\$5,257	\$13,877	\$2,468,776	\$7,336	\$1,276,684	\$126,192	\$4,163,752	\$4,609,071

(continued)

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

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							Account	Groups		
		Governmental Fund Types	d Fund Type:		Proprietary	Fiduciary	General Gen	General	Totals	
		Special	Debt	Capital	Fund Type	Fund Type	Fixed	Long-Term	(Memorandum	fum Only)
	General	Revenue	Service	Projects	Enterprise	Agency	Assets	Debt	1998	1997
ITY AND OTHER CREDITS										
	\$ 5,529	\$ 100	s.	• ~	\$ 21.236	s.	י לי	י איז	\$ 26,865	\$ 24,416
	8,536	ı	•	•		1,305	•		9,841	11,593
	ı	ı	ŀ	ı	4	6.031	1		6,031	12,672
	•	·	•	13,780	·	ı	ı	ı	13,780	405,722
	ł	•	•	•	•	•	•	•	•	52,080
icted assets -										
sits	•	•	•	ı	29,732	•	•	ı	29,732	27,085
	•	·	•	•	•	ı	ı	11,192	11,192	21,245
sbtedness	•	•		,	•	•	•	115,000	115,000	126,000
ŝ	14,065	100	•	13.780	50.968	7,336		126.192	212,441	680,813
dits: I	•	·	ı	•	1.828,707	1	1	ſ	1.828,707	1.893.772
eral fixed assets			.	•			1.276,684		1,276,684	1,039,015
carnings		, ,	. .		589,101 589,101	, .	· •	. .	589,101 589,101	584,716 584,716
)										
service		• •	5,257		•	•	·	٠	5,257	
ignated	164.342	87,125	- L	76		, 	•	•	251,562	410,755
ances	104,342	01.12	107.0	16		•	102 256 1	•	612,002	410,/25
nd other credits	104,542	81.125	107.0	16	2.417.808	.	1,2/0,034	•	116,166,6	5.928,238
s, equity and other credits	\$178.407	\$87,223	\$5,257	\$13,877	<u>\$2.468.776</u>	<u>57.336</u>	S1.276,684	\$ 126,192	\$4,163,752	\$4,609,071

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

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The accompanying notes are an integral part of this statement.

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Total fund balance Customers' deposits Equity and other credits: Reserved for debt serv. Unreserved, undesigna Total equity and o LIABILITIES, EQUITY Payable from restricted Certificates of indebter Total retained ear Investment in general **Total liabilities** Total liabilities, Contributed capital Due to other funds Retainage payable Contracts payable Accounts payable Retained earnings -Other liabilities Lease payable Fund balances -Unreserved Liabilities:

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

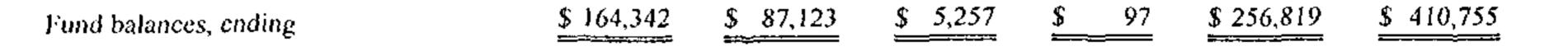
		Special	Debt	Capital		tals (dum Only)
	General	Revenue	Service	Projects	1999	1998
Revenues:						
Taxes	\$ 30,142	\$ 125,672	\$-	\$ -	\$ 155,814	\$ 156,684
Franchise fees	76,771	-	-	-	76,771	75,757
Licenses and permits	51,341	-	-	-	51,341	53,553
Intergovernmental	100,526	8,869	-	5,280	114,675	580,527
Fines and forfeits	39,091	-	-	-	39,091	60,894
Miscellaneous	18,840	8,013	63	-	26,916	22,632
Total revenues	316,711	142,554	63	5,280	464,608	950,047

Expenditures:

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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	e	6,672	1,923
Total expenditures	734,893	13,944	16,634	23,223	788,694	1,080,350
Excess (deficiency) of revenues						
over expenditures	(418,182)	_128,610	(16,571)	(17,943)	(324,086)	(130,303)
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)	308,837	(178,522)	21,828	18,007	170,150	265,990
Excess (deficiency) of revenues and other sources over						
expenditures and other uses	(109,345)	(49,912)	5,257	64	(153,936)	135,687
Fund balances, beginning	273,687	137,035	-	33	410,755	275,068



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The accompanying notes are an integral part of this statement.

