

ANNUAL FINANCIAL REPORT  
OF THE  
TOWN OF SUNSET, LOUISIANA  
FOR THE 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.

Release Date OCT 13 1999

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**JOHN S. DOWLING & COMPANY**  
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA  
 1904-1984

Retired

Harold Dupre, CPA  
 1996  
 John Newton Stout, CPA  
 1998  
 Dwight Ledoux, CPA  
 1998

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general purpose financial statements of the Town of Sunset, Louisiana, as of and for the year ended June 30, 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 the standards applicable to financial audits contained in 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 in the first paragraph present fairly, in all material respects, the financial position of the Town of Sunset, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report dated August 20, 1999, on our consideration of the Town of Sunset's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Sunset, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules for the years ended June 30, 1999 and 1998, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Sunset, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited," has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

*John S. Dowling & Company*  
 Opelousas, Louisiana  
 August 20, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF SUNSET, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS  
 JUNE 30, 1999

ASSETS	GOVERNMENTAL FUND TYPES		PROPRIETARY FUND TYPE ENTERPRISE	FIDUCIARY FUND TYPE AGENCY	ACCOUNT GROUPS		TOTALS (Memorandum Only) 1999 1998	
	GENERAL	SPECIAL REVENUE			DEBT SERVICE	GENERAL FIXED ASSETS		GENERAL LONG-TERM DEBT
Cash	\$47,167	\$540	\$13,318	\$134			\$61,159	\$65,237
Investments	34,646		30,790				65,436	107,596
Receivables, net of allowance for uncollectibles			131				646	245
Property taxes	515						21,890	21,109
Franchise taxes	21,890		40,203				40,203	40,287
Accounts	96		405				501	691
Interest	6,833		272				7,105	9,116
From other governments							3,286	3,286
Grants	5,681						5,681	6,023
Other							8,761	8,181
Due from restricted assets			23,254				35,641	35,474
Due from other funds	10,316					\$410	2,565	4,277
Prepaid insurance								
Restricted assets								
Cash	946						33,312	56,787
Investments							62,190	95,597
Accrued interest receivable							193	283
Property and equipment, net of accumulated depreciation							2,210,547	2,787,662
Amount available in Debt Service Fund							37,449	37,237
Amount to be provided for retirement of general long-term debt							92,551	102,763
<b>Total assets</b>	<b>128,090</b>	<b>540</b>	<b>67,898</b>	<b>1,494,715</b>	<b>410</b>	<b>864,177</b>	<b>2,685,820</b>	<b>3,381,855</b>

This statement continued on next page.





TOWN OF SUNSET, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
YEAR ENDED JUNE 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>			<u>TOTALS</u>	
	<u>GENERAL</u>	<u>SPECIAL REVENUE</u>	<u>DEBT SERVICE</u>	<u>(MEMORANDUM ONLY)</u>	<u>1998</u>
<u>REVENUES</u>					
Taxes	\$127,786	\$129,600	\$12,589	\$269,975	\$266,484
Licenses and permits	75,140			75,140	63,255
Intergovernmental	27,177			27,177	44,247
Charges for services	6,770			6,770	8,092
Fines and forfeits	27,383			27,383	35,076
Investment income	3,203	128	1,814	5,145	6,922
Miscellaneous	40,038			40,038	50,271
<u>Total revenues</u>	<u>307,497</u>	<u>129,728</u>	<u>14,403</u>	<u>451,628</u>	<u>474,347</u>
<u>EXPENDITURES</u>					
Current					
General and administrative	200,507	1,361		201,868	205,787
Street	110,920			110,920	96,593
Police	299,955			299,955	281,584
Fire	13,318			13,318	11,498
Park	7,531			7,531	
Health and welfare	1,215			1,215	1,337
Debt service					
Principal retirement			10,000	10,000	13,000
Interest and fiscal charges			11,391	11,391	12,364
<u>Total expenditures</u>	<u>533,446</u>	<u>1,361</u>	<u>21,391</u>	<u>556,198</u>	<u>622,163</u>
<u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u>	<u>(325,949)</u>	<u>128,367</u>	<u>(6,988)</u>	<u>(204,570)</u>	<u>(147,816)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	271,252		7,200	278,452	327,882
Operating transfers out		(133,800)		(133,800)	(141,780)
<u>Total other financing sources (uses)</u>	<u>271,252</u>	<u>(133,800)</u>	<u>7,200</u>	<u>144,652</u>	<u>186,102</u>

This statement continued on next page.



TOWN OF SUNSET, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES (CONTINUED)  
YEAR ENDED JUNE 30, 1999

EXCESS OF REVENUES AND OTHER SOURCES OVER  
(UNDER) EXPENDITURES AND OTHER (USES)

<u>FUND BALANCE, beginning of year</u>					
<u>FUND BALANCE, end of year</u>	\$ (54,697)	\$ (5,433)	\$ 212	\$ (59,918)	\$ 38,286
	<u>154,133</u>	<u>5,973</u>	<u>41,902</u>	<u>202,008</u>	<u>163,722</u>
	<u>99,436</u>	<u>540</u>	<u>42,114</u>	<u>142,090</u>	<u>202,008</u>

<u>GOVERNMENTAL FUND TYPES</u>	<u>TOTALS</u>		
<u>GENERAL</u>	<u>SPECIAL</u>	<u>DEBT</u>	<u>(MEMORANDUM ONLY)</u>
<u>REVENUE</u>	<u>SERVICE</u>	<u>1999</u>	<u>1998</u>

The accompanying notes are an integral part of these statements.

TOWN OF SUNSET, LOUISIANA  
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL

GENERAL AND SPECIAL REVENUE FUNDS  
FOR THE YEAR ENDED JUNE 30, 1999

	GENERAL FUND		SPECIAL REVENUE FUND		TOTALS (Memorandum Only) 1999
	Budget	Actual	Budget	Actual	
<b>REVENUES</b>					
Taxes	\$127,116	\$127,786	\$130,520	\$129,600	\$257,386
Licenses and permits	68,889	75,140			75,140
Intergovernmental	30,226	27,177			27,177
Charges for services	7,100	6,770			6,770
Fines and forfeits	22,546	27,383			27,383
Investment income	3,486	3,203	129	129	3,331
Miscellaneous	42,029	40,038			40,038
Total revenues	<u>301,402</u>	<u>307,497</u>	<u>130,649</u>	<u>129,728</u>	<u>437,225</u>
<b>EXPENDITURES</b>					
Current operating	197,602	200,507	1,360	1,361	201,868
General and administrative	108,390	110,920			110,920
Street	300,649	299,955			299,955
Police	12,632	13,318			13,318
Fire park		7,531			7,531
Health and welfare	1,032	1,215			1,215
Total expenditures	<u>620,305</u>	<u>633,446</u>	<u>1,360</u>	<u>1,361</u>	<u>634,807</u>
<b>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>(318,903)</u>	<u>(325,949)</u>	<u>(7,046)</u>	<u>(922)</u>	<u>(197,582)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Operating transfers in	251,530	271,252			271,252
Operating transfers out			(121,600)	(133,800)	(133,800)
Total other financing sources (uses)	<u>251,530</u>	<u>271,252</u>	<u>(121,600)</u>	<u>(133,800)</u>	<u>137,452</u>
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</b>	<u>(67,373)</u>	<u>(54,697)</u>	<u>22,676</u>	<u>(5,433)</u>	<u>(69,130)</u>
<b>FUND BALANCE, beginning of year</b>		<u>154,133</u>		<u>5,973</u>	<u>160,106</u>
<b>FUND BALANCE, end of year</b>		<u>86,436</u>		<u>540</u>	<u>86,976</u>

The accompanying notes are an integral part of these statements.

