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TOWN OF HAIGHTON, LOUISIANA

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FINANCIAL STATEMENTS

December 31, 1999

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Release Date: 08-23-00 7

TOWN OF HUNTERTON, LOUISIANA

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INDEPENDENT AUDITOR'S REPORT

The Honorable Billy Nungesser, Mayor
and the Members of the Board of Aldermen of
The Town of Haughton, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Haughton, Louisiana, as of and for the year ended December 31, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town of Haughton, Louisiana'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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatements. 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 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 Haughton, Louisiana, as of December 31, 1999, and the results of its operations and cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also based our report dated April 26, 2000, on our consideration of the Town of Haughton, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining and individual fund financial statements 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 Haughton, 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 presented, in all material respects, in relation to the general purpose financial statements taken as a whole.

Smith Pugh Robinson LLP
Certified Public Accountants

April 26, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWNS OF BELLINGHAM, LUTHERA
 Combined Balance Sheet - All Fund Types and Account Groups
 December 31, 1999

	Governmental Fund Types			Proprietary Fund Types			Account Groups			Totals		
	General	Debt Service	Capital Projects	Enterprise	Quasi-Fund		Long-Term Debt	Trusts	1999	1998	1999	
					Fund	Agency						
Assets												
Cash	\$ 187,119	\$ 180,585	\$ -	\$ 744,127	\$ -	\$ -	\$ -	\$ -	\$ 1,811,830	\$ 1,493,000	\$ 1,811,830	\$ 1,493,000
Accounts receivable (net when applicable, of 60 days for uncollectible)	143,288	-	-	182,819	-	-	-	-	326,107	283,787	326,107	283,787
Investments	6,979	6,981	-	34,656	-	-	-	-	48,616	67,566	48,616	76,110
Accrued interest	2,981	-	-	1,738	-	-	-	-	4,719	6,792	4,719	6,792
Prepaid expenses	6,411	-	-	7,879	-	-	-	-	14,290	20,441	14,290	20,441
Due from other funds	11,820	-	-	2,689	-	-	-	-	14,509	9,115	14,509	9,115
Restricted assets	-	-	-	-	-	-	-	-	-	-	-	-
Cash	-	17,830	-	79,080	-	-	-	-	117,210	113,687	117,210	113,687
Accounts receivable (net when applicable, of 60 days for uncollectible)	-	-	-	60,887	-	-	-	-	60,887	89,614	60,887	89,614
Property, plant and equipment (net of accumulated depreciation)	-	-	-	2,191,874	1,568,116	-	-	-	3,754,108	3,760,919	3,754,108	3,760,919
Accounts payable in Other Service Funds	-	-	-	-	-	-	223,948	-	223,948	213,648	223,948	213,648
Accounts to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	172,482	172,482	172,482	172,482	172,482
Total assets	\$ 3,059,807	\$ 188,585	\$ -	\$ 2,394,628	\$ 1,568,116	\$ -	\$ 223,948	\$ 172,482	\$ 7,754,881	\$ 6,793,887	\$ 7,754,881	\$ 6,793,887

See accompanying notes to financial statements.

	Governmental Fund Type		Proprietary Fund Type		Account Disposit			Totals	
	Capital Projects		Plant/Equip		Special			Maintenance Only	
	Capital Projects	Plant/Equip	Plant/Equip	Plant/Equip	Plant/Equip	Plant/Equip	Plant/Equip	Plant/Equip	Plant/Equip
Liabilities									
Accounts payable	\$ 15,971	\$ -	\$ 11,196	\$ -	\$ -	\$ -	\$ 28,167	\$ 48,311	
Accrued payroll liabilities	4,411	-	-	-	-	-	4,411	2,684	
Due to other funds	-	2,688	11,818	-	-	-	14,496	9,215	
Payable from restricted assets:									
Current portion of bonds payable	-	-	17,276	-	21,008	-	44,576	45,111	
Deposits	-	-	47,981	-	-	-	47,981	68,400	
Grants: alligation bonds payable	-	-	-	-	63,008	-	63,008	63,000	
Revenue bonds payable	-	-	219,387	-	219,387	-	219,387	203,116	
Total liabilities	\$ 20,382	\$ 2,688	\$ 149,478	\$ -	\$ 219,387	\$ -	\$ 364,967	\$ 444,718	
Fund equity:									
Conditional capital	-	-	1,468,381	-	-	-	1,468,381	1,541,000	
Investments in general fund assets	-	-	-	-	1,849,126	-	1,849,126	1,811,653	
Retained earnings:									
Reserved	-	-	18,000	-	-	-	18,000	6,088	
Unreserved	-	-	1,864,760	-	-	-	1,864,760	1,711,568	
Fund balance:									
Reserved for debt service	-	221,848	-	-	-	-	221,848	197,762	
Unreserved	1,528,110	-	-	-	-	-	1,528,110	1,603,790	
Total restricted earnings/fund balances	1,528,110	221,848	1,883,140	-	-	-	1,750,000	1,801,552	
Total fund equity:	1,528,110	221,848	1,883,140	-	1,293,126	-	3,103,104	3,103,104	
Total liabilities and fund equity:	\$ 1,548,592	\$ 224,336	\$ 1,902,618	\$ -	\$ 1,293,126	\$ -	\$ 3,103,104	\$ 3,103,104	