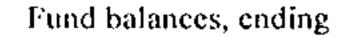
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Combined Statement of Revenues, Expenditures and Changes in Fund Balances -Budget (GAAP Basis) and Actual -Certain Governmental Fund Types Year Ended June 30, 1999

		General Fur	nd	Spe	cial Revenue l	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	286,430	316,711	30,281	133,574	142,554	8,980

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	757,413	734,893	22,520	13,313	13,944	(631)
Excess (deficiency) of						
revenues over expenditures	(470,983)	(418,182)	52,801	120,261	128,610	8,349
Other financing sources (uses):						
Operating transfers in	346,080	346,114	34	-	-	-
Operating transfers out	(40,000)	(37,277)	2,723	(175,785)	(178,522)	(2,737)
Total other financing sources			_			
(uses)	306,080	308,837	2,757	(175,785)	(178,522)	(2,737)
Excess (deficiency) of revenues and other sources over						
expenditures and other uses	(164,903)	(109,345)	55,558	(55,524)	(49,912)	5,612
Fund balances, beginning	273,687	273,687	-	137,035	137,035	-

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The accompanying notes are an integral part of this statement.

		Variance -
Budget	Actual	Favorable (Unfavorable)
		(0
\$-	\$-	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
50	63	13
50	63	13

59	57	2
-	-	-
-	•	-
-	-	-
-	-	-
-	-	-
-	-	-
16,426	16,577	(151)
16,485	16,634	(149)
	-	
(16,435)	(16,571)	(136)
19,091	21,828	2,737
19,091	21,828	2,737
2,656	5,257	2,601

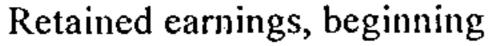
\$ 2,656 \$2,601 \$ 5,257

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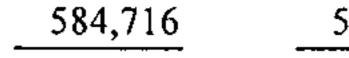
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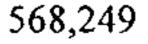
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -Proprietary Fund Type Years Ended June 30, 1999 and 1998

	1999	1998
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	506,653	469,951
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	412,416	395,291
Operating income	94,237	74,660
Nonoperating revenues:		
Interest income	15,233	17,203
Income before operating transfers	109,470	91,863
Operating transfers in (out):		
Operating transfers in	-	63,010
Operating transfers out	(170,150)	(203,000)
Total operating transfers in (out)	(170,150)	(139,990)
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











The accompanying notes are an integral part of this statement.

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	6,329	3,339
Total adjustments	84,664	85,549
Net cash provided by operating activities	178,901	160,209
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	-	63,010
Operating transfers out to other funds	(170,150)	(203,000)
Net cash used by noncapital financing activities	(170,150)	(139,990)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(7,637)	(22,800)
Net increase in meter deposits	2,647	671
Net cash used by capital and related financing activities	(4,990)	(22,129)
Cash flows from investing activities:		
Interest received on interest-bearing deposits	15,233	17,203
Net decrease in interest-bearing deposits	99,589	86,419
Net cash provided by investing activities	114,822	103,622



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Comparative Statement of Cash Flows -Proprietary Fund Type (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
-		<u> </u>

Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:

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Cash and cash equivalents, beginning of period -Cash and interest-bearing deposits - unrestricted Cash and interest-bearing deposits - restricted Less: Certificates of deposit with a maturity over three months when purchased Total cash and cash equivalents

Cash and cash equivalents, end of period -Cash and interest-bearing deposits - unrestricted Cash and interest-bearing deposits - restricted Less: Certificates of deposit with a maturity over three months when purchased Total cash and cash equivalents \$ 330,830 \$ 316,208 27,085 26,414 (139,635) (226,054) 218,280 116,568 347,177 330,830 29,732 27,085 (40,046) (139, 635)336,863 218,280

\$ 118,583

\$ 101,712

Net increase

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The accompanying notes are an integral part of this statement.

Notes to Financial Statements

(1) <u>Summary of Significant Accounting Policies</u>

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, <u>Audits of State and Local Governmental Units</u>.