TOWN OF SUNSET, LOUISIANA  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
ALL PROPRIETARY FUND TYPES  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>TOTALS</u>	
	<u>1999</u>	<u>(MEMORANDUM ONLY)</u> <u>1998</u>
<u>OPERATING REVENUES</u>		
Charges for services		
Gas sales	\$184,424	\$221,390
Water sales	105,279	101,717
Sewer sales	115,977	110,051
Miscellaneous income	<u>5,451</u>	<u>18,717</u>
<u>Total operating revenues</u>	<u>411,131</u>	<u>451,875</u>
<u>OPERATING EXPENSES</u>		
Personal services	81,374	84,240
Contractual services	71,625	98,085
Supplies	20,564	20,326
Other expenses	88,186	107,815
Depreciation	<u>212,984</u>	<u>240,153</u>
<u>Total operating expenses</u>	<u>474,733</u>	<u>550,619</u>
<u>OPERATING LOSS</u>	<u>(63,602)</u>	<u>(98,744)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	4,042	9,778
Interest expense	(16,534)	(18,216)
Paying agent fees	<u>          </u>	<u>(334)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>(12,492)</u>	<u>(8,772)</u>
<u>INCOME BEFORE OPERATING TRANSFERS</u>	(76,094)	(107,516)
<u>OPERATING TRANSFERS OUT</u>	<u>(144,652)</u>	<u>(186,102)</u>
<u>NET LOSS</u>	(220,746)	(293,618)
<u>RETAINED EARNINGS, beginning of year</u>	<u>(1,009,870)</u>	<u>(716,252)</u>
<u>RETAINED EARNINGS, end of year</u>	<u>(1,230,616)</u>	<u>(1,009,870)</u>

The accompanying notes are an integral part of these statements.

TOWN OF SUNSET, LOUISIANA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 1999

	<u>TOTALS</u>	
	(MEMORANDUM ONLY)	
	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$414,170	\$449,515
Cash payments to suppliers for goods and services	(193,255)	(224,400)
Cash payments to employees for services	(72,892)	(75,419)
<u>Net cash provided by operating activities</u>	<u>148,023</u>	<u>149,696</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers - out to other funds	(144,652)	(186,102)
<u>Net cash used for noncapital financing activities</u>	<u>(144,652)</u>	<u>(186,102)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets		(43,723)
Principal paid on revenue bonds	(15,617)	(37,932)
Interest paid on revenue bonds	(16,559)	(17,854)
Principal paid on loan	(30,000)	(20,000)
Customers' deposits, net	(3,155)	(1,343)
Construction grant received from state		22,931
Paying agent fees	-----	(334)
<u>Net cash used for capital and related financing activities</u>	<u>(65,331)</u>	<u>(98,255)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Redemption of investments	35,000	58,500
Interest earned on investments	4,132	9,707
Reinvestment of interest earned	(1,593)	(4,586)
<u>Net cash provided by investing activities</u>	<u>37,539</u>	<u>63,621</u>
<u>NET DECREASE IN CASH</u>	<u>(24,421)</u>	<u>(71,040)</u>
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>56,921</u>	<u>127,961</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>32,500</u>	<u>56,921</u>

This statement continued on next page.

TOWN OF SUNSET, LOUISIANA  
STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES - ENTERPRISE FUND (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 1999

	TOTALS	
	(MEMORANDUM ONLY)	
	1999	1998
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH</u>		
<u>PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$(63,602)	\$(98,744)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	212,984	240,153
(Increase) decrease in receivables	84	406
(Increase) decrease in prepaid insurance	1,712	225
(Increase) decrease in due from other funds		(506)
(Increase) decrease in due from other governments	2,955	(2,766)
Increase (decrease) in accounts payable	88	816
Increase (decrease) in due to other funds		279
Increase (decrease) in bank overdrafts	<u>(6,198)</u>	<u>9,833</u>
<u>Total adjustments</u>	<u>211,625</u>	<u>248,440</u>
 <u>Net cash provided by operating activities</u>	 <u>148,023</u>	 <u>149,696</u>

The accompanying notes are an integral part of these statements.

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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

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

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

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

Governmental Funds

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.



TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Proprietary Fund

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

Fiduciary Fund

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

BASIS OF ACCOUNTING. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.



TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The modified accrual basis of accounting is used by all governmental fund types and fiduciary funds. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

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

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

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

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

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

At June 30, 1999, the carrying amount of the Town's deposits was \$222,351. The bank balance of cash was \$127,480 and of investments was \$127,626. Investments are stated at cost, which approximates market. These investments consist of certificates of deposit. Of the bank balance, approximately \$173,356 is covered by federal depository insurance, and approximately \$81,750 is covered by securities held by the bank in the Town's name.

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

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

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

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

Interest costs during construction, where applicable, are capitalized.

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

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

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

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

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BUDGETS AND BUDGETARY ACCOUNTING (Continued)

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

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

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

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

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

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

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

(2) CASH AND CASH EQUIVALENTS

Cash and cash equivalents for the purposes of the statement of cash flows consist of the following as of June 30, 1999:

Unrestricted assets	
Cash	\$134
Restricted assets	
Cash	<u>32,366</u>
<u>Total cash and cash equivalents</u>	<u>32,500</u>



TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(3) ACCOUNTS RECEIVABLE - ENTERPRISE FUND

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1999. An accounts receivable schedule is as follows:

<u>Days</u>	<u>June 30, 1999</u>
Unbilled	\$11,672
0-30	27,438
31-60	1,807
61-90	29
91 and older	<u>127</u>
<u>Net accounts receivable</u>	<u>41,073</u>

(4) INTERFUND RECEIVABLES, PAYABLES

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$10,316	\$8,661
Debt Service Funds		
Public Improvement Bonds 2/1/73	7,000	15,654
General Obligation Bonds 4/1/88	16,254	10,131
Enterprise Fund	1,661	1,010
Agency Fund		
Payroll Account	<u>410</u>	<u>185</u>
	<u>35,641</u>	<u>35,641</u>

(5) DEFICITS - IN INDIVIDUAL FUNDS

The following fund reflected a deficit fund balance or retained earnings at June 30, 1999.

Enterprise Fund	\$(1,230,616)
-----------------	---------------

(6) RETIREMENT PLANS

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

Municipal Employees' Retirement System

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

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(6) RETIREMENT PLANS (Continued)

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

Funding Policy: Plan A members of the Municipal Employees' Retirement System are required by state statute to contribute 9.25% of their annual covered salary and the Town (as the employer) is required to contribute at an actuarially determined rate. The current employer rate is 5.75% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is additionally funded by the State of Louisiana through the annual legislative appropriation. The Town of Sunset's employer contributions to the Municipal Employees' Retirement System for the years ended June 30, 1999, 1998, 1996, were \$9,236, \$8,417, \$8,395, respectively, and were equal to the required contribution for each year.

Municipal Police Employees' Retirement System

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

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

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

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

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

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(6) RETIREMENT PLANS (Continued)

are established by state statute at 9% of the employee's earnable compensation excluding overtime but including state supplemental pay. In addition, according to state statute, the system receives the difference in the actuarially required employer contribution and the estimated actual employer contributions in insurance premium tax. This tax is appropriated by the legislature each year based on an actuarial study. The Town of Sunset's employer contributions to the Municipal Police Employees' Retirement System for the years ended June 30, 1999, 1998 and 1996 were \$1,512, \$2,394, \$1,214, respectively, and were equal to the required contribution for each year.

(7) AD VALOREM TAXES

For the year ended June 30, 1999, the Town of Sunset levied a general tax of 7.35 mills, and a special tax of 1.88 mills on property with assessed valuation totaling \$6,764,620. Total tax levied was \$62,439. Net taxes receivable at June 30, 1999 totaled \$646.