TOWN OF HAUGHTON, LOUISIANA

**Condensed Statement of Revenues, Expenditures, and Changes
in Fund Balances - All Governmental Fund Types
Year Ended December 31, 1999**

	Governmental Fund Types			Totals	
	General	Debt Service	Capital Projects	Disbursements Only	
				1999	1998
Revenues					
Property taxes	\$ 18,447	\$ 36,627	\$ -	\$ 55,074	\$ 54,084
Franchise taxes	98,728	-	-	98,728	43,519
Other taxes	448,096	-	-	448,096	596,589
Licenses and permits	84,145	-	-	84,145	93,860
Grant revenues	86,408	-	-	86,408	217,880
Intergovernmental	77,679	-	-	77,679	44,798
Interest	29,768	3,362	-	33,130	34,839
Fees and benefits	177,281	-	-	177,281	208,815
Other	9,281	416	-	9,697	15,235
Total revenues	885,431	40,425	-	925,856	864,135
Expenditures					
General government	143,854	-	-	143,854	143,438
Public safety	796,972	-	-	796,972	563,176
Street and drainage	67,668	-	-	67,668	79,584
Grant expenditures	-	-	-	-	47,277
Capital outlays	64,004	-	-	64,004	589,889
Debt service:					
Principal retirement	-	26,880	-	26,880	26,880
Interest	-	14,788	-	14,788	26,259
Other	-	624	-	624	-
Total expenditures	1,072,498	42,292	-	1,114,790	983,636
Excess (deficiency) of revenues over expenditures	-187,067	(1,867)	-	(188,934)	(119,501)
Other financing sources (uses):					
Transfers in	21,180	17,174	-	38,354	56,888
Transfers out	(17,174)	-	-	(17,174)	(17,174)
Net other financing sources (uses)	4,006	17,174	-	21,180	39,714
Excess of revenues over expenditures and other financing sources (uses)	-183,061	15,307	-	-167,754	(79,787)
Fund balance at beginning of year	808,179	187,283	-	995,462	1,186,135
Fund balance at end of year	\$ 625,118	\$ 202,590	\$ -	\$ 827,708	\$ 1,106,348

REPORTS OF BOLLINGER, LOT 181A-2A

Combined Statement of Revenues, Expenditures and Changes
in Fund Balances - Budget (GAAP Basis) and Actual - General and Debt Service Fund Types
Year ended December 31, 1999