The following is a summary of certain significant accounting policies:

A. <u>Financial Reporting Entity</u>

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 <u>Codification of Governmental Accounting and Financial Reporting Standards</u>, 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.

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.

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. <u>Budgets and Budgetary Accounting</u>

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.

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. <u>Statement of Cash Flows</u>

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. <u>Due to and Due from Other Funds</u>

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

H. <u>Fixed Assets</u>

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.

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: 50 years Lines and Treatment Plant 5 years Automobiles and Trucks 6-10 years Other equipment

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.

Long-Term Debt Ĭ.

> 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.

Bad Debts J.

> 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.

Compensated Absences К.

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) <u>Cash and Interest-Bearing Deposits</u>

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	
Total	\$604,871

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.

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	\$ 608,431
At June 30, 1999, the deposits are secured as follows:	
Federal deposit insurance	122,771
Pledged securities (Category 3)	454,486

Total

577,257

Unsecured bank balances

\$ 31,174

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) <u>Utility Receivables</u>

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	356
	\$47,975

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

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Notes to Financial Statements (Continued)

(4) <u>Other Receivables</u>

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	11,779
Total other receivables	\$ 32,660

(5) <u>Interfund Receivables</u>, Payables

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

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

19

(6) <u>Restricted Assets - Proprietary Fund Type</u>

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

Cash and interest-bearing deposits

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\$29,732

Notes to Financial Statements (Continued)

(7) <u>Changes in Fixed Assets</u>

A summary of changes in general fixed assets follows:

	Balance 7/1/98	Additions	Deletions	Balance 6/30/99
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	190,146	203,834	13,515	380,465
Totals	\$1,039,015	\$251,184	\$13,515	\$1,276,684

φ1,057,015	<i>wwwwwwwwwwwwww</i>	Ψ129212	$\psi_{1,L}(0,00)$

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	1,990,610
	3,367,293
Less: Accumulated depreciation	(1,326,582)
Net Utility Fund property, plant and equipment	\$2,040,711

(8) <u>Certificates of Indebtedness</u>

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.

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Notes to Financial Statements (Continued)

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

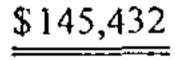
Year Ending June 30,	Certificates of Indebteness
2000	\$ 16,670
2001	16,153
2002	15,625
2003	16,092
2004	16,510
2005-2008	64,382

Totals

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Changes In Agency Fund (9)

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

	Balance 7/1/98	Additions	Deletions	Balance 6/30/99
Assets				
Cash	\$ 9,086	\$385,648	\$389,580	\$5,154
Due from other funds	1,645	105,258	105,960	943
Other receivables	<u> </u>	1,239	-	1,239
	\$10,731	\$492,145	\$495,540	\$7,336
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



Notes to Financial Statements (Continued)

(10) <u>Contributed Capital</u>

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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:

	Municipality	State Grants	Federal Grants	Total
Contributed capital at July 1, 1998	\$460,454	\$908,327	\$1,532,679	\$2,901,460
Add: Capital contributed	-	-	-	-
Less: Accumulated	_	-	1.072.753	1.072.753

amortization		-	1,072,753	1,072,753
Contributed capital at June 30, 1999	\$460,454	\$908,327	<u>\$ 459,926</u>	\$1,828,707

(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.



Notes to Financial Statements (Continued)

(13) <u>Water Purchase Contracts</u>

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

- 1. <u>Louisiana Water Company (LAWCO)</u> 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. <u>Ward 3 Avoyelles Water District</u> 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. <u>Village of Plaucheville</u> contract dated February 1, 1999, requiring the Town of

Cottonport to supply water for resale to Plaucheville, Louisiana for a term of one (1) year at a rate of \$1.12 per 1,000 gallons per month.

4. <u>Louisiana Correctional Facilities Corporation</u> - 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. <u>Central Louisiana Electric Company, Inc. (CLECO)</u> 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. <u>Galaxy Cablevision</u> - 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.

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. <u>Entex</u> 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. <u>Central Louisiana Telephone Company</u> 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) <u>Road Maintenance Agreement</u>

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) <u>Pension Plans</u>

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.