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

(8) RESERVES OF FUND EQUITY

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

	Balance at <u>June 30, 1999</u>
Debt Service Funds	
Reserved for debt retirement	<u>\$37,449</u>
Enterprise Fund	
Reserved for customers' deposits	8,086
Reserved for bond retirement	<u>38,217</u>
	<u>46,303</u>
<u>Total reserves of fund equity</u>	<u>83,752</u>

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(9) DEDICATION OF SALES TAX PROCEEDS

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

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

(10) PROPRIETARY FUNDS - RESTRICTED ASSETS

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

Debt service	\$54,574
Customers' deposits	<u>40,175</u>
	<u>94,749</u>

(11) CONTRIBUTED CAPITAL

Contributed capital on June 30, 1999 consists of:

Contributions from federal agencies	\$1,430,584
Contributions from state grants	282,788
Contributions from Town of Sunset	
Special Revenue Fund	496,079
Capital Projects Fund	<u>107,651</u>
	<u>2,317,102</u>

(12) PROPRIETARY FUND - CHANGES IN DEBT

The following is a summary of changes in Proprietary Fund debt for the year ended June 30, 1999:

<u>Description of Debt</u>	<u>Balance at</u> <u>July 1, 1998</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance at</u> <u>June 30, 1999</u>
\$410,000 of Utilities Revenue				
Bonds dated February 17, 1998	\$ <u>375,061</u>	—	\$ <u>15,617</u>	\$ <u>359,444</u>
	<u>375,061</u>	<u>-0-</u>	<u>15,617</u>	<u>359,444</u>



TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(12) PROPRIETARY FUND - CHANGES IN DEBT (Continued)

The annual requirements to retire debt as of June 30, 1999, are as follows:

<u>Years Ended</u> <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2000	\$15,781	\$15,346	\$31,127
2001	16,506	14,621	31,127
2002	17,264	13,863	31,127
2003	18,057	13,070	31,127
2004	18,887	12,240	31,127
2005-2009	108,273	47,359	155,632
2010-2014	135,536	20,096	155,632
2015	<u>29,140</u>	<u>799</u>	<u>29,939</u>
	<u>359,444</u>	<u>137,394</u>	<u>496,838</u>

(13) PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUND

A summary of property, plant, and equipment of the Enterprise Fund at June 30, 1999 is as follows:

<u>Description</u>	<u>Life in</u> <u>Years</u>	<u>Cost</u>	<u>Accumulated</u> <u>Depreciation</u>	<u>Net</u>	<u>Depreciation</u> <u>This Year *</u>
Land		\$50,208		\$50,208	
Waterworks and gas systems	10	1,591,852	\$1,293,612	298,240	\$56,112
Sewer plant and line extensions	10	2,545,975	1,561,019	984,956	150,631
Equipment	5	<u>34,408</u>	<u>21,442</u>	<u>12,966</u>	<u>6,241</u>
<u>Total</u>		<u>4,222,443</u>	<u>2,876,073</u>	<u>1,346,370</u>	<u>212,984</u>

Changes During the Year

<u>BALANCE</u> , beginning of year	\$4,222,443	\$2,663,089
Additions:		
Depreciation	<u>                    </u>	<u>212,984</u>
<u>BALANCE</u> , end of year	<u>4,222,443</u>	<u>2,876,073</u>

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

*Altemen*

CLAYTON BABINEAUX  
DARTON BEESON, JR.  
JOSEPH E. MUEHL  
VIVIAN S. OLMIER  
PATRICK RICHARD

NURZA GILLY  
Town Supervisor

*Town of Sunset*

*856 Napoleon Avenue*

*Sunset, Louisiana*

*70084*

*(818) 669-5296*

*STATE OF LOUISIANA*

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

Dear Sirs:

The Town of Sunset, Louisiana respectfully submits the following Corrective Action Plan for the year ended June 30, 1999.

Name and address of independent public accounting firm:

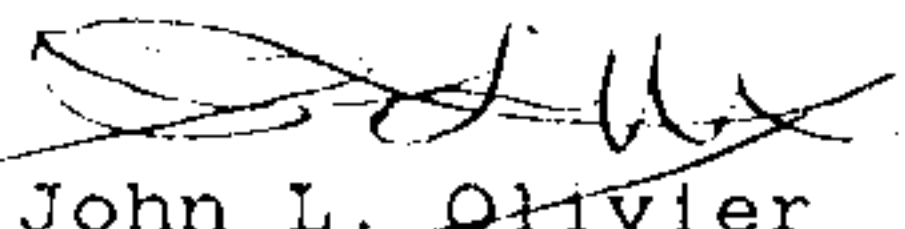
John S. Dowling & Company  
P.O. Box 433  
Opelousas, La. 70571-0433

The findings from the Independent Accountant's Audit Report for the year ending, June 30, 1999, is discussed below. The finding is numbered consistently with the number assigned in the report.

1999-1 Budget Adoption and Amendment: the Town of Sunset will take necessary action to see that the current operating budget for the year end will be if necessary amended by June 30, 2000. Also, the budget for the year end June 30, 2001, will be adopted on or before June 30, 2000.

If you need additional information please contact us.

Sincerely,

  
John L. Olivier  
Mayor

*Lache pas la Patate*

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(14) CHANGES IN GENERAL FIXED ASSETS

The following is a summary of changes in general fixed assets for the year ended June 30, 1999:

	Balance, July 1, <u>1998</u>	<u>Additions</u>	<u>Retirements</u>	Balance, June 30, <u>1999</u>
Buildings and land	\$222,156	\$123,880	\$4,200	\$341,836
Equipment	197,459	281,044		478,503
Other structures and improvements	<u>808,693</u>	—	<u>764,855</u>	<u>43,838</u>
<u>Total</u>	<u>1,228,308</u>	<u>404,924</u>	<u>769,055</u>	<u>864,177</u>

(15) GENERAL FIXED ASSETS

During the 1999 fiscal year, the Town of Sunset conducted a physical inventory of all fixed assets of the Town. The Town of Sunset assigned estimated values to all general fixed assets for which no original cost could be obtained.

The Town of Sunset adopted a resolution on November 12, 1998 to no longer capitalize infrastructure as general fixed assets. Street improvements which were recorded as general fixed assets were removed as of June 30, 1999.

(16) CHANGES IN LONG-TERM DEBT

The general long-term debt as of June 30, 1999 follows:

<u>General Obligation</u>	<u>Original Amount</u>	<u>Interest Rate</u>	Balance Outstanding <u>7/1/98</u>	Issued (Retired) During <u>Year</u>	Balance Outstanding <u>6/30/99</u>
General Obligation Bonds 4/01/88	\$200,000	9.00%	\$140,000	\$10,000	\$130,000
	<u>200,000</u>		<u>140,000</u>	<u>10,000</u>	<u>130,000</u>

The annual requirements to retire long-term debt as of June 30, 1999, are as follows:

<u>Years Ended June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2000	\$10,000	\$10,235	\$20,235
2001	10,000	9,485	19,485
2002	10,000	8,725	18,725
2003	15,000	7,955	22,955
2004	15,000	6,785	21,785
2005-2008	<u>70,000</u>	<u>14,800</u>	<u>84,800</u>
	<u>130,000</u>	<u>57,985</u>	<u>187,985</u>

TOWN OF SUNSET, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 1999

(17) UTILITY REVENUE BOND

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

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

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

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

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

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

TOWN OF SUNSET, LOUISIANA  
GENERAL FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$47,167	\$46,038
Investments	34,646	76,806
Restricted asset		
Cash - Police department	946	
Receivables, net of allowance for uncollectibles		
Property taxes	515	198
From other governments	6,833	5,889
Franchise taxes	21,890	21,109
Interest receivable	96	191
From other funds	10,316	10,131
Grants		3,286
Other	<u>5,681</u>	<u>6,023</u>
<u>Total assets</u>	<u>128,090</u>	<u>169,671</u>
 <u>LIABILITIES AND FUND BALANCE</u>  		
<u>LIABILITIES</u>		
Bank overdrafts	\$10,554	\$1,119
Accounts payable	4,732	5,513
Due to other funds	8,661	8,906
Deferred revenue	<u>4,708</u>	
<u>Total liabilities</u>	<u>28,655</u>	<u>15,538</u>
 <u>FUND BALANCE</u>		
Unreserved, undesignated	<u>99,435</u>	<u>154,133</u>
<u>Total liabilities and fund balance</u>	<u>128,090</u>	<u>169,671</u>



