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TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 1998

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

Release Date ~~MAR 10 1999~~



Postlethwaite & Netterville

(A Professional Accounting Corporation)

CERTIFIED PUBLIC ACCOUNTANTS

BATON ROUGE • DONALDSONVILLE • GONZALES • NEW ORLEANS • ST. FRANCISVILLE
LOUISIANA

TOWN OF ST. FRANCISVILLE, LOUISIANA

FINANCIAL REPORT

AUGUST 31, 1998



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INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the accompanying general purpose financial statements of the Town of St. Francisville, Louisiana, as of August 31, 1998, and for the year then ended, 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 financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. 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 St. Francisville as of August 31, 1998, and the results of its operations of its governmental funds for the year then ended and the results of its operations and the cash flows of its proprietary fund type for each of the two years in the period ended August 31, 1998 in conformity with generally accepted accounting principles.

As discussed in Note 13, the Town changed its method of accounting for investments in 1998 as required by the provisions of Governmental Accounting Standards Board No. 31.

In accordance with Government Auditing Standards, we have also issued our report dated October 13, 1998 on our consideration of the Town of St. Francisville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund and schedules 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 St. Francisville. Such information 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, except for that information related to the water rates. This information was furnished to us by the town and we express no opinion on it.

Postlethwaite & Netterville

St. Francisville, Louisiana
October 13, 1998



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

To the Honorable Mayor and Members
Of the Board of Aldermen
Town of St. Francisville, Louisiana

We have audited the financial statements of the Town of St. Francisville, Louisiana, as of and for the year ended August 31, 1998 and have issued our report thereon dated October 13, 1998. 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 Town of St. Francisville's 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 no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Town of St. Francisville's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Town of St. Francisville's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings and questioned costs.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we consider the reportable condition described above to be a material weakness.

This report is intended for the information of the Board of Alderman and management. However, this report is a matter of public record and its distribution is not limited.

St. Francisville, Louisiana
October 13, 1998

Postlethwaite & Netterville

TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1998

	Governmental Fund Types			Proprietary Fund Type			Account Groups			(Memorandum Only)	
	General	Special Revenue	Debt Service	Enterprise	Fixed Assets	General Long-Term Debt	General	Fixed Assets	Debt	1998	1997
Cash	\$ 52,608	\$ 361,761	\$ 18,936	\$ 500,112	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 933,417	\$ 1,020,352
Investments	25,781	-	-	730,043	-	-	-	-	-	755,824	438,788
Accounts receivable	-	4,188	-	47,483	-	-	-	-	-	51,671	97,903
Taxes receivable	252	-	-	-	-	-	-	-	-	252	133
Other receivables	15,663	-	-	-	-	-	-	-	-	15,663	14,516
Accrued interest	-	-	-	2,000	-	-	-	-	-	2,000	5,090
Due from other governmental units	4,956	29,706	-	-	-	-	-	-	-	34,662	39,862
Due from other funds	-	7,187	-	53,880	-	-	-	-	-	61,067	61,067
Prepaid insurance	-	-	-	6,618	-	-	-	-	-	6,618	7,090
Restricted assets:											
Cash	-	-	-	97,267	-	-	-	-	-	97,267	86,362
General fixed assets	-	-	-	-	2,356,342	-	-	-	-	2,356,342	2,036,565
Fixed assets, net	-	-	-	428,258	-	-	-	-	-	428,258	453,217
Amount available for debt retirement	-	-	-	-	-	-	18,936	-	-	18,936	18,934
Amount to be provided for general long-term debt	-	-	-	-	-	-	94,250	-	-	94,250	107,540
Total assets	\$ 99,260	\$ 402,842	\$ 18,936	\$ 1,865,661	\$ 2,356,342	\$ 113,186	\$ 4,856,227	\$ -	\$ -	\$ 4,887,419	\$ 4,387,419

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
AUGUST 31, 1998**

	Governmental Fund Types				Proprietary Fund Type			Account Groups			Totals	
					Enterprise			General			(Memorandum Only)	
	General	Special Revenue	Debt Service		Enterprise	Fixed Assets	Long-Term Debt	General	Fixed Assets	Long-Term Debt	1998	1997
LIABILITIES												
Accounts payable	\$ 2,600	\$ 5,194	\$ -	\$ -	\$ 4,762	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 12,556	\$ 65,314
Accrued payables	1,886	2,504	-	-	2,315	-	-	-	-	-	6,705	7,813
Payable from restricted assets:												
Revenue bonds payable - current	-	-	-	-	10,824	-	-	-	-	-	10,824	9,249
Accrued interest	-	-	-	-	5,167	-	-	-	-	-	5,167	6,742
Utility meter deposits	-	-	-	-	31,161	-	-	-	-	-	31,161	28,336
Due to other funds	37,810	514	-	-	22,740	-	-	-	-	-	61,064	61,068
General obligation bonds	-	-	-	-	245,001	-	-	-	-	-	245,001	257,669
Revenue bonds payable	-	-	-	-	-	-	-	-	-	-	-	-
Certificate of indebtedness	-	-	-	-	-	-	106,059	-	-	-	106,059	123,530
Obligations under capital lease	-	-	-	-	-	-	-	-	-	-	-	-
Accumulated unpaid vacation	-	-	-	-	839	-	-	-	7,127	-	7,966	3,783
Total liabilities	42,296	8,212	-	-	322,809	-	113,186	-	7,127	-	486,503	563,504
FUND EQUITY												
Contributed capital	-	-	-	-	374,850	-	-	-	-	-	374,850	374,850
Investment in general fixed assets	-	-	-	-	-	2,356,342	-	-	-	-	2,356,342	2,036,565
Retained earnings:												
Reserved for revenue bond retirement	-	-	-	-	28,501	-	-	-	-	-	28,501	15,656
Reserve for customer deposit	-	-	-	-	13,453	-	-	-	-	-	13,453	-
Unreserved	-	-	-	-	-	-	-	-	-	-	-	-
Fund balance:												
Reserved for debt service	-	-	-	-	18,936	-	-	-	-	-	18,936	18,934
Unreserved - undesignated	56,964	394,630	-	-	1,126,048	-	-	-	-	-	1,577,642	1,377,910
Total fund equity	56,964	394,630	18,936	-	1,542,852	2,356,342	-	-	-	-	4,369,724	3,823,915
Total liabilities and fund equity	\$ 99,260	\$ 402,842	\$ 18,936	\$ 1,865,661	\$ 2,356,342	\$ 113,186	\$ 4,856,227	\$ 4,387,419				

The accompanying notes are an integral part of this statement.

TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
YEAR ENDED AUGUST 31, 1998**

	General	Special Revenue	Debt Service	Totals (Memorandum Only)	
				1998	1997
<u>REVENUES</u>					
Taxes	\$ 38,681	\$ 425,767	\$ -	\$ 464,448	\$ 347,885
Licenses and permits	103,779	-	-	103,779	110,239
Intergovernmental	134,680	-	-	134,680	125,401
Charges for services	-	44,497	-	44,497	48,770
Fines	33,436	-	-	33,436	24,843
Other	119,948	105,786	-	225,734	110,652
Total revenues	<u>430,524</u>	<u>576,050</u>	<u>-</u>	<u>1,006,574</u>	<u>767,790</u>
<u>EXPENDITURES</u>					
General government	121,747	191,455	-	313,202	339,110
Public safety	306,384	-	-	306,384	299,967
Streets	76,713	-	-	76,713	88,440
Sanitation	-	137,885	-	137,885	102,441
Culture and recreation	449	3,194	-	3,643	5,766
Capital outlay	-	19,272	-	19,272	77,663
Debt service:					
Principal retirement	-	-	17,471	17,471	16,903
Interest and fiscal charges	-	-	7,774	7,774	8,342
Total expenditures	<u>505,293</u>	<u>351,806</u>	<u>25,245</u>	<u>882,344</u>	<u>938,632</u>
Excess of revenues over (under) expenditures	<u>(74,769)</u>	<u>224,244</u>	<u>(25,245)</u>	<u>124,230</u>	<u>(170,842)</u>
<u>OTHER FINANCING SOURCES (USES)</u>					
Operating transfers in	140,000	25,000	25,245	190,245	242,789
Operating transfers out	(25,000)	(70,245)	-	(95,245)	(105,599)
Total other financing sources (uses)	<u>115,000</u>	<u>(45,245)</u>	<u>25,245</u>	<u>95,000</u>	<u>137,190</u>
Excess of revenues and other sources over (under) expenditures and other expenditures and other uses	40,231	178,999	-	219,230	(33,652)
<u>FUND BALANCE</u>					
Beginning of year	<u>19,733</u>	<u>215,631</u>	<u>18,936</u>	<u>254,300</u>	<u>287,952</u>
End of year	<u>\$ 59,964</u>	<u>\$ 394,630</u>	<u>\$ 18,936</u>	<u>\$ 473,530</u>	<u>\$ 254,300</u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL
GENERAL, SPECIAL REVENUE AND DEBT SERVICE FUND TYPES
YEAR ENDED AUGUST 31, 1998**

	General Fund		Variance -
	Budget	Actual	Favorable
			(Unfavorable)
<u>REVENUES</u>			
Taxes	\$ 38,600	\$ 38,681	\$ 81
Licenses and permits	121,500	103,779	(17,721)
Intergovernmental	94,570	134,680	40,110
Charges for services	-	-	-
Fines	33,000	33,436	436
Other	108,600	119,948	11,348
Total revenues	<u>396,270</u>	<u>430,524</u>	<u>34,254</u>
<u>EXPENDITURES</u>			
General government	92,350	121,747	(29,397)
Public safety	312,950	306,384	6,566
Streets	88,900	76,713	12,187
Sanitation	-	-	-
Culture and recreation	3,300	449	2,851
Capital outlay	-	-	-
Debt Service:	-	-	-
Principal retirement	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>497,500</u>	<u>505,293</u>	<u>(7,793)</u>
Excess of revenues over (under) expenditures	<u>(101,230)</u>	<u>(74,769)</u>	<u>26,461</u>
<u>OTHER FINANCING SOURCES (USES)</u>			
Operating transfers in	85,000	140,000	55,000
Operating transfers out	-	(25,000)	(25,000)
Total other financing sources (uses)	<u>85,000</u>	<u>115,000</u>	<u>30,000</u>
Excess of revenues and other sources over (under) expenditures and other uses	<u>(16,230)</u>	<u>40,231</u>	<u>56,461</u>
<u>FUND BALANCE</u>			
Beginning of year	<u>19,733</u>	<u>19,733</u>	<u>-</u>
End of year	<u>\$ 3,503</u>	<u>\$ 59,964</u>	<u>\$ 56,461</u>

The accompanying notes are an integral part of this statement.



Special Revenue Funds		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 390,000	\$ 425,767	\$ 35,767
	-	-
	-	-
41,000	44,497	3,497
	-	-
<u>65,800</u>	<u>105,786</u>	<u>39,986</u>
<u>496,800</u>	<u>576,050</u>	<u>79,250</u>
259,600	191,455	68,145
-	-	-
-	-	-
116,900	137,885	(20,985)
	3,194	(3,194)
36,784	19,272	17,512
-	-	-
-	-	-
-	-	-
<u>413,284</u>	<u>351,806</u>	<u>61,478</u>
<u>83,516</u>	<u>224,244</u>	<u>140,728</u>
-	25,000	25,000
<u>(25,250)</u>	<u>(70,245)</u>	<u>(44,995)</u>
<u>(25,250)</u>	<u>(45,245)</u>	<u>(19,995)</u>
58,266	178,999	120,733
<u>215,631</u>	<u>215,631</u>	<u>-</u>
<u>\$ 273,897</u>	<u>\$ 394,630</u>	<u>\$ 120,733</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS - PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1998 AND 1997**

	Totals	
	1998	1997
<u>OPERATING REVENUES</u>		
Charges for services	\$ 642,530	\$ 631,583
<u>OPERATING EXPENSES</u>		
Gas	182,036	193,115
Depreciation	37,605	37,353
Other	637,767	290,217
Total operating expenses	857,408	520,685
Operating income	(214,878)	110,898
<u>NON-OPERATING REVENUES (EXPENSES)</u>		
Investment earnings	69,911	56,722
Interest expense	(16,169)	(20,032)
Grant	311,318	-
Total non-operating revenues (expenses)	365,060	36,690
Income before operating transfers	150,182	147,588
<u>OPERATING TRANSFERS</u>		
Operating transfers in	-	14,128
Operating transfers out	(95,000)	(151,318)
	(95,000)	(137,190)
Net income	55,182	10,398
<u>RETAINED EARNINGS</u>		
Beginning of year	1,112,820	1,102,422
End of year	\$ 1,168,002	\$ 1,112,820

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1998 AND 1997

	<u>Enterprise Funds</u>	
	<u>1998</u>	<u>1997</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	\$ 684,950	\$ 619,698
Cash payments to suppliers for goods and services	(723,612)	(396,343)
Cash payments to employees for services	(102,844)	(92,250)
Net cash provided by operating activities	<u>(141,506)</u>	<u>131,105</u>
CASH FLOWS NONCAPITAL FINANCING ACTIVITIES:		
Grant revenue received	311,318	-
Operating transfers in from other funds	-	14,128
Operating transfers to other funds	(95,000)	(151,318)
Net cash used for noncapital financing activities	<u>216,318</u>	<u>(137,190)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING:		
Principal paid on revenue bond maturities	(11,093)	(7,131)
Acquisition of capital assets	(12,646)	(47,497)
Interest paid on revenue bonds and leases	(17,744)	(21,706)
Net cash used for capital and related financing	<u>(41,483)</u>	<u>(76,334)</u>
CASH FLOWS INVESTING ACTIVITIES:		
Purchase of investment securities	(353,782)	(32,074)
Interest and dividends on investments	66,821	53,651
Net cash provided by investing activities	<u>(286,961)</u>	<u>21,577</u>
Net increase (decrease) in cash	(253,632)	(60,842)
Cash at beginning of year	851,281	912,123
Cash at end of year	<u>\$ 597,649</u>	<u>\$ 851,281</u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPE
YEAR ENDED AUGUST 31, 1998 AND 1997

	<u>Enterprise Funds</u>	
	<u>1998</u>	<u>1997</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	<u>\$ (214,878)</u>	<u>\$ 110,898</u>
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	37,605	37,353
Provision for uncollectible accounts	3,452	3,393
Change in assets and liabilities:		
Accounts receivable	38,968	(11,885)
Due from other funds	-	5,084
Prepaid insurance	472	4,790
Accounts payable	(7,592)	(23,039)
Accrued payables	(2,358)	651
Meter deposits	<u>2,825</u>	<u>3,860</u>
Total adjustments	<u>73,372</u>	<u>20,207</u>
Net cash provided by operating activities	<u><u>\$ (141,506)</u></u>	<u><u>\$ 131,105</u></u>

The accompanying notes are an integral part of this statement.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

The Town of St. Francisville, Louisiana dates from 1785; the date the monastery was built in honor of St. Francis of Assisi.