	General Fund			Debt Service Fund			Variance Favorable (Unfavorable)
	Budget	Actual	Variance (Unfavorable)	Budget	Actual	Variance (Unfavorable)	
Revenues:							
Property taxes	\$ 14,389	\$ 15,147	\$ 758	\$ 21,000	\$ 20,857	\$ 143	\$ 143
Transferable taxes	21,289	20,729	(560)	-	-	-	-
Other taxes	411,221	448,498	37,277	-	-	-	-
License and permits	90,880	94,145	3,265	-	-	-	-
Grant revenue	26,800	46,418	19,618	-	-	-	-
Intergovernmental	26,800	23,879	(2,921)	-	-	-	-
Interest	12,800	19,788	7,288	1,000	1,382	382	382
Fines and forfeits	175,000	177,282	2,282	-	-	-	-
Other	2,800	5,155	2,355	-	29	29	29
Total revenues	855,779	905,442	49,663	22,000	40,247	18,247	18,247
Expenditures:							
General government	116,200	110,294	5,906	-	-	-	-
Police utility	296,875	266,275	30,600	-	-	-	-
Sanita and Sewage	78,900	81,888	2,988	-	-	-	-
Capital outlay	67,000	64,484	2,516	-	-	-	-
Debt service:							
Principal retirement	-	-	-	26,000	26,000	-	-
Interest	-	-	-	84,000	84,789	789	789
Other	-	-	-	400	464	64	64
Total expenditures	652,075	622,561	29,514	30,400	31,253	853	853
Revenues (expenditures) of increased (or decreased) expenditures	194,179	282,877	88,698	(8,400)	(8,006)	394	394
Transfer in	3,128	2,390	(738)	18,000	17,174	826	826
Transfer out	(28,000)	(25,754)	(2,246)	-	-	-	-
Excess of revenues over expenditures and other financing resources (used)	\$ 269,337	\$ 339,863	\$ 70,526	\$ 39,599	\$ 37,924	\$ 1,675	\$ 1,675
Fund balances at beginning of year	98,000	418,047	320,047	6,400	36,148	29,748	29,748
Fund balances at end of year	\$ 891,179	\$ 1,058,319	\$ 167,140	\$ 206,000	\$ 222,648	\$ 16,648	\$ 16,648

See accompanying notes to financial statements.

TOWN OF HAUGHTON, LOUISIANA

Condensed Statement of Revenues, Expenses, and
Changes in Retained Earnings - Proprietary Fund Types
Year Ended December 31, 1998
with Comparative Totals for Year Ended December 31, 1997

	Proprietary Funds	
	1998	1997
Operating Revenues:		
Charges for services	\$ 471,287	\$ 487,134
Other	7,431	9,208
Total operating revenues	<u>478,718</u>	<u>496,342</u>
Operating Expenses:		
Proposed services	98,730	95,878
Contracted services	97,347	87,508
Supplies and materials	49,800	71,152
Utilities	18,056	20,640
Insurance	20,447	28,893
Repairs and maintenance	24,867	21,895
Depreciation	126,888	113,895
Other	11,517	7,878
Total operating expenses	<u>488,642</u>	<u>418,532</u>
Operating Income:	70,076	78,810
Nonoperating Revenues/Expenses:		
Interest Income	20,989	20,445
Interest expense	(17,861)	(18,970)
Total non operating revenues/expenses	<u>3,128</u>	<u>1,574</u>
Income before other financing uses	73,204	80,384
Other Financing Uses:		
Transfer out	(11,808)	(19,178)
Total other financing uses	<u>(11,808)</u>	<u>(19,178)</u>
Net income	61,396	61,206
Amount charged to contribution accounts - depreciation	84,621	26,717
Retained earnings at beginning of year	1,361,568	1,235,866
Prior period adjustment	(7,571)	-
Retained earnings at end of year	<u>\$ 1,438,784</u>	<u>\$ 1,362,569</u>

TOWN OF HUNTERTON, LOUISIANA

Continued Statement of Cash Flows - Proprietary Fund Types
 Year Ended December 31, 1999
 with Comparative Totals for Year Ended December 31, 1998

	Fifty per cent Funds	
	1999	1998
Cash flows from operating activities:		
Operating income	\$ 38,043	\$ 78,849
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	126,688	123,893
Decrease (increase) in accounts receivable	3,807	(8,397)
Decrease (increase) in prepaid expenses	(108)	174
Increase (decrease) in accounts payable	(1,677)	2,882
Increase (decrease) in customer deposits	(1,179)	4,455
Prior period adjustment	17,713	-
Total adjustments	136,395	123,947
Net cash provided by operating activities	180,730	284,796
Cash flows from capital and related financing activities:		
Principal payments	(17,315)	(26,789)
Interest paid	(17,964)	(28,873)
Contributed capital - proceeds from LGDFM	-	41,771
Net cash provided by (used for) capital and related financing activities	(35,279)	(13,891)
Cash flows from noncapital financing activities:		
Operating transfers in (out), net	(21,780)	(19,688)
Net cash used for by noncapital financing activities	(21,780)	(19,688)
Cash flows from investing activities:		
Interest income received	21,179	20,300
Payments for investments	(88,898)	(9,848)
Proceeds from investments	176,899	-
Purchase of fixed assets	(89,456)	(52,198)
Net cash used for investing activities	(79,776)	(91,746)
Net increase in cash and cash equivalents	25,911	164,511
Cash and cash equivalents at beginning of year (including \$79,876 in restricted cash in 1998)	789,827	625,316
Cash and cash equivalents at end of year (including \$79,581 in restricted cash in 1999)	\$ 815,738	\$ 789,827

See accompanying notes to financial statements.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies:

The Town of Haughton, Louisiana (Town), was incorporated April 29, 1898, under the provisions of the Louisiana Act. The Town operates under the Mayor/Board of Aldermen form of government.