TOWN OF SUNSET, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE	
	<u>BUDGET</u>	<u>ACTUAL</u>	FAVORABLE	1998
			(UNFAVORABLE)	<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes	\$127,116	\$127,786	\$670	\$129,654
Licenses and permits	68,889	75,140	6,251	63,255
Intergovernmental	30,226	27,177	(3,049)	44,247
Charges for services	7,100	6,770	(330)	8,092
Fines and forfeits	22,546	27,383	4,837	35,076
Investment income	3,496	3,203	(293)	4,429
Miscellaneous	<u>42,029</u>	<u>40,038</u>	<u>(1,991)</u>	<u>50,271</u>
Total revenues	<u>301,402</u>	<u>307,497</u>	<u>6,095</u>	<u>335,024</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative	197,602	200,507	(2,905)	204,514
Street department	108,390	110,920	(2,530)	96,593
Police department	300,649	299,955	694	281,584
Fire department	12,632	13,318	(686)	11,498
Park department		7,531	(7,531)	
Health and welfare	<u>1,032</u>	<u>1,215</u>	<u>(183)</u>	<u>1,337</u>
Total expenditures	<u>620,305</u>	<u>633,446</u>	<u>(13,141)</u>	<u>595,526</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>EXPENDITURES</u>	<u>(318,903)</u>	<u>(325,949)</u>	<u>(7,046)</u>	<u>(260,502)</u>
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in	<u>251,530</u>	<u>271,252</u>	<u>19,722</u>	<u>320,682</u>
Total other financing sources	<u>251,530</u>	<u>271,252</u>	<u>19,722</u>	<u>320,682</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER)</u>				
<u>EXPENDITURES AND OTHER USES</u>	<u>(67,373)</u>	<u>(54,697)</u>	<u>12,676</u>	60,180
<u>FUND BALANCE, beginning of year</u>		<u>154,133</u>		<u>93,953</u>
<u>FUND BALANCE, end of year</u>		<u>99,436</u>		<u>154,133</u>

TOWN OF SUNSET, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF REVENUES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
<u>TAXES</u>				
Property taxes	\$49,335	\$49,221	\$(114)	\$47,831
Franchise - electric	65,381	65,454	73	69,802
Franchise - telephone	10,800	11,515	715	9,668
Franchise - cable television	<u>1,600</u>	<u>1,596</u>	<u>(4)</u>	<u>2,353</u>
<u>Total taxes</u>	<u>127,116</u>	<u>127,786</u>	<u>670</u>	<u>129,654</u>
<u>LICENSES AND PERMITS</u>				
Occupational licenses	67,151	72,988	5,837	61,473
Plumbers' licenses	250	300	50	250
Building permits	<u>1,488</u>	<u>1,852</u>	<u>364</u>	<u>1,532</u>
<u>Total licenses and permits</u>	<u>68,889</u>	<u>75,140</u>	<u>6,251</u>	<u>63,255</u>
<u>INTERGOVERNMENTAL</u>				
State beer tax	5,866	5,722	(144)	4,098
State tobacco tax	11,450	11,450		11,450
Housing Authority	6,461	6,842	381	5,889
Office of Family Support				117
Cops Fast Grant	<u>6,449</u>	<u>3,163</u>	<u>(3,286)</u>	<u>22,693</u>
<u>Total intergovernmental</u>	<u>30,226</u>	<u>27,177</u>	<u>(3,049)</u>	<u>44,247</u>
<u>CHARGES FOR SERVICES</u>				
Grass cutting	7,100	6,770	(330)	7,972
House moving				<u>120</u>
<u>Total charges for services</u>	<u>7,100</u>	<u>6,770</u>	<u>(330)</u>	<u>8,092</u>
<u>FINES AND FORFEITS</u>				
Court fines	21,000	23,537	2,537	35,076
DMV and DWI	<u>1,546</u>	<u>3,846</u>	<u>2,300</u>	<u>      </u>
<u>Total fines and forfeits</u>	<u>22,546</u>	<u>27,383</u>	<u>4,837</u>	<u>35,076</u>
<u>INVESTMENT INCOME</u>				
Interest income	<u>3,496</u>	<u>3,203</u>	<u>(293)</u>	<u>4,429</u>
<u>MISCELLANEOUS</u>				
Court costs	9,390	9,416	26	17,227
Video poker fees	6,200	6,623	423	5,887
Other	5,651	3,148	(2,503)	2,780
Fire department donations	1,603	1,603		
Fire insurance rebates	4,450	4,450		4,312
First Response donations	3,612	3,625	13	3,665
Gym rental	1,543	1,593	50	600
Franco Fete donations	880	880		800
Donations	200	200		15,000
Gain on sale of fixed assets	<u>8,500</u>	<u>8,500</u>		<u>      </u>
<u>Total miscellaneous</u>	<u>42,029</u>	<u>40,038</u>	<u>(1,991)</u>	<u>50,271</u>
<u>Total revenues</u>	<u>301,402</u>	<u>307,497</u>	<u>6,095</u>	<u>335,024</u>

TOWN OF SUNSET, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE	1998
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u> <u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>GENERAL AND ADMINISTRATIVE</u>				
<u>Personal services</u>				
Salaries - Mayor and Councilmen	\$25,200	\$25,200		\$25,200
Salaries - Clerk and Town Supervisor	66,000	65,704	\$296	58,215
Payroll taxes	5,169	5,158	11	4,570
Retirement	6,767	7,518	(751)	6,811
<u>Supplies</u>				
Office supplies and postage	5,565	4,871	694	4,868
Uniforms	224	186	38	593
<u>Other</u>				
Insurance	26,856	29,552	(2,696)	33,703
Utilities	2,092	2,071	21	2,283
Travel, conventions and conferences	15,213	13,160	2,053	9,279
Telephone	1,849	2,140	(291)	2,265
Legal and accounting	25,524	27,067	(1,543)	25,768
Repairs and maintenance	986	902	84	883
Miscellaneous	3,700	4,206	(506)	3,979
Publications and notices	630	183	447	652
Dues and subscriptions	1,558	2,586	(1,028)	1,351
Franco Fete expenses	964	1,060	(96)	
Election expense	832	832		
Tax roll and assessor's expense	1,015		1,015	986
Tourism	1,800	1,797	3	400
Consulting				3,614
Christmas in Sunset	168	168		
Advertising		488	(488)	
<u>Capital Outlay</u>				
Equipment, buildings, land and improvements	<u>5,490</u>	<u>5,658</u>	<u>(168)</u>	<u>19,094</u>
<u>Total executive and administrative</u>	<u>197,602</u>	<u>200,507</u>	<u>(2,905)</u>	<u>204,514</u>
<u>STREET DEPARTMENT</u>				
<u>Personal Services</u>				
Salaries	38,579	38,502	77	34,768
Payroll taxes	3,027	3,022	5	2,625
Retirement	924	1,319	(395)	910
<u>Supplies</u>				
Materials and supplies	3,903	3,485	418	2,394
Uniforms	264	264		276

This statement continued on next page.