The Town adopted the provisions of the Lawrason Act on January 23, 1956, and operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the Town of St. Francisville, Louisiana conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:517 and to the guides set forth in the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies and practices:

A. Financial Reporting Entity

GASB Statement 14 establishes criteria for determining the governmental reporting entity and component units that should be included within the reporting entity. Under provisions of this Statement, the Town is considered a primary government, since it is a special purpose government that has a separately elected governing body, is legally separate, and is fiscally independent of other state or local governments. As used in GASB Statement 14, fiscally independent means that the Town may, without the approval or consent of another governmental entity, determine or modify its own budget, levy its own taxes or set rates or charges, and issue bonded debt. The Town also has no component units, defined by GASB Statement 14 as other legally separate organizations for which the elected officials are financially accountable. There are no other primary governments with which the Town has a significant relationship.

B. 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 comprises its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and two broad fund categories as follows:

Governmental Funds

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

TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

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 Fund - Special Revenue Fund is used to account for the proceeds of specific revenue sources 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 Funds

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

Enterprise Funds - Enterprise Funds are 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 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.

C. Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental fund type operations are accounted for on a spending or "financial flow" measurement focus and only current assets and current liabilities are generally included on their balance sheets.

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 not capitalized public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, sidewalks, and drainage improvements. These assets are immovable and of value only to the Town; therefore, the need for cumulative accountability is not significant. No depreciation has been provided on general fixed assets, nor has interest been capitalized.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

All proprietary funds are accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or non-current) associated with their activity are included on their balance sheets.

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

Gas Plant	33 years
Buildings	20 years
Office Equipment	5-10 years
Automotive Equipment	5 years

All fixed assets are stated at historical cost.

D. 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. Those revenues susceptible to accrual are sales taxes, property taxes, intergovernmental revenues and interest revenue. Fines, licenses and permits are not susceptible to accrual because generally they are not measurable until received in cash.

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 principal and interest on long-term debt which is recognized when due.

All proprietary funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements.

E. Budgets and Budgetary Accounting

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

1. A proposed budget is prepared and submitted to the Mayor and Board of Aldermen prior to the beginning of each fiscal year.
2. The proposed budget is published in the official journal and made available for public inspection. A public hearing is called to obtain taxpayer comments.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

3. The budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
4. 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 approval of the Board of Aldermen.
5. All budgetary appropriations lapse at the end of each fiscal year.
6. Budgets for the General, Special Revenue, Debt Service, and Proprietary Funds are adopted in accordance with generally accepted accounting principles (GAAP).
7. Louisiana R.S. 39:1310 requires budgets to be amended when revenue collections plus projected revenue collections for the remainder of a year, within a fund, are failing to meet estimated annual budgeted revenues by five percent or more or expenditures plus projected expenditures for the remainder of the year, within a fund, are exceeding estimated budgeted expenditures by five percent or more. Budgeted amounts are as originally adopted or as amended by the Board of Aldermen.

F. Investments

Under Louisiana Revised Statutes 39:1271 and 33:2955, the Town may invest in United States bonds, treasury notes or certificates, or any other federally insured investment, or in mutual and trust fund institutions, which are registered with the Securities and Exchange Commission, and which have underlying investments consisting solely of and limited to securities of the United States government or its agencies.

Investments are stated at market value.

Investment income includes interest and dividends earned, realized gains and losses and unrealized gains and losses (changes in market value.)

G. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

H. Operating Transfers In and Out

Advances between funds which are not expected to be repaid are accounted for as transfers. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

I. Compensated Absences

Vested or accumulated vacation leave that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. In accordance with the provisions of Governmental Accounting Standards Board Statement No. 16, Accounting for Compensated Absences, amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds as the benefits accrue to employees.

J. Comparative Data

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

K. 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.

L. Statement of Cash Flows

For purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash.

M. Cash

Cash includes demand deposits and interest bearing demand deposits. Under state law, the Town may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any state in the union or the laws of the United States. Further, the Town may deposit funds in time deposits or certificates of deposits with state banks organized under Louisiana law and national banks having principal offices in Louisiana.

N. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (continued)

O. Reclassifications

Certain 1997 balances have been reclassified to conform with the 1998 financial statement presentation.

2. Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of February 28 of each year. Taxes are levied and are actually billed to the taxpayers in November. Billed taxes become delinquent on January 2 of the following year.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessor of West Feliciana Parish. For the year ended August 31, 1998, taxes of 5.42 mills were levied on property with assessed valuations totaling \$7,261,084 and were dedicated for general purposes.

Total taxes levied were \$38,562. Substantially all taxes levied have been collected as of August 31, 1998.

3. Due from Other Governmental Units

Amounts due from other governmental units at August 31, 1998 consisted of the following:

State of Louisiana:		
Tobacco taxes	\$	1,510
Beer taxes		3,446
Town of St. Francisville, Louisiana		<u>29,706</u>
	\$	<u>34,662</u>

4. Fixed Assets

A summary of changes in general fixed assets follows:

	<u>Balance</u> <u>Sept 1, 1997</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>Aug 31, 1998</u>
Improvements other than buildings	\$ 598,557	\$ 300,505	\$ -	\$ 899,062
Buildings	379,418	-	-	379,418
Equipment	532,204	19,272	-	551,476
Land	<u>526,386</u>	<u>-</u>	<u>-</u>	<u>526,386</u>
	<u>\$2,036,565</u>	<u>\$ 319,777</u>	<u>\$ -</u>	<u>\$ 2,356,342</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

4. Fixed Assets (continued)

A summary of proprietary fund type property, plant and equipment at August 31, 1998 follows:

Land	\$ 6,523
Building	16,294
Distribution System	1,593,105
Auto equipment	24,172
Office and other equipment	<u>44,411</u>
	1,684,505
Less: Accumulated depreciation	<u>(1,256,247)</u>
Net	<u>\$ 428,258</u>

5. Changes in Long-Term Debt

The following is a summary of long-term debt transactions for the year ended August 31, 1998:

	<u>Certificates of Indebtedness Series 1992</u>	<u>Revenue Bonds</u>	<u>Accumulated Vacation</u>	<u>Total</u>
Payable, September 1, 1997\$	123,530	\$ 266,918	\$ 2,944	\$ 393,392
Additions	-	-	4,183	4,183
Deletions	<u>(17,471)</u>	<u>(11,094)</u>	-	<u>(28,565)</u>
Payable, August 31, 1998	<u>\$ 106,059</u>	<u>\$ 255,824</u>	<u>\$ 7,127</u>	<u>\$ 369,010</u>

Bonds payable at August 31, 1998 are comprised of the following individual issues:

GENERAL LONG-TERM DEBT

Certificate of Indebtedness

\$184,700, Certificate of Indebtedness - Series 1992, due in annual installments of \$25,245 through 2002, including interest at 6.125%. Secured by firefighting equipment. \$ 106,059

ENTERPRISE FUND

Revenue Bonds

\$325,000 Water Revenue bonds dated April 4, 1988; due in equal annual installments of \$28,837 through April, 2013 with interest at 7.375%. Secured by a pledge of the Town's water revenues. \$ 255,824



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

5. Changes in Long-Term Debt (continued)

The annual requirements to amortize all debt outstanding as of August 31, 1998 including interest of \$196,897 are as follows:

<u>Year Ending August 31,</u>	<u>Certificates of Indebtedness Series 1992</u>	<u>Revenue Bonds</u>	<u>Total</u>
1999	\$ 25,245	\$ 28,837	\$ 54,082
2000	25,245	28,837	54,082
2001	25,245	28,837	54,082
2002	25,245	28,837	54,082
2003	25,245	28,837	54,082
Thereafter	-	288,370	288,370
	<u>\$ 126,225</u>	<u>\$ 432,555</u>	<u>\$ 558,780</u>

The Debt Service Fund has \$18,936 available to service future bonds and related interest payments.

6. Dedicated Revenues

Sales Tax Revenue Fund

Proceeds of the 1% sales and use tax levied by the Town are dedicated to the retirement of Sales and Use Tax general obligation bonds totaling \$300,000 dated January 1, 1971.

Any revenues in excess of the required annual debt service shall be regarded as surplus and may be used by the Town for any lawful purpose.

7. Restricted Assets

Revenue Bonds:

Under the terms of the bond indenture on outstanding Water Revenue bonds, certain income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from the operation of the water system is dedicated to the retirement of said bonds, and are to be set aside into the following special accounts after provision has been made for the payment therefrom of the reasonable and necessary expenses of operating and maintaining the system:

A monthly deposit into the "Revenue Bond and Interest Sinking" account in an amount equal to 1/12th of the principal and the interest falling due on the next annual payment date for the bonds.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

7. Restricted Assets (continued)

A monthly deposit into the "Revenue Bond Reserve" account equal to 5% of the payments to the "Revenue Bond and Interest Sinking" account until such time as there has been accumulated therein a sum equal to the highest combined principal and interest requirements for any year on bonds payable from the "Revenue Bond and Interest Sinking" account. Monies in the "Revenue Bond Reserve" account will be used solely for the purpose of paying principal or and interest on such bonds as to which there would otherwise be a default.

A monthly deposit of \$118 into the "Revenue Bond Contingency" account for the purpose of caring for depreciation, extensions, additions, improvements and replacements necessary to operate properly on the system. Such funds may also be used for the payment of bonds for which there is not sufficient money in the "Revenue Bond and Interest Sinking" account or "Revenue Bond Reserve" account.

The Town of St. Francisville has complied with the above provisions.

Certificate of Indebtedness:

Under the terms of the certificate of indebtedness, income and revenues of every nature earned by the Town is dedicated to the retirement of said certificate and are to be set aside into the following special account:

A monthly deposit into the "Certificate of Indebtedness (1992) Sinking Fund" account 1/12 of the principal and interest falling due on the next principal payment date for the certificate.

The Town of St. Francisville has complied with the above provisions.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

8. Segments of Enterprise Activities

Two services, gas and water, are provided by the Town and are financed by user charges. The significant financial data for the year ended August 31, 1998 for those two services are as follows:

	<u>Gas Utility</u>	<u>Water Utility</u>	<u>Total</u>
Operating revenues	\$ 436,255	\$ 206,275	\$ 642,530
Operating expenses	700,031	157,377	857,408
Depreciation	7,042	30,563	37,605
Operating income	(263,776)	48,898	(214,878)
Operating transfers in (out)	(95,000)	-	(95,000)
Net income (loss)	20,352	34,830	55,182
Property, plant & equipment additions (deletions)	7,312	5,334	12,646
Net working capital	1,248,740	110,855	1,359,595
Total assets	1,331,339	534,322	1,865,661
Revenue bonds payable	-	255,825	255,825
Fund capital	1,306,554	236,298	1,542,852

9. Defined Benefit Pension Plan

Substantially all employees of the Town of St. Francisville are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana and Municipal Police Employees Retirement System of Louisiana. These systems are cost sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Municipal Employee Retirement System of Louisiana (System)

Plan Description. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

9. Defined Benefit Pension Plan (continued)

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

Funding Policy. Under Plan B, members are required by state statute to contribute 5.0 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 3.75% of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System under Plan B for the years ending August 31, 1998, 1997, and 1996 were \$20,266, \$19,492, and \$17,343, respectively, equal to the required contributions for the year.

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description. All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with a least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3-1/3 percent of their final-average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

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

Funding Policy. Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the Town of St. Francisville is required to contribute at an actuarially determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of St. Francisville are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Town of St. Francisville contributions to the System for the years ending August 31, 1998, 1997, and 1996 were \$1,868, \$1,047, and \$ - 0 -, respectively, equal to the required contributions for the year.



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

10. Contingencies

The Town has a lawsuit pending involving various matters at August 31, 1998. In the opinion of management and legal counsel, the Town has adequate legal defenses for the issues raised and the outcome of these matters will not have a significant effect on the Town's financial position at August 31, 1998.

11. Cash and Investments

At year end, the carrying amount of the Town's deposits was \$1,030,684 and the bank balance was \$1,010,591. Of the bank balance, \$371,355 was covered by federal depository insurance and \$639,236 was covered by collateral held by the pledging bank's agent in the Town's name.

The Town's investments are categorized to give an indication of the level of risk assumed by the Town at year-end. Category 1 includes investments that are insured or registered or for which the securities are held by the Town or its agent in the Town's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent in the Town's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the broker or dealer, but not in the system's name.

Investments are stated at market value and all investment activities are conducted through the depository bank and the Town's financial advisor. Investments are held by the Town's paying and/or escrow agents in the Town's name.

	<u>Category</u>			<u>Approximate Market Value</u>
	<u>1</u>	<u>2</u>	<u>3</u>	
Treasury Note	<u>\$ 25,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,781</u>
Total	<u>\$ 25,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,781</u>
LAMP				354,279
Mutual Fund				<u>375,764</u>
Total presented				<u>\$ 755,824</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

NOTES TO FINANCIAL STATEMENTS

12. Interfund Receivables and Payables

The following schedule as of August 31, 1998 represents interfund receivables and payables:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ -	\$ 37,814
Special Revenue Fund	7,187	513
Debt Service	-	-
Enterprise:		
Gas Utility	48,474	-
Water Utility	<u>5,406</u>	<u>22,740</u>
	<u>\$ 61,067</u>	<u>\$ 61,067</u>

13. Prior Period Adjustment

GASB 31 - Accounting and Financial Reporting for Certain Investments and for External Investment Pools has been applied to the August 31, 1998 financial statements. *GASB 31* requires investments to be recorded at fair value. As a result of the application of this *GASB* statement, beginning retained earnings has been restated to record investments at fair value as of August 31, 1997.