Notes to Financial Statements (Continued)

(17) <u>Compensation of Town Officials</u>

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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	23,548

Total

(18) <u>Sales Tax Collection Agreement</u>

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.

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SUPPLEMENTARY INFORMATION

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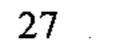
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SCHEDULES OF INDIVIDUAL FUNDS



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GENERAL FUND

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

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Comparative Balance Sheet June 30, 1999 and 1998

	1999	1998
ASSETS		<u> </u>
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	<u>\$178,407</u>	<u>\$296,636</u>
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

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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

Budget \$ 30,010	Actual	Variance - Favorable (Unfavorable)	1998 A stual
\$ 30,010			Actual
\$ 30,010			
	\$ 30,142	\$ 132	\$ 30,737
72,199	76,771	4,572	75,757
41,400	51,341	9,941	53,553
93,750	100,526	6,776	99,230
31,000	39,091	8,091	60,894
18,071	18,840	769	17,609
286,430	316,711	30,281	337,780
152,632	147,283	5,349	144,690
149,100	145,106	3,994	124,611
32,158	28,783	3,375	25,500
2,900	2,366	534	4,557
162,380	154,174	8,206	139,745
2,095	2,163	(68)	2,035
245,000	243,870	1,130	20,742
11,148	11,148	-	15,828
757,413	734,893	22,520	477,708
(470,983)	<u>(418,182</u>)	52,801	(139,928)
-	-	-	126,000
346,080	346,114	34	220,028
(40,000)	(37,277)	2,723	(121,628)
306,080		2.757	224,400
	41,400 93,750 31,000 18,071 286,430 152,632 149,100 32,158 2,900 162,380 2,095 245,000 11,148 757,413 (470,983) 346,080 (40,000)	$\begin{array}{rrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrrr$	41,400 $51,341$ $9,941$ $93,750$ $100,526$ $6,776$ $31,000$ $39,091$ $8,091$ $18,071$ $18,840$ 769 $286,430$ $316,711$ $30,281$ $152,632$ $147,283$ $5,349$ $149,100$ $145,106$ $3,994$ $32,158$ $28,783$ $3,375$ $2,900$ $2,366$ 534 $162,380$ $154,174$ $8,206$ $2,095$ $2,163$ (68) $245,000$ $243,870$ $1,130$ $11,148$ $11,148$ $ 757,413$ $734,893$ $22,520$ $(470,983)$ $(418,182)$ $52,801$

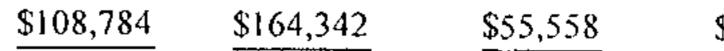
Excess (deficiency) of revenues and other sources over expenditures and other uses

(164,903) (109,345) 55,558 84,472



Fund balance, ending

Fund balance, beginning



\$273,687

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

		1999		
	Budget	Actual	Variance - Favorable (Unfavorable)	1998 Actual
Taxes:	¢ 20.010	\$ 20 142	\$ 132	\$ 30,737
Ad valorem	<u>\$ 30,010</u>	<u>\$ 30,142</u>	J 132	\$ 30,737
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	10,400	10,776	376	10,477
Total franchise fees	72,199	76,771	4,572	75,757
Licenses and permits:				
Occupational licenses/permits	41,400	51,341	9,941	53,553
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	50,000	54,356	4,356	52,388
Total intergovernmental	93,750	100,526	6,776	99,230
Fines and forfeits	31,000	39,091	8,091	60,894
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

Property rental Impounding fees Miscellancous

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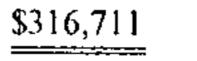
Total miscellaneous

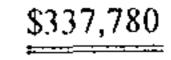
Total revenues

450 117 ---3,120 2,398 398 2,000 17,609 18,840 18,071 769

\$30,281

\$286,430





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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	1998
	Budget	Actual	(Unfavorable)	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	\$33	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	152,632	147,283	5,349	144,690
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