The Town of Haughton, Louisiana, complies with Generally Accepted Accounting Principles (GAAP). The Town's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements. Proprietary funds apply Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements, in which case, GASB prevails. GAAP as applicable to governments also conforms to the requirements of Louisiana R.S. 24:501 and to the guide to funds in the *Louisiana Municipal Audit and Accounting Guide* and to the industry guide, *Guide of State and Local Government Units*, published by the American Institute of Certified Public Accountants.

The following is a summary of certain significant accounting policies:

- A. **Reporting Entity** - This report includes all funds and account groups, which are controlled by, or dependent on the Town's Executive and Legislative Branches (the Mayor and Board of Aldermen). Control by or dependence on the Town was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.
- 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 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 purpose for which they are to be spent and the means by which spending activity is controlled. The following funds and group of accounts are used by the Town:

GOVERNMENTAL FUNDS

General Fund - The General Fund is the general operating fund of the Town. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt including principal, interest, and related costs.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities other than those financed by Proprietary Funds.

PROPRIETARY FUNDS

The Proprietary Fund is used to account for the Town's ongoing organizations and activities which are similar in their nature to those found in the private sector. The Proprietary Fund is accounted for on a capital assets source measurement basis, that is the measurement focus is upon determination of net income.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued)

PROFITTERY FUNDS (CONTINUED)

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

ACCUMULATED GROUPS

Accumulated groups are used to establish accounting control and accountability for the Town's general fund assets and general long-term obligations. The following are the Town's account groups:

General/Fixed Assets Account Group - This account group is used to account for fixed assets used in governmental fund type operations for control purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of valuation. No depreciation is recorded on general fixed assets.

General Long-Term Debt Account Group - This account group is established to account for long-term obligations to be financed from government funds.

- C. Basis of Accounting** - The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds 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 funds 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 aggregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

The modified accrual basis of accounting is used by all governmental fund types. 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 the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The government considers property taxes available if they are collected within 60 days after year-end. A one-year availability period is used for revenue recognition for all other governmental revenues. Expenditures are recorded when the related fund liability is incurred.

Some revenues susceptible to accrual are property taxes, franchise taxes, interest revenues and charges for services. Fines, permit and license revenues are not susceptible to accrual because generally they are not measurable until received in cash.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Summary of Significant Accounting Policies (Continued)

C. Basis of Accounting (Continued)

The normal basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded as the same liabilities are incurred.

The preparation of financial statements generally 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

D. Budgets and Budgetary Accounting - The Town follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The Mayor prepares a proposed budget and submits same to the Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
 2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
 3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
 4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
 5. The budget ordinance is structured such that revenues are budgeted by source and appropriations are budgeted by department and by principal object of expenditure. The Board of Aldermen may revise or amend the budget at its discretion during legally convened sessions. Management may amend the budget only below the department level. The 1998 budget was amended to reflect the purchase of a fire truck. The 1999 budget will be amended on June 13, 2000, to reflect the increases in the General Fund budgeted revenue and increases in the general government, police department, fire department, and capital outlay budgeted expenditures. The 1998 budget was amended to conform with the Louisiana statute.
 6. The Town utilizes formal budgetary integration as a management control device for all funds.
- F. Investments - All investments are interest-bearing deposits with original maturity dates in excess of three months and are stated at and which approximate market value. The Town's investments comply with Louisiana Statute (LSA-RS. 33:1903).
- F. Inventory - Inventory of supplies in the Proprietary Fund is not material and is charged to operations as purchased.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements December 31, 1999

1. Summary of Significant Accounting Policies (Continued)

4. **Bad Debt** - Uncollectible amounts due for the customer's utility and of various other accountables are recognized as bad debts through the establishment of an allowance account at the time collection becomes available which would indicate the uncollectibility of the particular receivable. Provisions for uncollectible utility receivables have been deemed necessary. The allowance for uncollectible of various items was \$1,640 and \$1,940 at December 31, 1999 and 1998, respectively.