TOWN OF SUNSET, LOUISIANA  
 GENERAL FUND  
 DETAILED SCHEDULE OF EXPENDITURES  
 BUDGET AND ACTUAL (CONTINUED)  
 FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	1999		VARIANCE FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
<u>STREET DEPARTMENT - Continued</u>				
<u>Other</u>				
Engineering	\$7,062	\$7,062		
Repairs and maintenance	2,663	2,309	\$354	\$1,168
Miscellaneous	1,641	1,379	262	2,553
Shells, dirt	598	809	(211)	3,595
Utilities	24,778	24,760	18	25,820
Insurance	18,797	19,970	(1,173)	17,583
Diesel	2,246	409	1,837	481
Dump truck expense	476	484	(8)	524
Tractor	104	106	(2)	1,089
Animal control	406	385	21	295
Backhoe expense	22	28	(6)	658
Utility shed	1,064	898	166	621
Station	1,270	2,351	(1,081)	555
Gasoline	566	578	(12)	678
<u>Capital Outlay</u>				
Equipment and improvements		2,800	(2,800)	
<u>Total street department</u>	<u>108,390</u>	<u>110,920</u>	<u>(2,530)</u>	<u>96,593</u>
<u>POLICE DEPARTMENT</u>				
<u>Personal Services</u>				
Salaries	170,410	166,259	4,151	165,830
Payroll taxes	13,683	13,912	(229)	14,038
Retirement	1,556	1,512	44	2,587
<u>Supplies</u>				
Office supplies and postage	9,311	9,443	(132)	4,975
Uniforms	5,030	4,862	168	2,238
Supplies and repairs	3,791	3,968	(177)	3,082
<u>Other</u>				
Insurance	60,079	51,250	8,829	56,242
Telephone	5,596	6,112	(516)	4,914
Repairs - radio and radar	1,478	3,414	(1,936)	1,106
Prisoners' meals	827	1,244	(417)	1,372
Auto expense	11,772	11,366	406	5,708
Dues and subscriptions	120	100	20	100
Conventions and conferences	205	581	(376)	60
Miscellaneous	3,136	3,354	(218)	1,720
Utilities	3,337	3,145	192	3,438
Travel	778	890	(112)	87
Gasoline	5,893	5,427	466	7,147

This statement continued on next page.

TOWN OF SUNSET, LOUISIANA  
GENERAL FUND  
DETAILED SCHEDULE OF EXPENDITURES  
BUDGET AND ACTUAL (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		<u>VARIANCE</u>	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>FAVORABLE</u>	<u>1998</u>
			<u>(UNFAVORABLE)</u>	<u>ACTUAL</u>
<u>POLICE DEPARTMENT - Continued</u>				
<u>Other (Continued)</u>				
Civil defense		\$1,757	\$(1,757)	\$2,392
Legal and professional	\$2,291	1,859	432	3,632
Drug testing	1,356	1,212	144	916
<u>Capital outlay</u>				
Equipment		8,288	(8,288)	
<u>Total police department</u>	<u>300,649</u>	<u>299,955</u>	<u>694</u>	<u>281,584</u>
<u>FIRE DEPARTMENT</u>				
<u>Supplies</u>				
Supplies and repairs	1,896	2,037	(141)	3,477
Uniforms	157	384	(227)	154
Office supplies	1,665	1,550	115	250
<u>Other</u>				
Insurance	4,618	4,922	(304)	4,319
Utilities	991	992	(1)	816
Telephone	1,215	1,265	(50)	1,411
Banquet	583	687	(104)	60
Miscellaneous	489	550	(61)	300
Conventions and conferences	615	550	65	403
Dues	103	85	18	97
Gasoline	300	296	4	211
<u>Total fire department</u>	<u>12,632</u>	<u>13,318</u>	<u>(686)</u>	<u>11,498</u>
<u>PARK DEPARTMENT</u>				
<u>Capital Outlay</u>				
Park improvements		7,531	(7,531)	
<u>Total park department</u>	<u>-0-</u>	<u>7,531</u>	<u>(7,531)</u>	<u>-0-</u>
<u>HEALTH AND WELFARE</u>				
<u>Other</u>				
Grass cutting	1,032	1,215	(183)	1,337
<u>Total expenditures</u>	<u>620,305</u>	<u>633,446</u>	<u>(13,141)</u>	<u>595,526</u>

SPECIAL REVENUE FUND

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

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

TOWN OF SUNSET, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
Cash	\$540	\$5,973
<u>Total assets</u>	<u>540</u>	<u>5,973</u>
<u>LIABILITIES AND FUND BALANCE</u>		
<u>LIABILITIES</u>		
<u>Total liabilities</u>	<u>-0-</u>	<u>-0-</u>
<u>FUND BALANCE</u>		
Unreserved, undesignated	\$540	\$5,973
<u>Total liabilities and fund balance</u>	<u>540</u>	<u>5,973</u>



TOWN OF SUNSET, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>REVENUES</u>		
Taxes		
Sales tax collections	\$129,600	\$124,748
Interest income	<u>128</u>	<u>329</u>
<u>Total revenues</u>	<u>129,728</u>	<u>125,077</u>
<u>EXPENDITURES</u>		
Current operating		
General and administrative	<u>1,361</u>	<u>1,273</u>
<u>Total expenditures</u>	<u>1,361</u>	<u>1,273</u>
<u>EXCESS OF REVENUES OVER</u>		
<u>(UNDER) EXPENDITURES</u>	<u>128,367</u>	<u>123,804</u>
<u>OTHER FINANCING USES</u>		
Operating transfers out	(133,800)	(141,780)
<u>EXCESS OF REVENUES AND</u>		
<u>OTHER SOURCES OVER (UNDER)</u>		
<u>EXPENDITURES AND OTHER USES</u>	(5,433)	(17,976)
<u>FUND BALANCE, beginning of year</u>	<u>5,973</u>	<u>23,949</u>
<u>FUND BALANCE, end of year</u>	<u>540</u>	<u>5,973</u>

TOWN OF SUNSET, LOUISIANA  
SPECIAL REVENUE FUND  
SALES TAX FUND  
STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>		VARIANCE	
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>(UNFAVORABLE)</u>	1998
				<u>ACTUAL</u>
<u>REVENUES</u>				
Taxes				
Sales tax collections	\$130,520	\$129,600	\$(920)	\$124,748
Interest income	<u>129</u>	<u>128</u>	<u>(1)</u>	<u>329</u>
<u>Total revenues</u>	<u>130,649</u>	<u>129,728</u>	<u>(921)</u>	<u>125,077</u>
<u>EXPENDITURES</u>				
Current operating				
General and administrative				
Collection fees	<u>1,360</u>	<u>1,361</u>	<u>(1)</u>	<u>1,273</u>
<u>Total expenditures</u>	<u>1,360</u>	<u>1,361</u>	<u>(1)</u>	<u>1,273</u>
<u>EXCESS OF REVENUES OVER</u>				
<u>(UNDER) EXPENDITURES</u>	129,289	128,367	(922)	123,804
<u>OTHER FINANCING USES</u>				
Operating transfers out	(121,600)	(133,800)	(12,200)	(141,780)
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>SOURCES OVER (UNDER) EXPENDITURES</u>				
<u>AND OTHER USES</u>	<u>7,689</u>	(5,433)	<u>(13,122)</u>	(17,976)
<u>FUND BALANCE</u> , beginning of year		<u>5,973</u>		<u>23,949</u>
<u>FUND BALANCE</u> , end of year		<u>540</u>		<u>5,973</u>

DEBT SERVICE FUNDS

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

TOWN OF SUNSET, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
JUNE 30, 1999 AND 1998