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Automobile maintenance

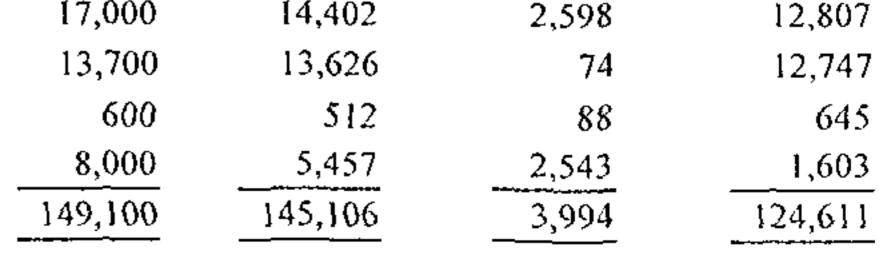
Insurance

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Telephone

Miscellaneous

Total police



(continued)

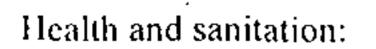
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Statement of Expenditures Compared to Budget (GAAP Basis) (Continued) Year Ended June 30, 1999 With Comparative Actual Amounts for Year Ended June 30, 1998

	1999			
	Budget	Actual	Variance - Favorable	1998 A stup1
Fire -	Budget	Actual	(Unfavorable)	Actual
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	2,700	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	32,158	28,783	3,375	25,500
City court -				
Magistrate fees	300	300	-	300
Prisoner rations	2,500	2,034	466	4,224
Miscellaneous	100	32	68	33
Total city court	2,900	2,366	534	4,557
Streets and bridges:				
Salaríes	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	162,380	154,174	8,206	139,745



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Pest control 145 177 (32) 149 Solid waste disposal 1,950 1,986 (36) 1,886 Total health and sanitation 2,095 2,163 (68) 2,035

33

(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		
	Budget	Actual	Variance - Favorable (Unfavorable)	1998 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	245,000	243,870	1,130	20,742
Debt service:				
Principal	10,053	10,053	-	13,905
Interest	1,095	1,095	-	1,923
Total debt service	11,148	11,148	-	15,828
Total expenditures	\$757,413	\$734,893	\$22,520	\$477,708

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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.

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TOWN OF COTTONPORT, LOUISIANA Special Revenue Funds

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

	Sales	Volunteer		
	Tax	Fire Department	Тс	otals
	Fund	Fund	1999	1998
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	483		483	684
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	68,857	18,266	87,123	137,035
Total liabilities and fund balances	\$68,957	\$18,266	<u>\$87,223</u>	\$137,129

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TOWN OF COTTONPORT, LOUISIANA Special Revenue Funds

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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

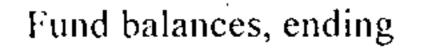
	Sales	Volunteer		
	Tax	Fire Department	Tot	als
	Fund	Fund	1999	1998
Revenues:	······································			
Taxes	\$ 97,562	\$ 28,110	\$ 125,672	\$125,947
Intergovernmental	-	8,869	8,869	8,417
Miscellaneous	4,197	3,816	8,013	5,023
Total revenues	101,759	40,795	\$ 142,554	\$139,387

Expenditures:

С	ur	re	nt	-
\sim	***		•••	

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1,182	-	1,182	1,189
-	5,447	5,447	4,370
-	7,315	7,315	3,608
1,182	12,762	13,944	9,167
100,577	28,033	128,610	130,220
-	· –	-	1,000
(130,000)	(48,522)	(178,522)	(80,000)
(130,000)	(48,522)	(178,522)	(79,000)
(29,423)	(20,489)	(49,912)	51,220
98,280	38,755	137,035	85,815
	- 1,182 100,577 (130,000) (130,000) (29,423)	$\begin{array}{c} - & 5,447 \\ \hline 7,315 \\ \hline 1,182 & 12,762 \\ \hline 100,577 & 28,033 \\ \hline (130,000) & (48,522) \\ \hline (130,000) & (48,522) \\ \hline (29,423) & (20,489) \end{array}$	$\begin{array}{c ccccccccccccccccccccccccccccccccccc$