5. **Property, Plant, and Equipment**

GENERAL FIXED ASSETS ACCOUNT GROUP

Fixed assets in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Public domain ("public-use") general fixed assets, including roads, bridges, water and power, streets and sidewalks, drainage systems and lighting systems are not capitalized along with other general fixed assets. No depreciation has been provided on such assets.

WATER AND SEWER SYSTEM

Additions to the utility plant in service are recorded at cost or, if contributed property, at their estimated fair value or fair market value. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets is recorded by recording cost and accumulated depreciation from the accounts and charging the resulting gain or loss to income.

Depreciation has been calculated on each class of depreciable property using the straight-line basis, with one-half year's depreciation calculated in the year of acquisition. The estimated service lives by asset type are as follows:

Buildings	25-40 Years
Water Conveyance and Treatment Plant	20-40 Years
Transmission and Distribution System	20-40 Years
Equipment	3 & 20 Years

1. **Restricted Assets** - The Debt Service and Enterprise Funds, because of various bond covenants, are required to establish and maintain prescribed amounts of resources consisting of cash and temporary investments that may be used only to service outstanding debt. The Enterprise Funds also receive customer and vendor deposits.
2. **Compensating Balances** - No liability is recorded for reserving accumulating rights to receive vacation or sick pay benefits.
3. **Comparative Data** - Comparative totals for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of changes in the Town's financial position and operations. However, presentation of prior year amounts by fund type has not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements December 31, 1999

1. Summary of Significant Accounting Policies (Continued)

1. **Total Columns on Combined Statements** - Total columns on the combined statements are captioned "Management Only" to indicate that they are prepared only to facilitate financial analysis. Items in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Material in such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.
2. **Statement of Cash Flows** - For the purposes of the statement of cash flows, the Town considers all highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.
3. **Restricted Deposits** - The Water Fund of the Town requires customers to place a deposit before service is rendered. These monies are considered restricted and are held until the customer discontinues service.
4. **Reclassifications** - Certain 1998 accounts were reclassified to conform to 1999 presentation.

2. Cash and Cash Equivalents

At December 31, 1999, the carrying amount of the Town's deposits was \$2,270,899 and the bank balances was \$2,266,899. Of the total bank balances, \$180,000 was covered by federal depository institutions, \$2,156,899 was covered by various accounts, each held as collateral at the Federal Reserve Bank of Atlanta, and the Town's servicing bank agent, in the Town's name. The Town has a three-party subcollateral agreement between the Town, Bank One, and the Federal Reserve Bank of Atlanta.

The carrying amount of the Town's deposits of each fund are comprised of the following:

	Cash and Cash		Total
	Equivalents	Investments	
General Fund	\$ 886,868	\$ 141,268	\$ 1,028,136
Water Service Fund	318,135	-	318,135
Capital Projects	1	-	1
Enterprise Funds	827,411	281,486	1,108,897
	<u>\$ 1,532,415</u>	<u>\$ 422,754</u>	<u>\$ 1,955,169</u>

The Town's deposits are categorized to give an indication of the level of risk assumed by the Town at year end. Category 1 includes deposits 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 deposits for which the securities are held by the counterparty's trust department or agent in the Town's name. Category 3 includes uninsured and unregistered deposits for which the securities are held by the counterparty, or by its trust department or agent but not in the Town's name.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

1. Cash and Cash Equivalents (Continued):

Description	Category			Carrying Amount	Market Value
	1	2	3		
FIDC Invoices	\$ 100,000	\$ -	\$ -	\$ 100,000	\$ 100,000
Various securities	1,260,084	-	-	1,260,084	1,528,378
	<u>\$ 1,260,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,260,084</u>	<u>\$ 1,628,378</u>

Investment pools are under the custody of the Town Clerk. Investing is performed in accordance with investment policies complying with State Statutes and the Town Charter. Pooled funds may be invested in: (1) direct obligations of the United States government or the payment of which the full faith and credit of the United States government is pledged, (2) securities of deposit or savings and loan associations and federally insured banks when secured by acceptable collateral, and (3) savings accounts at savings and loan associations and banks, to the extent fully insured.