	PUBLIC IMPROVEMENT BONDS <u>2/01/73</u>	GENERAL OBLIGATION BONDS <u>4/01/88</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
<u>ASSETS</u>				
Cash	\$13,318		\$13,318	\$13,092
Investments		\$30,790	30,790	30,790
Property taxes receivable, net of allowance for uncollectibles		131	131	51
Accrued interest receivable		405	405	500
Due from other funds	<u>7,000</u>	<u>16,254</u>	<u>23,254</u>	<u>23,027</u>
<u>Total assets</u>	<u>20,318</u>	<u>47,580</u>	<u>67,898</u>	<u>67,460</u>
 <u>LIABILITIES AND FUND BALANCE</u>				
<u>LIABILITIES</u>				
Due to other funds	<u>\$15,653</u>	<u>\$10,131</u>	<u>\$25,784</u>	<u>\$25,558</u>
<u>Total liabilities</u>	<u>15,653</u>	<u>10,131</u>	<u>25,784</u>	<u>25,558</u>
 <u>FUND BALANCE</u>				
Reserved for debt service		37,449	37,449	37,237
Unreserved	<u>4,665</u>	<u>          </u>	<u>4,665</u>	<u>4,665</u>
<u>Total fund balance</u>	<u>4,665</u>	<u>37,449</u>	<u>42,114</u>	<u>41,902</u>
<u>Total liabilities and fund balance</u>	<u>20,318</u>	<u>47,580</u>	<u>67,898</u>	<u>67,460</u>

TOWN OF SUNSET, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	PUBLIC IMPROVEMENT BONDS <u>2/01/73</u>	GENERAL OBLIGATION BONDS <u>4/01/88</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
<u>REVENUES</u>				
Taxes				
Property taxes		\$12,589	\$12,589	\$12,082
Interest income		<u>1,814</u>	<u>1,814</u>	<u>2,164</u>
<u>Total revenues</u>	<u>-0-</u>	<u>14,403</u>	<u>14,403</u>	<u>14,246</u>
<u>EXPENDITURES</u>				
Debt service				
Bond principal paid		10,000	10,000	13,000
Interest expense		10,975	10,975	11,965
Legal and paying agent fees		<u>416</u>	<u>416</u>	<u>399</u>
<u>Total expenditures</u>	<u>-0-</u>	<u>21,391</u>	<u>21,391</u>	<u>25,364</u>
<u>EXCESS OF REVENUES OVER (UNDER)</u>				
<u>    EXPENDITURES</u>		(6,988)	(6,988)	(11,118)
<u>OTHER FINANCING SOURCES</u>				
Operating transfers in		<u>7,200</u>	<u>7,200</u>	<u>7,200</u>
<u>EXCESS OF REVENUES AND OTHER</u>				
<u>    SOURCES OVER (UNDER) EXPENDITURES</u>		212	212	(3,918)
<u>    AND OTHER USES</u>				
<u>FUND BALANCES, beginning of year</u>	<u>\$4,665</u>	<u>37,237</u>	<u>41,902</u>	<u>45,820</u>
<u>FUND BALANCES, end of year</u>	<u>4,665</u>	<u>37,449</u>	<u>42,114</u>	<u>41,902</u>

ENTERPRISE FUND

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



TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>ASSETS</u>		
<u>CURRENT ASSETS</u>		
Cash and cash equivalents	\$134	\$134
Receivables, net of allowance for uncollectibles		
Accounts	40,203	40,287
From other funds	1,661	1,661
From other governments	272	3,227
Due from restricted assets	8,761	8,181
Prepaid insurance	2,565	4,277
<u>Total current assets</u>	<u>53,596</u>	<u>57,767</u>
<u>RESTRICTED ASSETS</u>		
Cash		
U.S.D.A. Rural Development excess sewer rate - Sinking Fund	327	431
Sinking Fund	12,144	30,547
Reserve Fund	5,608	8,617
Depreciation and Contingency Fund	10,913	14,347
Customers' meter deposits	3,374	2,845
Investments		
Depreciation and Contingency - CD	25,503	60,655
Customers' meter deposits - CD	36,687	34,942
Interest receivable		
Depreciation and Contingency	79	180
Customers' meter deposits	114	103
<u>Total restricted assets</u>	<u>94,749</u>	<u>152,667</u>
<u>PROPERTY AND EQUIPMENT</u>		
Utility plant, net	<u>1,346,370</u>	<u>1,559,354</u>
<u>Total property and equipment</u>	<u>1,346,370</u>	<u>1,559,354</u>
<u>Total assets</u>	<u>1,494,715</u>	<u>1,769,788</u>

This statement continued on next page.

TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
BALANCE SHEET (CONTINUED)  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>LIABILITIES AND FUND EQUITY</u>		
<u>CURRENT LIABILITIES (from current assets)</u>		
Accounts payable	\$11,475	\$11,387
Bank overdrafts	3,635	9,833
Loan payable		30,000
Due to other funds	<u>1,010</u>	<u>1,010</u>
<u>Total</u>	<u>16,120</u>	<u>52,230</u>
<u>CURRENT LIABILITIES (from restricted assets)</u>		
Customers' deposits	23,328	26,483
Due to operating account	8,761	8,181
Revenue bonds payable	15,781	15,088
Accrued interest payable	<u>576</u>	<u>601</u>
<u>Total</u>	<u>48,446</u>	<u>50,353</u>
<u>Total current liabilities</u>	<u>64,566</u>	<u>102,583</u>
<u>OTHER LIABILITIES</u>		
Revenue bonds payable	<u>343,663</u>	<u>359,973</u>
<u>Total liabilities</u>	<u>408,229</u>	<u>462,556</u>
<u>FUND EQUITY</u>		
Contributed capital		
Contribution from municipality	603,730	603,730
Contribution from federal grants	1,430,584	1,430,584
Contribution from state grants	<u>282,788</u>	<u>282,788</u>
<u>Total contributed capital</u>	<u>2,317,102</u>	<u>2,317,102</u>
Retained Earnings		
Reserved for customers' deposits	8,086	3,226
Reserved for bond retirement	38,217	99,088
Unreserved retained earnings	<u>(1,276,919)</u>	<u>(1,112,184)</u>
<u>Total retained earnings</u>	<u>(1,230,616)</u>	<u>(1,009,870)</u>
<u>Total fund equity</u>	<u>1,086,486</u>	<u>1,307,232</u>
<u>Total liabilities and fund equity</u>	<u>1,494,715</u>	<u>1,769,788</u>

TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>OPERATING REVENUES</u>		
Charges for services		
Gas sales	\$184,424	\$221,390
Water sales	105,279	101,717
Sewer sales	115,977	110,051
Miscellaneous income	<u>5,451</u>	<u>18,717</u>
<u>Total operating revenues</u>	<u>411,131</u>	<u>451,875</u>
<u>OPERATING EXPENSES</u>		
Personal services	81,374	84,240
Contractual services	71,625	98,085
Supplies	20,564	20,326
Other expenses	88,186	107,815
Depreciation	<u>212,984</u>	<u>240,153</u>
<u>Total operating expenses</u>	<u>474,733</u>	<u>550,619</u>
<u>OPERATING LOSS</u>	<u>(63,602)</u>	<u>(98,744)</u>
<u>NONOPERATING REVENUES (EXPENSES)</u>		
Interest income	4,042	9,778
Interest expense	(16,534)	(18,216)
Paying agent fees	<u>          </u>	<u>(334)</u>
<u>Total nonoperating revenues (expenses)</u>	<u>(12,492)</u>	<u>(8,772)</u>
<u>LOSS BEFORE OPERATING TRANSFERS</u>	(76,094)	(107,516)
<u>OPERATING TRANSFERS OUT</u>	<u>(144,652)</u>	<u>(186,102)</u>
<u>NET LOSS</u>	(220,746)	(293,618)
<u>RETAINED EARNINGS, beginning of year</u>	<u>(1,009,870)</u>	<u>(716,252)</u>
<u>RETAINED EARNINGS, end of year</u>	<u>(1,230,616)</u>	<u>(1,009,870)</u>

TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
STATEMENT OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Cash received from customers	\$414,170	\$449,515
Cash payments to suppliers for goods and services	(193,255)	(224,400)
Cash payments to employees for services	(72,892)	(75,419)
<u>Net cash provided by operating activities</u>	<u>148,023</u>	<u>149,696</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>		
Operating transfers - out to other funds	(144,652)	(186,102)
<u>Net cash used for noncapital financing activities</u>	<u>(144,652)</u>	<u>(186,102)</u>
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>		
Acquisition and construction of capital assets		(43,723)
Principal paid on revenue bonds	(15,617)	(37,932)
Interest paid on revenue bonds	(16,559)	(17,854)
Principal paid on loan	(30,000)	(20,000)
Customers' deposits	(3,155)	(1,343)
Construction grant received from state		22,931
Paying agent fees		(334)
<u>Net cash used for capital and related financing activities</u>	<u>(65,331)</u>	<u>(98,255)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Redemption of investments	35,000	58,500
Interest earned on investments	4,132	9,707
Reinvestment of interest earned	(1,593)	(4,586)
<u>Net cash provided by investing activities</u>	<u>37,539</u>	<u>63,621</u>
<u>NET DECREASE IN CASH</u>	<u>(24,421)</u>	<u>(71,040)</u>
<u>CASH AND CASH EQUIVALENTS, beginning of year</u>	<u>56,921</u>	<u>127,961</u>
<u>CASH AND CASH EQUIVALENTS, end of year</u>	<u>32,500</u>	<u>56,921</u>
<u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u>		
Operating income	\$(63,602)	\$(98,744)
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	212,984	240,153
(Increase) decrease in receivables	84	406
(Increase) decrease in prepaid insurance	1,712	225
(Increase) decrease in due from other funds		(506)
(Increase) decrease in due from other governments	2,955	(2,766)
Increase (decrease) in accounts payable	88	816
Increase (decrease) in due to other funds		279
Increase (decrease) in bank overdrafts	(6,198)	9,833
<u>Total adjustments</u>	<u>211,625</u>	<u>248,440</u>
<u>Net cash provided by operating activities</u>	<u>148,023</u>	<u>149,696</u>



TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
SCHEDULE OF OPERATING EXPENSES  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>GAS FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	\$30,708	\$29,733
Payroll taxes	2,484	2,228
Retirement	407	377
<u>Contractual services</u>		
Gas purchases	61,042	86,166
Survey expense	4,650	4,934
Engineering fees		302
<u>Supplies</u>		
Materials and supplies	3,629	1,484
Office supplies and postage	710	779
Uniforms	126	193
<u>Other</u>		
Repairs and maintenance	4,262	12,812
Insurance	13,513	14,107
Miscellaneous	326	1,227
Bad debt expense	622	453
Drug testing	670	610
Truck	1,343	1,921
Gasoline	1,910	2,208
<u>Depreciation</u>	<u>17,102</u>	<u>17,102</u>
<u>Total gas fund expenses</u>	<u>143,504</u>	<u>176,636</u>
 <u>WATER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	35,103	39,049
Payroll taxes	2,609	3,045
Retirement	1,946	2,273
<u>Contractual services</u>		
Consulting expense	100	2,699
Engineering fees	2,264	
<u>Supplies</u>		
Materials and supplies	8,074	10,082
Office supplies and postage	710	897
Uniforms	126	201
<u>Other</u>		
Repairs and maintenance	5,799	6,385
Insurance	14,459	14,839

This statement continued on next page.



TOWN OF SUNSET, LOUISIANA  
ENTERPRISE FUND  
SCHEDULE OF OPERATING EXPENSES (CONTINUED)  
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>WATER FUND EXPENSES</u> - Continued		
<u>Other</u> (Continued)		
Utilities	\$16,180	\$18,538
Bad debt expense	622	453
Telephone	794	825
Gasoline	799	1,192
Truck expense	1,087	235
Miscellaneous	1,224	5,315
<u>Depreciation</u>	<u>45,251</u>	<u>41,755</u>
<u>Total water fund expenses</u>	<u>137,147</u>	<u>147,783</u>
 <u>SEWER FUND EXPENSES</u>		
<u>Personal services</u>		
Salaries	7,081	6,637
Payroll taxes	629	521
Retirement	407	377
<u>Contractual services</u>		
Survey expense	2,985	2,835
Consulting expense	584	1,149
<u>Supplies</u>		
Materials and supplies	6,519	5,868
Office supplies and postage	670	664
Uniforms		158
<u>Other</u>		
Repairs and maintenance	1,475	3,141
Insurance	7,851	5,321
Utilities	12,962	15,874
Miscellaneous	57	77
Telephone	930	1,113
Gasoline	642	650
Bad debt expense	622	453
Truck expense	37	66
<u>Depreciation</u>	<u>150,631</u>	<u>181,296</u>
<u>Total sewer fund expenses</u>	<u>194,082</u>	<u>226,200</u>
 <u>Total operating expenses</u>	 <u>474,733</u>	 <u>550,619</u>

FIDUCIARY FUND TYPES

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

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

TOWN OF SUNSET, LOUISIANA  
FIDUCIARY FUND TYPES  
BALANCE SHEET  
JUNE 30, 1999 AND 1998

	AGENCY FUND - PAYROLL ACCOUNT	
	1999	1998
<u>ASSETS</u>		
Due from other funds	\$410	\$655
<u>Total assets</u>	<u>410</u>	<u>655</u>
<u>LIABILITIES</u>		
Bank overdrafts	\$225	\$536
Due to other funds	185	
Insurance payable	—	119
<u>Total liabilities</u>	<u>410</u>	<u>655</u>

FINANCIAL STATEMENTS OF ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP

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

TOWN OF SUNSET, LOUISIANA  
STATEMENT OF GENERAL FIXED ASSETS  
JUNE 30, 1999 AND 1998

	<u>1999</u>	<u>1998</u>
<u>GENERAL FIXED ASSETS AT COST</u>		
Buildings and land	\$341,836	\$222,156
Equipment	478,503	197,459
Other structures and improvements	<u>43,838</u>	<u>808,693</u>
<u>Total general fixed assets</u>	<u>864,177</u>	<u>1,228,308</u>
<u>INVESTMENTS IN GENERAL FIXED ASSETS FROM</u>		
General Fund	\$462,888	\$827,019
Federal Revenue Sharing Fund	159,358	159,358
State Revenue Sharing Fund	8,411	8,411
Sales Tax Fund	14,360	14,360
Federal Anti-Recession Fund	5,633	5,633
General revenues	25,925	25,925
Federal grants	<u>187,602</u>	<u>187,602</u>
<u>Total investments in general fixed assets</u>	<u>864,177</u>	<u>1,228,308</u>



GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

TOWN OF SUNSET, LOUISIANA  
STATEMENT OF GENERAL LONG-TERM DEBT  
JUNE 30, 1999 AND 1998

	GENERAL OBLIGATION BONDS <u>4/01/88</u>	<u>TOTALS</u>	
		<u>1999</u>	<u>1998</u>
<u>AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u>			
Amount available in Debt Service Fund for debt retirement	\$37,449	\$37,449	\$37,237
Amount to be provided by 2.0 mills property tax	<u>92,551</u>	<u>92,551</u>	<u>102,763</u>
<u>Total available and to be provided</u>	<u>130,000</u>	<u>130,000</u>	<u>140,000</u>
<u>GENERAL LONG-TERM DEBT</u>			
Bonds payable			
Due within one year	\$10,000	\$10,000	\$10,000
Due after one year	<u>120,000</u>	<u>120,000</u>	<u>130,000</u>
<u>Total general long-term debt</u>	<u>130,000</u>	<u>130,000</u>	<u>140,000</u>

RELATED REPORTS

Joel Lanclos, Jr., CPA  
 Russell J. Stelly, CPA  
 Chizal S. Fontenot, CPA  
 James L. Nicholson, Jr., CPA  
 G. Kenneth Pavy, II, CPA  
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 1998

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

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

We have audited the general purpose financial statements of the Town of Sunset, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated August 20, 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 Sunset's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings and questioned costs as finding 1999-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Sunset's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

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

*John S. Dowling + Company*

Opelousas, Louisiana

August 20, 1999

TOWN OF SUNSET, LOUISIANA  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 1999

A. SUMMARY OF AUDIT RESULTS

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

B. 1999 FINDING - FINANCIAL STATEMENT AUDIT

Compliance

1999-1. Budget Adoption and Amendment

Condition:

The Town of Sunset, Louisiana did not amend the budget for the year ended June 30, 1999 or adopt the proposed budget for the year ended June 30, 2000 prior to the fiscal year ended June 30, 1999.