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		Sales Tax Fund	pu	Volun	teer Fire Depa	rtment Fund		Totals	
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable dget Actual (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
ß	\$ 95,000 4,200 99,200	<pre>\$ 97,562 4,197 101,759</pre>	\$2,562 - 2,559	\$ 25,357 8,417 600 34.374	\$ 28,110 8.869 3.816 40.795	\$ 2,753 452 3,216 6,421	\$ 120,357 8,417 4,800 133,574	\$ 125,672 8,869 8,013 142,554	55,315 452 3,213 8,980
nent: s al government	1,200 5 1,205	1,177 5 1,182	, 23 23				1,200 1,205	1,177 5 1,182	23
ire: fucation and materials s c safety - fire c safety - fire nditures	1,205	1,182	[⁷]	812 4,960 709 6,481 5,627 12,108	930 3,602 915 7,315 7,315	(118) 1,358 (206) (1,688) (1,688) (654)	812 4,960 6,481 5,627 13,313	930 3,602 915 7,315 13,944	(118) 1,358 (206) (1,688) (631)
evenues over expenditures	97,995	100.577	2,582	22,266	28,033	5,767	120,261	128,610	8,349
uses: nsfers out	(130,000)	(130,000)	•	(45,785)	(48.522)	(2,737)	(175,785)	(178,522)	(2,737)
of revenues and other sources enditures and other uses ming Ig	(32,005) 98,280 5 66,275	(29,423) 98,280 \$ 68,857	2,582 52,582	(23.519) 38.755 5 15.236	(20,489) 38,755 5 18,266	3,030 5 3.030	(55,524) 137,035 \$ 81,511	(49.912) 137,035 S 87,123	5,612

TOWN OF COTTONPORT, LOUISI	Special Revenue Funds
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Combining Statement of Revenues, Expenditures, and Changes in Fund Balances -Budget (GAAP Basis) and Actual

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Year Ended June 30, 1999

Deficiency of revenue over expenditures a Maintenance and materi Total public safety - f Excess of revenues or Operating transfers out Continuing education Total expenditures Other financing uses: General government: Fund balances, beginning Total revenues Public safety - fire: Total general Fund balances, ending **Collection fees** Miscellaneous Miscellaneous Intergovernmental Miscellaneous Capital outlay Expenditures: Current -Revenues: Taxes

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CAPITAL PROJECTS FUNDS

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STREET IMPROVEMENTS FUND -

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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.

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TOWN OF COTTONPORT, LOUISIANA Capital Projects Funds

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

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	Street	Water System	To	otals
	Improvements	Improvemetns	1998	1998
ASSETS				
Cash	\$ -	\$ 97	\$ 97	\$ 6,293
Due from other governmental agencies	~	5,280	5,280	441,680
Due from other funds		8,500		9,862
Total assets	<u>\$</u>	\$13,877	\$13,877	\$457,835

LIABILITIES AND FUND BALANCES

Liabilities:

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Contracts payable	\$ -	\$13,780	\$13,780	\$405,722
Retainage payable	-		_	52,080
Total liabilities		13,780	13,780	457,802
Fund balances:				
Unreserved, undesignated		97	97	33
Total liabilities and fund balances	<u>\$</u> -	\$13,877	<u>\$13,877</u>	<u>\$457,835</u>

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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

	Street	Water System	Tot	tals
	Improvements	Improvements	1999	1998
Revenues:			•	
Federal grants	<u>\$</u>	<u>\$ 5,280</u>	<u>\$ 5,280</u>	\$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	9,390	13,833	23,223	593,475
Deficiency of revenues				
over expenditures	(9,390)	(8,553)	(17,943)	(120,595)
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)	9,357	8,650	18,007	120,590
Excess (deficiency) of revenues and other sources over expenditures				
and other uses	(33)	97	64	(5)
Fund balances, beginning	33		33	38
Fund balances, ending	<u>\$</u>	<u>\$ 97</u>	<u>\$ 97</u>	<u>\$ 33</u>