1. Ad Valorem Taxes

Ad valorem taxes attach to an assessable item on property as of January 1 of each year. Taxes are levied by the Town in September or October and are actually billed to the taxpayers in November of the same year. Billed taxes become delinquent on January 1 of the following year. Revenues from ad valorem taxes are budgeted on the year billed.

The Town bills and collects its own property taxes using the assessed values determined by the tax assessors of Iberville Parish.

For the year ended December 31, 1999, taxes at the rate of 0.28 mills were levied on property with assessed valuations totaling \$ 4,214,958. Of the total millage levied, 4.59 mills is available for general purposes and 8.64 mills is dedicated for retirement of general obligation bonds.

4. Invoiced Receivables, Payables:

A summary of invoiced receivables and payables is as follows:

	Invoiced Receivable	Invoiced Payable
General Fund	\$ 11,810	\$ -
Debt Service	-	3,688
Capital Projects Fund	-	1
Enterprise Funds	2,699	11,938
	<u>\$ 14,509</u>	<u>\$ 15,627</u>

TOWNSHIP OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

5. Restricted Assets:

Restricted assets consisting of cash and cash equivalents and investments in interest bearing securities of deposit maturing in more than three months at December 31, 1999, are as follows:

2004 Service Fund	
Sales Tax Bond Sinking Fund	\$ 20,000
Sales Tax Bond Reserve Fund	6,044
Contract Bond Payment Due	18,000
Interprets Fund	
Water Revenue Bonds	23,000
Water Revenue Bonds Sinking Fund	28,727
Water Revenue Bonds Reserve Fund	20,000
Customer Deposits	52,500
Contract Deposits	18,000
Total	\$ 178,100

6. Changes in General Fund Assets and Property, Plant, and Equipment:

A summary of changes in general fund assets are follows:

	Balance December 31, 1998	Additions	Depletions	Balance December 31, 1999
Land	\$ 29,450	\$ 8,071	\$ -	\$ 38,521
Buildings and improvements	677,565	-	-	677,565
Equipment	864,716	58,717	20,000	893,133
Total	\$ 1,531,731	\$ 67,004	\$ 20,000	\$ 1,568,128

A summary of proprietary fund-type property, plant, and equipment as of December 31, 1999, is as follows:

	Water Fund	Sewer Fund	Total
Land	\$ 17,280	\$ -	\$ 17,280
Buildings	7,361	8,154	15,515
Water System	1,822,938	-	1,822,938
Sewer System	-	2,872,235	2,872,235
Equipment	68,567	16,095	84,662
	1,893,094	2,888,394	4,811,388
Less accumulated depreciation	(385,389)	(613,870)	(1,011,414)
Property, plant and equipment - net	\$ 1,507,705	\$ 2,274,524	\$ 3,782,229

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

7. Changes in Long-Term Debt:

The following is a summary of bond transactions for the year ended December 31, 1999:

	Proprietary Fund- Revenues	General Obligation	Revenue	Total
Bonds payable on January 1, 1999	\$ 376,490	\$ 79,000	\$ 152,000	\$ 607,490
Issue retired - serial bonds	(17,527)	(40,000)	(16,000)	(43,527)
Bonds payable at December 31, 1999	\$ 358,963	\$ 39,000	\$ 136,000	\$ 533,963

Bonds payable at December 31, 1999, are comprised of the following items:

General Obligation Bonds

\$125,000, 1996 public improvement serial bonds due in annual installments of \$5,000 to \$10,000 through March 3, 2001, interest at 8.00% to 12.00%, collectible on or after March 1, 1997. \$ 80,000

Revenue Bonds

\$425,000, Sales Tax Refunding Bonds, Series 1994, due in annual installments of \$11,000 to \$24,000 through November 1, 2015, interest at 3.75% to 5.0%. 154,000

\$150,000 water revenue bonds, Series A and B, dated February 1, 1993, due in semi-annual installments approximately \$18,470, including interest to yield 6.25%, maturing February 1, 2013. 170,000

Total Bonds Payable \$ 611,000

The annual requirements to amortize all debt outstanding as of December 31, 1999, including interest payments at \$300,000 are as follows:

Year Ending December 31	Sales Tax Refunding Bonds Series 1994	General Obligation Bonds	Proprietary Fund Series A & B	Total
	1994	\$379,000		
2000	\$ 35,650	\$ 18,610	\$ 14,450	\$ 68,710
2001	35,885	19,778	15,870	71,533
2002	36,010	12,540	31,140	80,120
2003	36,130	12,100	32,500	80,730
2004	36,150	11,250	31,950	79,350
2005-2007	320,420	80,890	211,047	612,417
Total	\$ 479,250	\$ 31,508	\$ 379,217	\$ 890,975