Criteria:

According to LSA-RS 39:1306, state law requires that the proposed budget for the ensuing year be adopted prior to the end of the fiscal year in progress. State law also requires that the budget be properly amended, if needed, by the end of the fiscal year.

Effect:

The Town of Sunset did not follow the proper procedures in amending the current year's budget and adopting the proposed budget.

Recommendation:

The adoption of the proposed and amended budget should be made prior to the end of the fiscal year.



SUPPLEMENTARY INFORMATION

TOWN OF SUNSET, LOUISIANA  
COMBINED SCHEDULE OF BONDS PAYABLE  
JUNE 30, 1999

	<u>INTEREST</u>		<u>ISSUE DATE</u>	<u>FINAL MATURITY DATE</u>	<u>ANNUAL SERIAL PAYMENTS</u>	<u>BONDS</u>			
	<u>RATES</u>	<u>PAYMENT DATES</u>				<u>AUTHORIZED</u>	<u>ISSUED</u>	<u>RETIRED</u>	<u>OUTSTANDING</u>
<u>REVENUE BOND</u>									
Gas, water and sewerage utility	4.50%	17th of each month	2/17/95	3/17/2015	Various	\$410,000	\$410,000	\$50,556	\$359,444
<u>Total revenue bond</u>						<u>410,000</u>	<u>410,000</u>	<u>50,556</u>	<u>359,444</u>
<u>GENERAL OBLIGATION BOND</u>									
General obligation (sewer)	11.00% 8.00%	10/01 04/01	4/01/88	4/01/2008	10,000 (1999-2002) 15,000 (2003-2006) 20,000 (2007-2008)	\$200,000	\$200,000	\$70,000	\$130,000
<u>Total general obligation bond</u>						<u>200,000</u>	<u>200,000</u>	<u>70,000</u>	<u>130,000</u>

TOWN OF SUNSET, LOUISIANA  
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS  
JUNE 30, 1999

	<u>INTEREST</u> <u>RATES</u>	<u>MATURITY</u> <u>DATES</u>	<u>TOTAL BOOK</u> <u>VALUE</u>
<u>GENERAL FUND</u>			
Certificate of Deposit			
Bank of Sunset and Trust Company	4.25%	10/26/99	\$6,337
Certificate of Deposit			
Bank of Sunset and Trust Company	4.25%	8/05/99	6,384
Certificate of Deposit			
Bank of Sunset and Trust Company	4.55%	7/06/99	21,924
<u>DEBT SERVICE FUNDS</u>			
Certificate of Deposit			
Bank of Sunset and Trust Company	4.25%	9/06/99	30,790
<u>ENTERPRISE FUND</u>			
Certificate of Deposit			
Bank of Sunset and Trust Company	4.55%	7/06/99	36,687
Certificate of Deposit			
Bank of Sunset and Trust Company	4.55%	7/06/99	<u>25,504</u>
<u>Total</u>			<u>127,626</u>

TOWN OF SUNSET, LOUISIANA  
 SCHEDULE OF INSURANCE IN FORCE  
 JUNE 30, 1999  
 (UNAUDITED)

INSURER	ASSETS COVERED	TYPE OF COVERAGE	LIMITS OF COVERAGE	EFFECTIVE DATES	
				FROM	TO
Louisiana Municipal Risk Management Agency	Workmen's Compensation	Workmen's Compensation	Statutory	1/01/99	1/01/00
CNA	1977 Chevrolet truck 1983 Ford truck 1985 Ford truck 1988 Ford clubwagon 1992 Dodge truck 1986 Pontiac Grand Am 1979 Ford dump truck 1964 Ford fire truck 1980 Ford fire truck 1992 Ford Crown Victoria 1992 Ford Crown Victoria 1994 Ford Crown Victoria 1997 Ford truck	Liability	\$500,000	2/01/99	2/01/00
Commercial Union Insurance Company	Aquatic Harvester 1984 Ford backhoe	Property damage	\$28,000 \$25,500 \$250 deductible - Inland marine	1/18/99	1/18/00
CNA	Blanket on all properties and buildings of insured	Fire, extended coverage and vandalism	\$500 deductible - Property \$1,384,000	1/18/99	1/18/00
CNA	General liability on premises and operations	Bodily injury Property damage Fire, legal liability Contractual	\$500,000	2/01/99	2/01/00
CNA	Liability on gas system operations	Bodily injury Property damage Fire, legal liability Contractual	\$500,000	2/01/99	2/01/00
CNA	1980 Ford fire truck	Comprehensive Collision	\$500 deductible \$1,000 deductible Limits: \$60,000 truck \$15,000 equipment	2/01/99	2/01/00
CNA	Law enforcement officer	Personal injury Property damage	\$500,000 \$5,000 deductible	2/01/99	2/01/00
Nationwide Life Insurance Company	Volunteer firemen	Health and accident	Accident policy - scheduled	9/04/98	9/04/99
American Liberty	Blanket on employees	Employee Dishonesty Bond	\$60,000	1/17/99	1/17/00
Employers' Mutual Companies	Town Clerk	Employee Dishonesty Bond	\$100,000	1/17/99	1/17/00
Employers' Mutual Companies	Assistant Town Clerk	Employee Dishonesty Bond	\$5,000	1/17/99	1/17/00
CNA	Errors and Omissions	Public officials liability	\$500,000	2/01/99	2/01/00
Western Surety	Town Clerk	Employee Dishonesty Bond	\$5,000	2/01/99	2/01/00

TOWN OF SUNSET, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO GOVERNING BODY  
FOR THE YEAR ENDED JUNE 30, 1999

GENERAL

COMPENSATION TO BOARD MEMBERS

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

	<u>COMPENSATION</u>
John L. Olivier, Mayor	\$7,200
Clayton Babineaux, Alderman	3,600
Dalton Belson, Jr., Alderman	3,600
Robert Carmouche, Alderman	1,800
Vivian Olivier, Alderwoman	3,600
Patrick Richard, Alderman	3,600
Joseph E. Meche, Alderman	<u>1,800</u>
	<u>25,200</u>

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 1998

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the general purpose financial statements of the Town of Sunset, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 20, 1999. 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 58 is not a required part of the general purpose financial statements but is supplementary information 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 Sunset is or will become year 2000 compliant, that the Town of Sunset's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the Town of Sunset does business are or will become year 2000 compliant.

*John S. Dowling + Company*  
 Opelousas, Louisiana  
 August 20, 1999

TOWN OF SUNSET, LOUISIANA  
YEAR 2000 REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 1999

The Town of Sunset, Louisiana, currently uses two computer software packages in their operations which could be affected by the year 2000 issue. The Town of Sunset has updated the accounting software, which is manufactured by CPASoftware, to be year 2000 compliant. The Town of Sunset also uses Utility Data Software package which is year 2000 compliant. If failure of the software would occur, personnel of the Town of Sunset are familiar with maintaining a manual accounting and data system. The Town has inquired of their financial institutions about their systems also being year 2000 compliant. The financial institutions have communicated to the Town of Sunset that extensive testing under state and federal guidelines is currently being performed.



TOWN OF SUNSET, LOUISIANA  
SCHEDULE OF PRIOR YEAR FINDINGS  
FOR THE YEAR ENDED JUNE 30, 1999

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

1998-1 Inadequate records for fixed assets.  
Corrective action taken.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No Findings

SECTION III - MANAGEMENT LETTER

Suggestion 1998-2 Reserve deposits  
Corrective action taken.