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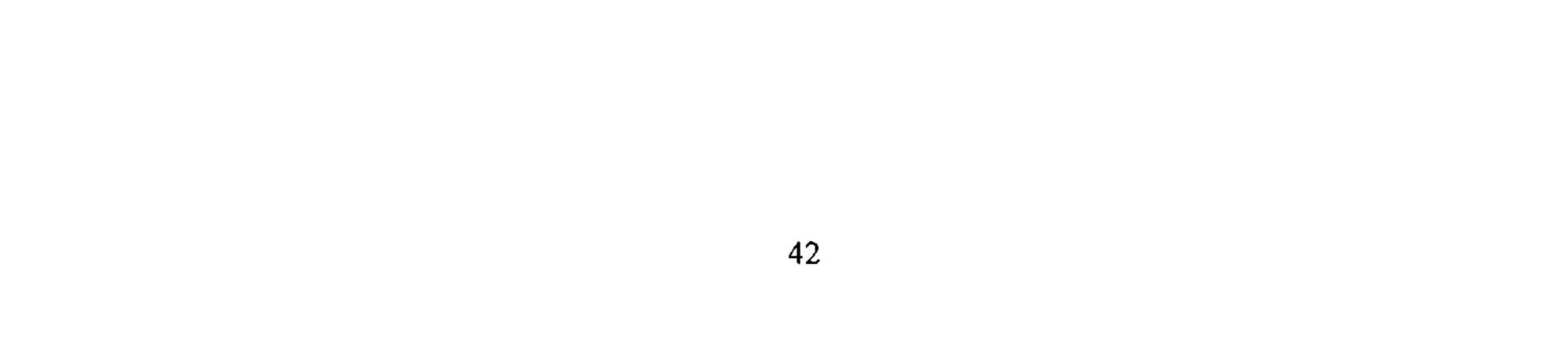
ENTERPRISE FUND

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UTILITY FUND -

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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.



Comparative Balance Sheet June 30, 1999 and 1998

	1999	1998
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	398,333	378,749
Restricted assets:		
Cash and interest-bearing deposits	29,732	27,085
Property, plant and equipment, at cost,		
net of accumulated depreciation		
(1998 \$1,326,582; 1997 \$1,246,709)	2,040,711	2,114,646
Total assets	\$2,468,776	\$2,520,480
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	29,732	27,085
Total liabilities	50,968	41,992
Fund equity:		
Contributed capital	1 828 707	1 893 772

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Contributed capital

Retained earnings, unreserved

Total fund equity

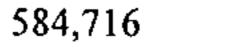
Total liabilities and fund equity

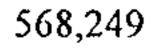
1,828,7071,893,772589,101584,7162,417,8082,478,488\$2,468,776\$2,520,480

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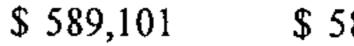
Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings Years Ended June 30, 1999 and 1998

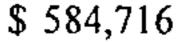
	1999	1998
Operating revenues:	•	
Charges for services -		
Water services	\$ 302,272	\$ 282,819
Sewer services	94,780	82,013
LAWCO water line	109,601	105,119
Total operating revenues	506.653	469,951
Operating expenses:		
Water department	253,163	232,619
Sewer department	111,055	123,722
General and administrative	48,198	38,950
Total operating expenses	412,416	395,291
Operating income	94,237	74,660
Nonoperating revenues:		
Interest income	15,233	17,203
Income before operating transfers	109,470	91,863
Operating transfers in (out):		
Operating transfers in	-	63,010
Operating transfers out	(170,150)	(203,000)
Total operating transfers in (out)	(170,150)	(139,990)
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	65,065	64,594
Increase in retained earnings	4,385	16,467















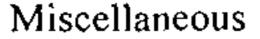
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Retained earnings, beginning

Retained earnings, ending

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

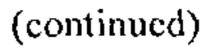
	1999	1998
Water department:	\$ 42,302	\$ 31,504
Salaries Description and employee herefits	4,767	4,977
Payroll taxes and employee benefits	25,980	17,554
Materials and supplies	18,386	11,637
Chemicals	6,597	7,540
Truck and backhoe expenses	12,556	30,660
Repairs and maintenance		72,928
Utilities and telephone	80,618	-
Insurance	11,077	10,823
Uniforms	534	103
Depreciation	42,189	40,733
Bad debts	288	81
Engineering fees	5,644	624
Miscellaneous	2,225	3,455
Total water department	253,163	232,619
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
	5 589	3.964

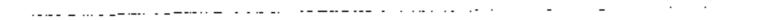


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Total sewer department







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

	1999	1998
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	48,198	38,950
Total operating expenses	\$412,416	\$395,291