	<u>Gas Fund</u>	<u>Combined Enterprise Funds</u>
Retained earnings at beginning of year as previously reported	\$ 1,284,401	\$ 1,147,804
Adjustment to record investments at fair value	<u>45,382</u>	<u>45,382</u>
Retained earnings at beginning of year as restated	<u>\$ 1,239,019</u>	<u>\$ 1,102,422</u>



FINANCIAL STATEMENTS OF
INDIVIDUAL FUNDS AND ACCOUNT GROUPS



GENERAL FUND

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



TOWN OF ST. FRANCISVILLE, LOUISIANA

**GENERAL FUND
COMPARATIVE BALANCE SHEETS
AUGUST 31, 1998 AND 1997**

ASSETS

	<u>1998</u>	<u>1997</u>
Cash	\$ 52,608	\$ 23,864
Due from other governmental units	4,956	4,608
Taxes receivable	252	133
Investments	25,781	25,170
Other receivables	<u>15,663</u>	<u>14,516</u>
Total assets	<u>\$ 99,260</u>	<u>\$ 68,291</u>

LIABILITIES AND FUND BALANCE

Accounts payable	\$ 2,600	\$ 6,550
Due to other funds	37,810	37,814
Accrued payables	<u>1,886</u>	<u>4,194</u>
Total liabilities	42,296	48,558
Fund balance - undesignated	<u>56,964</u>	<u>19,733</u>
Total liabilities and fund balance	<u>\$ 99,260</u>	<u>\$ 68,291</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED AUGUST 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1997

	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
REVENUES				
Ad valorem taxes	\$ 38,600	\$ 38,681	\$ 81	\$ 38,680
Occupational licenses and permits	121,500	103,779	(17,721)	110,239
Intergovernmental				
Tobacco	8,000	9,062	1,062	9,062
Fire insurance	-	3,578	3,578	3,471
Beer	9,000	8,000	(1,000)	7,108
State Revenue Sharing	18,570	18,570	-	5,910
Video Poker	34,000	36,776	2,776	37,828
DOTD maintenance	-	7,446	7,446	7,446
Grants	25,000	51,248	26,248	54,576
Court fines	33,000	33,436	436	24,843
Other Revenue				
Utility franchise	81,000	85,819	4,819	78,192
Miscellaneous	25,000	31,154	6,154	18,551
Cable franchise	-	-	-	4,131
Interest	2,600	2,975	375	3,308
Total revenues	396,270	430,524	34,254	403,345
EXPENDITURES				
GENERAL GOVERNMENT				
General:				
Insurance	20,500	20,042	458	55,250
Payroll taxes	-	1,293	(1,293)	4,948
Salaries	20,500	17,053	3,447	16,957
Professional services	12,500	11,841	659	2,720
Town hall	3,200	3,282	(82)	1,179
Postage	-	424	(424)	438
Printing and publishing	1,100	1,300	(200)	448
Grant expenditures	-	24,553	(24,553)	57,606
Other	34,550	41,959	(7,409)	44,333
Total General	92,350	121,747	(29,397)	183,879
PUBLIC SAFETY				
Police:				
Salaries - Chief of Police	27,300	27,311	(11)	25,775
Salaries - Policemen	122,000	121,116	884	115,079
Salaries - Office	13,700	11,977	1,723	12,790
Employee insurance	15,000	8,452	6,548	12,469
Payroll taxes	14,100	12,120	1,980	13,278
Insurance	-	3,000	(3,000)	2,665
Retirement	-	1,218	(1,218)	821
Gasoline	8,300	8,562	(262)	7,131
Utilities	-	3,859	(3,859)	3,571
Other	38,850	44,351	(5,501)	32,398
Total Police	239,250	241,966	(2,716)	225,977



TOWN OF ST. FRANCISVILLE, LOUISIANA

GENERAL FUND
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
 YEAR ENDED AUGUST 31, 1998
 WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1997

Fire:				
Salaries and wages	9,000	8,736	264	15,597
Payroll taxes	700	646	54	1,193
Insurance	8,500	8,180	320	263
Other	55,500	45,576	9,924	55,516
Total Fire	<u>73,700</u>	<u>63,138</u>	<u>10,562</u>	<u>72,569</u>
Jail:				
Other	-	1,280	(1,280)	1,421
Total Public Safety	<u>312,950</u>	<u>306,384</u>	<u>6,566</u>	<u>299,967</u>
<u>STREETS</u>				
Salaries and wages	30,000	29,048	952	30,128
Payroll taxes	2,300	2,101	199	2,305
Electricity	31,000	30,964	36	30,183
Repairs and maintenance	-	739	(739)	1,853
Employee insurance	1,500	1,227	273	2,674
Street sweeper and tractor	12,500	-	12,500	10,598
Garbage truck	9,300	3,825	5,475	6,910
Backhoe	-	-	-	190
Dump truck	-	3,441	(3,441)	1,812
All other	2,300	5,368	(3,068)	1,787
Total Streets	<u>88,900</u>	<u>76,713</u>	<u>12,187</u>	<u>88,440</u>
<u>CULTURE AND RECREATION</u>				
Other	1,650	-	1,650	-
Ball park	1,650	449	1,201	1,893
Total Culture and Recreation	<u>3,300</u>	<u>449</u>	<u>2,851</u>	<u>1,893</u>
<u>CAPITAL OUTLAY:</u>				
Public Safety:				
General Government	-	-	-	-
Police Department	-	-	-	19,611
Total capital outlay	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,611</u>
<u>TOTAL EXPENDITURES</u>	<u>497,500</u>	<u>505,293</u>	<u>(7,793)</u>	<u>593,790</u>
Excess of revenues over (under) expenditures	<u>(101,230)</u>	<u>(74,769)</u>	<u>26,461</u>	<u>(190,445)</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Transfers in	85,000	140,000	55,000	217,544
Transfers out	-	(25,000)	-	-
	<u>85,000</u>	<u>115,000</u>	<u>55,000</u>	<u>217,544</u>
Excess of revenues and other sources over expenditures and other uses	<u>(16,230)</u>	<u>40,231</u>	<u>81,461</u>	<u>27,099</u>
<u>FUND BALANCE (DEFICIT)</u>				
Beginning of year	<u>19,733</u>	<u>19,733</u>	<u>-</u>	<u>(7,366)</u>
End of year	<u>\$ 3,503</u>	<u>\$ 59,964</u>	<u>\$ 81,461</u>	<u>\$ 19,733</u>



SPECIAL REVENUE FUND

SALES TAX FUND

The Sales Tax Fund accounts for the receipt and use of proceeds of the Town's 1% sales and use tax. These taxes are dedicated to operating expenditures of the sanitary sewer system and to the retirement of the Sales and Use Tax Bonds dated January 1, 1971. All remaining proceeds from the tax may be used by the Town for any lawful corporate purposes.

ECONOMIC DEVELOPMENT FUND

This fund accounts for the Town's expenditures to promote economic development and tourism.