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

B. Sinking Fund Requirements

Under the terms of the Sales Tax Refunding Bonds, Series 1994, all proceeds derived from the levy and collection of the one percent (1%) sales tax are to be used in the following order or priority:

- A. The payment of all reasonable and necessary expenses of collection and administration of the tax.
- B. The establishment and maintenance of a Sales Tax Bond Sinking Fund - 1994 sufficient in amount to pay promptly and fully the principal of and the interest on the bonds as they become payable by transferring from the Sales Tax Fund to the Sinking Fund on or before the 20th day of each month, a sum equal to one-twelfth (1/12) of the principal and one-sixth (1/6) of the interest falling due on the next payment date.
- C. The establishment and maintenance of a Sales Tax Bond Reserve Fund - 1994 by transferring a lump sum of \$12,000 and, thereafter, monthly sums that Sales Tax Fund to the Reserve Fund a sum at least equal to five percent (5%) of the amount required to be paid monthly into the Sinking Fund, and to continue until such time as there has been accumulated in the Reserve Fund sums in an amount equal to the ten percent (10%) of the proceeds of the bonds (\$41,400) or the highest combined principal and interest requirements for any succeeding bond year (\$55,040). The money is to be retained solely for the purpose of paying the principal of and interest on bonds payable from the Sinking Fund as to which there would otherwise be a default.
- D. All money accruing to the Sales Tax Fund on the 10th day of the month in excess of these requirements shall be considered surplus. Such surplus may be used by the Town for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bondmaturities of principal of the bond in advance of their payment date.

Under the terms of the 1993 Series A and D water revenue bonds, the following funds are to be maintained with respect to the bonds:

- A. As provided in the Resolution, all income and interest earned or derived from the operation of the System shall be deposited as the same may be collected in the Revenue Fund. Out of the funds so deposited in the Revenue Fund, after the reasonable and necessary expenses of operating and maintaining the System have been paid, monies are to be transferred to the Sinking Fund, the Reserve Fund and/or the Contingency Fund as provided in the Resolution.
- B. The Sinking Fund is designed to achieve a proper matching of revenues and debt service on the bonds and any additional parity bonds within each Bond Year (ending February 1). Amounts transferred from the Revenue Fund and the Reserve Fund and deposited in the Sinking Fund will be applied to the next payment of principal or interest on the bonds following each month. The amount required by the Resolution to make monthly deposits into the Sinking Fund, the Reserve Fund and the Contingency Fund from the Net Revenues, so later than the 10th day of each month in the amount of \$4,386 for 1999. All amounts deposited in the Sinking Fund are expected to be depleted at least once a year on February 1 (the principal and interest payment date for the bonds), except for a reasonable one-year amount which will not exceed the greater of (1) one year's earnings on such funds, or (2) 11% of the annual debt service on the bonds and any additional parity bonds payable thereon.
- C. The Reserve Fund is maintained solely for the purpose of paying the principal of and the interest on bonds payable from the Sinking Fund as to which there would otherwise be a default (except such amounts as may be payable to the United States of America as a return of advance payment to Section 1463 of the Code). A sum of \$10,000 deposited therein simultaneously with the delivery of the bonds and thereafter a monthly payment at least equal to five percent (5%) of the monthly Sinking Fund payment, until an amount equal to the Reserve Fund requirement is accumulated therein.

TOWN OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

8. Sinking Fund Requirements (Continued)

- D. The Contingency Fund is established in care for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, by transferring, from the Sinking Fund on or before the 30th day of each month of each year a sum of \$148. Such payments into the Contingency Fund are to continue over the life of the bonds. In addition to making for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, the money in the Contingency Fund may also be used to pay the principal of and the interest bonds, including any additional pari passu bonds issued hereafter, in the manner provided by the Resolution, for the payment of which there is not sufficient money in the Sinking Fund or Reserve Fund.

9. Retirement Commitments

MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

A. Plan Description

All full-time police department employees engaged in law enforcement are required to participate in the System. Employees who enter or re-enter after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 75% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 30 consecutive or joint 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 enter at the ages specified above and receive the benefits accrued to their day 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, 8400 United Plaza Boulevard, Baton Rouge, Louisiana 70809-1256, or by calling (225) 313-7901.