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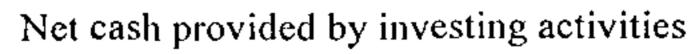
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Comparative Statement of Cash Flows Years Ended June 30, 1999 and 1998

	Enterprise	
	1999	1998
Cash flows from operating activities:		
Operating income	<u>\$ 94,237</u>	\$ 74,660
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	6,329	3,339
Total adjustments	84,664	85,549
Net cash provided by operating activities	178,901	160,209
Cash flows from noncapital financing activities:		
Operating transfers in from other funds	-	63,010
Operating transfers out to other funds	(170,150)	(203,000)
Net cash used by noncapital financing activities	(170,150)	(139,990)
Cash flows from capital and related financing activities:		
Acquisition of property, plant and equipment	(7,637)	(22,800)
Net increase in meter deposits	2,647	671
Net cash used by capital and related financing activities	(4,990)	(22,129)
Cash flows from investing activities:		
	15 322	17 202
Interest received on interest-bearing deposits Net decrease in interest-bearing deposits	15,233 99,589	17,203 86,419
Net decrease in interest-bearing deposits	114 922	

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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	<u>\$ 218,280</u>

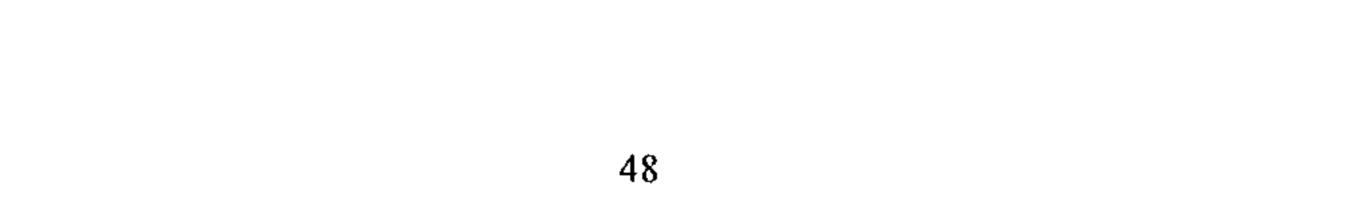
Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:

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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	<u>\$</u> 101,712



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INTERNAL CONTROL AND COMPLIANCE

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KOLDER, CHAMPAGNE, SLAVEN & RAINEY, LLC

CERTIFIED PUBLIC ACCOUNTANTS

234 Rue Beauregard Lafayette, LA 70508 Phone (318) 232-4141 Fax (318) 232-8660

113 East Bridge Street Breaux Bridge, LA 70517 Phone (318) 332-4020 Fax (318) 332-2867

> 133 East Waddil Marksville, LA 71351 Phone (318) 253-9252 Fax (318) 253-8681

1234 David Drive, Suite 105 Morgan City, LA 70380 Phone (504) 384-2020 Fax (504) 384-3020

> 408 W. Cotton Street Ville Platte, LA 70586 Phone (318) 363-2792 Fax (318) 363-3049

332 W. Sixth Avenue Oberlin, LA 70655 Phone (318) 639-4737 Fax (318) 639-4568

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

C. Burton Kolder, CPA Russell F. Champagna, CPA Motor R. Slaven, CPA Chris Ralney, CPA Conrad O. Chapman, CPA P. Troy Courville, CPA

Penny Angelle Scruggins, CPA Mary T. Thibodeaux, CPA Gerald A. Thibodeaux, Jr., CPA Kelly M. Doucet, CPA Kenneth J. Rachal, CPA

> 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 <u>Government Auditing Standards</u>, 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 <u>Government Auditing Standards</u>, 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.

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MEMBER OF AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS SOCIETY OF LOUISIANA CERTIFIED PUBLIC ACCOUNTANTS

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.

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

Marksville, Louisiana August 4, 1999

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TOWN OF COTTONPORT, LOUISIANA

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

I. <u>Prior Year Findings</u> --

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A. <u>Compliance</u> -

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. <u>Current Year Findings</u> -

A. <u>Compliance</u> -

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.

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OTHER SUPPLEMENTARY INFORMATION

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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.