**TOWN OF ST. FRANCISVILLE
 COMBINING BALANCE SHEET
 ALL SPECIAL REVENUE FUNDS
 AUGUST 31, 1998
 WITH COMPARATIVE TOTALS FOR 1997**

	Sales Tax Fund	Economic Development Fund	Totals	
			1998	1997
<u>ASSETS</u>				
Cash	\$ 305,616	\$ 56,145	\$ 361,761	\$ 212,635
Accounts receivable	4,188	-	4,188	8,000
Due from other governmental units	29,706	-	29,706	35,254
Due from other funds	7,187	-	7,187	7,187
Total assets	<u>\$ 346,697</u>	<u>\$ 56,145</u>	<u>\$ 402,842</u>	<u>\$ 263,076</u>
<u>LIABILITIES AND FUND BALANCE</u>				
Liabilities:				
Accounts payable	2,967	2,227	\$ 5,194	\$ 46,410
Accrued payables	2,504	-	2,504	521
Due to other funds	514	-	514	514
Total liabilities	<u>5,985</u>	<u>2,227</u>	<u>8,212</u>	<u>47,445</u>
Fund balance :				
Undesignated	340,712	53,918	394,630	215,631
Total fund balance	<u>340,712</u>	<u>53,918</u>	<u>394,630</u>	<u>215,631</u>
Total liabilities and fund balance	<u>\$ 346,697</u>	<u>\$ 56,145</u>	<u>\$ 402,842</u>	<u>\$ 263,076</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
ALL SPECIAL REVENUE FUNDS
YEAR ENDED AUGUST 31, 1998
WITH COMPARATIVE TOTALS FOR 1997

	Sales Tax Fund	Economic Development Fund	Totals	
			1998	1997
REVENUES				
Taxes:				
Sales tax revenues	\$ 425,767	\$ -	\$ 425,767	\$ 309,205
Charges for services	44,497	-	44,497	48,770
Other	15,852	89,934	105,786	6,470
Total revenues	<u>486,116</u>	<u>89,934</u>	<u>576,050</u>	<u>364,445</u>
EXPENDITURES				
General government				
Executive per diem	7,360	-	7,360	16,181
Financial administration:				
Insurance	15,139	-	15,139	7,644
Employee insurance	11,779	-	11,779	10,915
Professional services	18,171	-	18,171	14,223
Payroll taxes	3,910	-	3,910	5,819
Salaries	54,664	-	54,664	59,885
Town hall	7,837	-	7,837	7,691
Retirement	931	-	931	1,137
Office supplies	4,828	-	4,828	4,746
Printing and publishing	609	-	609	173
Sales tax collector	19,456	-	19,456	17,181
All other	10,755	36,016	46,771	9,636
Total general government	<u>155,439</u>	<u>36,016</u>	<u>191,455</u>	<u>155,231</u>
Sanitation				
Salaries	78,707	-	78,707	64,361
Payroll taxes	5,627	-	5,627	4,924
Utilities	18,548	-	18,548	17,062
Repairs and maintenance	26,728	-	26,728	8,758
Retirement	1,340	-	1,340	1,813
Sewer truck	3,499	-	3,499	1,528
Sewer analysis	1,017	-	1,017	1,392
Uniforms	2,419	-	2,419	1,353
All other	-	-	-	1,250
Total sanitation	<u>137,885</u>	<u>-</u>	<u>137,885</u>	<u>102,441</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE
 ALL SPECIAL REVENUE FUNDS
 YEAR ENDED AUGUST 31, 1998
 WITH COMPARATIVE TOTALS FOR YEAR ENDED AUGUST 31, 1997

	Sales Tax Fund	Economic Development Fund	Totals	
			1998	1997
Culture and Recreation				
Ball park	3,194	-	3,194	3,873
Capital Outlay				
General government	19,272	-	19,272	58,052
Total expenditures	<u>315,790</u>	<u>36,016</u>	<u>351,806</u>	<u>319,597</u>
Excess of revenues over expenditures	170,326	53,918	224,244	44,848
<u>OTHER FINANCING SOURCES (USES)</u>				
Operating transfers out	(70,245)	-	(70,245)	(99,427)
Operating transfers in	25,000	-	25,000	-
Excess of revenues over expenditures and other uses	<u>125,081</u>	<u>53,918</u>	<u>178,999</u>	<u>(54,579)</u>
<u>FUND BALANCE</u>				
Beginning of year	<u>215,631</u>	<u>-</u>	<u>215,631</u>	<u>270,210</u>
End of year	<u>\$ 340,712</u>	<u>\$ 53,918</u>	<u>\$ 394,630</u>	<u>\$ 215,631</u>



ENTERPRISE FUNDS

GAS FUND

The Gas Fund is used to account for the activities of providing natural gas to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.

WATER FUND

The Water Fund is used to account for the activities of providing water services to the residents of the Town. These activities include administration, operation, maintenance, financing and related debt service, and billing and collection.



TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
COMBINING BALANCE SHEET
AUGUST 31, 1998
WITH COMPARATIVE TOTALS FOR 1997**

<u>ASSETS</u>	Gas Utility Fund	Water Utility Fund	<u>Totals</u>	
			1998	1997
<u>CURRENT</u>				
Cash	\$ 421,698	\$ 78,414	\$ 500,112	\$ 764,652
Accounts receivable - net of allowance for uncollectible accounts, 1998 - \$14,000 1997 - \$14,000	32,737	14,746	47,483	89,903
Investments	730,043	-	730,043	368,503
Accrued interest receivable	2,000	-	2,000	5,090
Due from other funds	48,474	5,406	53,880	53,880
Prepaid insurance	3,309	3,309	6,618	7,090
Total current assets	<u>1,238,261</u>	<u>101,875</u>	<u>1,340,136</u>	<u>1,289,118</u>
<u>RESTRICTED CASH</u>				
Meter Deposit Fund	35,264	17,511	52,775	45,626
Debt Sinking Account	-	13,025	13,025	12,722
Debt Reserve Account	-	15,876	15,876	14,134
Debt Contingency Account	-	15,591	15,591	13,880
Total restricted assets	<u>35,264</u>	<u>62,003</u>	<u>97,267</u>	<u>86,362</u>
<u>FIXED ASSETS</u>				
Gas system and equipment - net	57,814	-	57,814	57,544
Water system and equipment - net	-	370,444	370,444	395,673
Total fixed assets	<u>57,814</u>	<u>370,444</u>	<u>428,258</u>	<u>453,217</u>
 Total assets	 <u>\$ 1,331,339</u>	 <u>\$ 534,322</u>	 <u>\$ 1,865,661</u>	 <u>\$ 1,828,697</u>



	Gas	Water	Totals	
	Utility Fund	Utility Fund	1998	1997
<u>LIABILITIES</u>				
<u>CURRENT</u>				
Payable from current assets:				
Accounts payable	\$ 1,890	\$ 2,872	\$ 4,762	\$ 12,354
Accrued expenses	475	1,840	2,315	3,098
Current portion of capital lease	-	-	-	-
Due to other funds	-	22,740	22,740	22,740
Accrued compensated absences	609	230	839	839
Payable from restricted assets:				
Bonds payable in one year	-	10,824	10,824	9,249
Accrued interest payable	-	5,167	5,167	6,742
Customer deposits	21,811	9,350	31,161	28,336
Total current liabilities	24,785	53,023	77,808	83,358
<u>LONG-TERM LIABILITIES</u>				
Bonds payable after one year	-	245,001	245,001	257,669
Total long-term liabilities	-	245,001	245,001	257,669
Total liabilities	24,785	298,024	322,809	341,027
<u>CAPITAL</u>				
<u>CONTRIBUTIONS</u>				
Contributions in aid of construction	17,392	8,962	26,354	26,354
Federal Grant	-	100,000	100,000	100,000
Municipality	29,791	218,705	248,496	248,496
Total contributions	47,183	327,667	374,850	374,850
<u>RETAINED EARNINGS (DEFICIT)</u>				
Reserved				
For revenue bond retirement	-	28,501	28,501	15,656
For customer deposits	13,453	-	13,453	-
Total reserved retained earnings	13,453	28,501	41,954	15,656
Unreserved	1,245,918	(119,870)	1,126,048	1,097,164
Total retained earnings (deficit)	1,259,371	(91,369)	1,168,002	1,112,820
Total capital	1,306,554	236,298	1,542,852	1,487,670
Total liabilities and capital	\$ 1,331,339	\$ 534,322	\$ 1,865,661	\$ 1,828,697

TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN RETAINED EARNINGS
YEAR ENDED AUGUST 31, 1998**

WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1997

	Gas Utility Fund	Water Utility Fund	Totals	
			1998	1997
<u>OPERATING REVENUES</u>				
Charges for services	\$ 436,255	\$ 206,275	\$ 642,530	\$ 631,583
<u>OPERATING EXPENSES</u>				
Gas	182,036	-	182,036	193,115
Depreciation	7,042	30,563	37,605	37,353
Other	510,953	126,814	637,767	290,217
Total operating expenses	700,031	157,377	857,408	520,685
Operating income	(263,776)	48,898	(214,878)	110,898
<u>NON-OPERATING REVENUES (EXPENSES)</u>				
Interest revenue	67,810	2,101	69,911	56,722
Interest expense	-	(16,169)	(16,169)	(20,032)
Miscellaneous revenue	311,318	-	311,318	-
Total non-operating revenues (expenses)	379,128	(14,068)	365,060	36,690
Income before operating transfers	115,352	34,830	150,182	147,588
<u>OPERATING TRANSFERS</u>				
Operating transfers in	-	-	-	14,128
Operating transfers out	(95,000)	-	(95,000)	(151,318)
	(95,000)	-	(95,000)	(137,190)
Net income	20,352	34,830	55,182	10,398
<u>RETAINED EARNINGS</u>				
Beginning of year	1,239,019	(126,199)	1,112,820	1,102,422
End of year	\$ 1,259,371	\$ (91,369)	\$ 1,168,002	\$ 1,112,820



TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
GAS FUND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEARS ENDED AUGUST 31, 1998 AND 1997
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1997**

	Year Ended August 31, 1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>OPERATING REVENUES</u>				
Charges for services	\$ 470,200	\$ 436,255	\$ (33,945)	\$ 438,353
<u>OPERATING EXPENSES</u>				
Gas purchases	200,500	182,036	18,464	193,115
Salaries and wages	75,000	76,650	(1,650)	42,245
Insurance	25,700	21,699	4,001	7,488
Employee insurance	6,300	10,297	(3,997)	4,070
Repairs and maintenance	325,600	348,340	(22,740)	26,922
Depreciation	12,500	7,042	5,458	7,578
Professional services	27,000	13,125	13,875	14,363
Town hall	3,000	2,663	337	5,751
Payroll taxes	6,000	5,366	634	3,232
Retirement	-	1,489	(1,489)	1,134
Utilities	7,500	6,054	1,446	8,134
Truck	-	8,922	(8,922)	1,284
Meter reading service	3,000	3,000	-	3,000
Backhoe	-	-	-	-
Uniforms	2,000	1,818	182	1,354
Postage	1,200	1,168	32	1,004
Office supplies	2,000	1,030	970	2,424
Uncollectible accounts	-	2,293	(2,293)	2,719
Miscellaneous	20,000	7,039	12,961	19,971
Total operating expenses	<u>717,300</u>	<u>700,031</u>	<u>17,269</u>	<u>345,788</u>
Operating income (loss)	<u>(247,100)</u>	<u>(263,776)</u>	<u>(51,214)</u>	<u>92,565</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS

GAS FUND

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 1998
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1997**

	Year Ended August 31, 1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>NONOPERATING REVENUES</u>				
<u>EXPENSES</u>				
Interest revenue	20,000	67,810	47,810	54,250
Interest expense	-	-	-	-
Grant	222,240	311,318	89,078	-
Total nonoperating revenues (expenses)	<u>242,240</u>	<u>379,128</u>	<u>136,888</u>	<u>54,250</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	(4,860)	115,352	85,674	146,815
<u>OPERATING TRANSFERS OUT</u>				
Transfer to general fund	<u>(125,000)</u>	<u>(95,000)</u>	<u>30,000</u>	<u>(128,990)</u>
<u>NET INCOME (LOSS)</u>	(129,860)	20,352	115,674	17,825
<u>RETAINED EARNINGS, beginning</u>	<u>1,239,019</u>	<u>1,239,019</u>	<u>-</u>	<u>1,221,194</u>
<u>RETAINED EARNINGS, ending</u>	<u>\$ 1,109,159</u>	<u>\$ 1,259,371</u>	<u>\$ 115,674</u>	<u>\$ 1,239,019</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

ENTERPRISE FUNDS

WATER FUND

STATEMENT OF REVENUES, EXPENSES, AND CHANGES

IN RETAINED EARNINGS (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL

YEAR ENDED AUGUST 31, 1998

WITH COMPARATIVE ACTUAL AMOUNTS FOR YEAR ENDED AUGUST 31, 1997

	Year Ended August 31, 1998			1997 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
<u>OPERATING REVENUES</u>				
Charges for services	\$ 182,200	\$ 206,275	\$ 24,075	\$ 193,230
<u>OPERATING EXPENSES</u>				
Depreciation	35,000	30,563	4,437	29,775
Salaries and wages	26,252	26,194	58	50,005
Insurance	18,500	17,620	880	8,188
Employee insurance	3,500	3,408	92	3,553
Repairs and maintenance	22,500	20,729	1,771	24,600
Uncollectible accounts	500	1,159	(659)	674
Professional services	27,000	12,887	14,113	13,704
Town hall	1,500	1,288	212	2,518
Payroll taxes	2,100	2,314	(214)	3,825
Retirement	500	433	67	694
Utilities	26,000	25,810	190	19,868
Truck	4,500	4,474	26	3,263
Meter reading service	3,000	3,000	-	3,000
Uniforms	1,000	812	188	1,169
Postage	1,000	954	46	617
Office supplies	1,000	867	133	1,212
Miscellaneous	4,000	4,865	(865)	8,232
Total operating expenses	<u>177,852</u>	<u>157,377</u>	<u>20,475</u>	<u>174,897</u>
Operating income	<u>4,348</u>	<u>48,898</u>	<u>44,550</u>	<u>18,333</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA

**ENTERPRISE FUNDS
WATER FUND**

**STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS (DEFICIT) - BUDGET (GAAP BASIS) AND ACTUAL
YEAR ENDED AUGUST 31, 1998
WITH COMPARATIVE AMOUNTS FOR YEAR ENDED AUGUST 31, 1997**

	Year Ended August 31, 1998			1997 Actual
	Budget	Actual	Variance - Favorable (Unfavorable)	
<u>NONOPERATING REVENUES</u>				
<u>EXPENSES</u>				
Interest revenue	2,000	2,101	101	2,472
Interest expense	(21,000)	(16,169)	4,831	(20,032)
Loss on sale of assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>(19,000)</u>	<u>(14,068)</u>	<u>4,932</u>	<u>(17,560)</u>
<u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u>	(14,652)	34,830	49,482	773
<u>OPERATING TRANSFERS IN (OUT)</u>	<u>20,000</u>	<u>-</u>	<u>20,000</u>	<u>(8,200)</u>
<u>NET INCOME (LOSS)</u>	5,348	34,830	29,482	(7,427)
<u>RETAINED EARNINGS (DEFICIT), Beginning</u>	<u>(126,199)</u>	<u>(126,199)</u>	<u>-</u>	<u>(118,772)</u>
<u>RETAINED DEFICIT, ending</u>	<u>\$ (120,851)</u>	<u>\$ (91,369)</u>	<u>\$ 29,482</u>	<u>\$ (126,199)</u>



OTHER SUPPLEMENTARY INFORMATION



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 1
1 of 2

SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 1998

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Commercial property	Broussard, Bush, & Hurst	03-07-99	\$1,297,000 limit on Town Hall;
Business auto	Broussard, Bush, & Hurst	03-07-99	\$1,000,000 each accident or loss
General liability	Broussard, Bush, & Hurst	03-07-99	\$1,000,000 each loss; \$2,000,000 aggregate
Crime	Broussard, Bush, & Hurst	03-07-99	\$100,000 limit
Equipment Floater	Broussard, Bush, & Hurst	03-07-99	\$185,827 limit
Public Officials Liability	Broussard, Bush, & Hurst	03-07-99	\$1,000,000 each loss; \$2,000,000 aggregate
Law enforcement officer professional liability	Broussard, Bush, & Hurst	03-07-99	\$1,000,000 each loss; \$2,000,000 aggregate
Employee Benefits Liability	Broussard, Bush, & Hurst	03-07-99	\$2,000,000 each loss; \$2,000,000 aggregate
Workers' compensation	La. Municipal Risk Management Agency	10-12-98	Statutory
Surety bonds	Western Surety	10-01-98	\$100,000 town clerk and tax collector; \$10,000 other officials and employees
Position scheduled bond	Western Surety	06-09-99	\$50,000 mayor; \$50,000 town clerk; \$50,000 bookkeeper; \$50,000 plant controller
Notary bond	Western Surety	6-22-02	\$5,000 aggregate

TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 1
2 of 2

SCHEDULE OF INSURANCE IN FORCE
AUGUST 31, 1998

<u>Coverage</u>	<u>Insurance Company</u>	<u>Expiration Date</u>	<u>Liability Limits</u>
Fire department business auto	National Casualty Company	03-07-99	\$1,000,000 liability each loss and aggregate: \$20,000 uninsured motorist each loss and aggregate: Actual cash value physical damage comprehensive and collision
Fire department liability	National Casualty Company	03-07-99	\$2,000,000 general aggregate limit \$240,000 property damage on fire station \$125,000 property damage on contents \$50,000 fire legal liability \$5,000 medical payments
Fire department professional liability	National Casualty Company	03-07-99	\$1,000,000 each claim and aggregate

TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE 2

SCHEDULE OF PRINCIPAL OFFICIALS AND SALARIES
AUGUST 31, 1998

William H. D'Aquilla, Mayor	\$ 9,400
Richard G. Holcomb	600
James R. Leake, Jr.	600
Oscar Robertson, Jr.	600
James Davis	600
Barbara Bonaventure	<u>600</u>
Total	<u>\$ 12,400</u>



TOWN OF ST. FRANCISVILLE, LOUISIANA
SCHEDULE OF WATER RATES
AUGUST 31, 1998
(Unaudited)

SCHEDULE 3

RESIDENTIAL CUSTOMERS

\$6.50 per month for the first 2,000 gallons
\$2.10 per 1,000 or part thereof of the next 5,000 gallons
\$1.20 per 1,000 or part thereof of the next 13,000 gallons
\$.75 per 1,000 or part thereof of all over 20,000 gallons

COMMERCIAL CUSTOMERS

\$35.00 per month for the first 20,000 gallons
\$ 1.20 per 1,000 or part thereof of the next 10,000 gallons
\$.75 per 1,000 or part thereof of all over 30,000 gallons



TOWN OF ST. FRANCISVILLE, LOUISIANA
SUPPLEMENTAL LETTER REQUIRED
BY FARMERS HOME ADMINISTRATION
AUGUST 31, 1998

SCHEDULE 4

- Item #5: Financial compliance with the revenue bond indenture has occurred.
- Item #6: The majority of the adjustments made at August 31, 1998, to the accounting records were minor, immaterial and nonrecurring in nature.
- Item #9: The Town of St. Francisville, Louisiana, is exempt from federal income tax.



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF FINDINGS
YEAR ENDED AUGUST 31, 1998

A. SUMMARY OF AUDIT RESULTS

1. The auditors' report expresses an unqualified opinion on the financial statements of the Town of St. Francisville.
2. One reportable condition disclosed during the audit of the financial statements is reported in Part B. of this schedule. This condition is reported as a material weakness.
3. No instances of noncompliance material to the financial statements of the Town of St. Francisville were disclosed during the audit.

B. FINDINGS-FINANCIAL STATEMENTS AUDIT

REPORTABLE CONDITIONS

1. Internal Control

Condition: There is a lack of segregation of duties due to the limited number of accounting personnel.

Criteria: Segregation of duties should be adequate to provide effective internal control.

Effect: The segregation of duties is inadequate to provide effective internal control.

Recommendation: No action is recommended.

Response: We concur in the finding. It would not be cost effective to hire additional personnel to obtain a segregation of duties.



Postlethwaite & Netterville

A Professional Accounting Corporation
CERTIFIED PUBLIC ACCOUNTANTS

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REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Town of St. Francisville, Louisiana
St. Francisville, Louisiana

Compliance

We have audited the compliance of the Town of St. Francisville, Louisiana, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended August 31, 1998. Town of St. Francisville, State of Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town of St. Francisville, State of Louisiana's management. Our responsibility is to express an opinion on the Town of St. Francisville, State of Louisiana's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town of St. Francisville, State of Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the Town of St. Francisville, State of Louisiana's compliance with those requirements.

In our opinion, the Town of St. Francisville, State of Louisiana, complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended August 31, 1998.

Internal Control Over Compliance

The management of the Town of St. Francisville, State of Louisiana, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town of St. Francisville, State of Louisiana's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control 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 noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the Town of St. Francisville, State of Louisiana, as of and for the year ended August 31, 1998, and have issued our report thereon dated October 13, 1998. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements of the Town of St. Francisville, State of Louisiana. Such information 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.

This report is intended for the information of the audit committee, management, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

Pastthurite J. Mettrivill

Baton Rouge, Louisiana
October 13, 1998



TOWN OF ST. FRANCISVILLE, LOUISIANA

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 1998

<u>Federal Grantor/Pass-through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Agency or Pass-through Number</u>	<u>Federal Expenditures</u>
UNITED STATES DEPARTMENT OF EDUCATION			
Passed through Louisiana Department of Education:			
Drug-Free School and Communities Act	84.186	None	\$ 25,000
Passed through Louisiana Department of Transportation and Development - Federal Aid Project Number ENH-MISC(179)	None	744-63-0001	\$ 285,537
Passed through Louisiana Department of Culture, Recreation, and Tourism			
Main Street Grant			\$ 7,873
Total			<u>\$ 318,410</u>

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the Town of St. Francisville, Louisiana and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