B. Funding Policy

Plan members are required by state statute to contribute 1.5% of their annual covered salary and the Town of Haughton is required to contribute at an actuarial determined rate. The current rate is 9.0% of annual covered payroll. The contribution requirements of plan members and the Town of Haughton are established and may be amended by state statute. As provided by R.S. 11:183, 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 Haughton's contributions to the system for the years ending December 31, 1995, 1996, and 1997, were \$0.0M, \$1,000, and \$9,409, respectively, equal to the required contributions for each year.

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM)

A. 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 Town are members of Plan A.

TOWN OF HAUGHTON, LOUISIANA

**Notes to Financial Statements
December 31, 1999**

9. Retirement Commitments (continued)

MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA (SYSTEM) (CONTINUED)

A. Plan Description (Continued)

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 Town funds and all elected Town officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 68 with at least 30 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 10 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joint 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 benefits 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 Employees Retirement System of Louisiana, 7901 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-48 00.

B. Funding Policy

Under Plan A, members are required by state statute to contribute an amount equal to 5.25% of their annual covered salary and the Town of Haughton is required to contribute at an actuarially determined rate. The current rate is 5.75% of annual covered payroll. Contributions to the System also include one-fourth of 1% (0.25%) OASDI and the State Average (part) 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 Haughton are established and may be amended by state statute. As provided by R.S. 11:333, the employer's 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 Haughton began this retirement plan in 1999 and contributions to the System under Plan A for the year ending December 31, 1999, was \$1,591, equal to the required contribution for that year.

10. Interfund Operating Transfers:

Individual fund operating transfers for fiscal year 1999 are as follows:

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ 26,108	\$ 17,174
High Service Fund	55,174	-
Waste Fund	-	10,250
Sewer Fund	-	10,250
Solidwaste Fund	-	600
Totals	<u>\$ 81,282</u>	<u>\$ 38,274</u>

TOWNS OF HAUGHTON, LOUISIANA

Notes to Financial Statements
December 31, 1999

10. Other Revenue

Other revenue for the year ended December 31, 1999 in the General Fund consisted of the following:

Voluntary fire department franchise income	\$	1,997
Prior years' payroll tax refunds		2,156
Insurance reserve income		3,051
Rental income		128
Other (sales, police reports, building permits, etc.)		4,877
	\$	<u>12,209</u>

11. Contingents and Contingencies

The Town is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, claims and settlements, injuries to employees, and natural disasters. The Town carries commercial insurance for all risks of loss, including workers' compensation and employer health and accident insurance. Settlements have not exceeded insurance coverage in any of the past three fiscal years.

The Town participates in certain federal and state assisted grant programs. These programs are subject to program compliance audits by the grantors or their representatives. Any liability for reimbursement which may arise as the result of these audits is not believed to be material.

The Town is the defendant in various lawsuits arising principally in normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a material adverse effect on the accompanying financial statements and accordingly, no provision for losses has been recorded.

12. Reserved and Designated Retained Earnings

Enterprise Fund	\$ 12,000
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The Enterprise Fund applies that investments be retained in the names of the Soudan. Fund's performance certificate of deposit from Citizens Soudan.

13. On-Behalf Payments

Six Town police employees received a total of \$29,800 in police supplemental pay and two Town firemen employees received a total of \$8,500 in firemen supplemental pay from the State of Louisiana. The Town is responsible for withholding taxes from these employees and paying the Town's matching portion of social security taxes for the amount of supplemental pay received. The Town must recognize the supplemental pay received by the employees as revenues and expenditures of the Town. The revenue is reported in the General Fund and the expenditures are reported in the Police and Fire Departments.

TOWN OF HAUGHTON, LOUISIANA

**Notes to Financial Statements
December 31, 1998**

15. Prior Period Adjustments

A prior period adjustment was made in the Retrospective Fund - Nondebt for \$1,073. A check for a monthly contractual service expense was written in November, 1998, and did not clear the bank until January, 1999. This check was in the amount of \$7,313 and was not included in outstanding checks as of December 31, 1998. Therefore, to reflect twelve months of contractual service expense for 1998, a prior period adjustment was included in the preparation of these financial statements.

SUPPLEMENTARY INFORMATION

TOWN OF HAUGHTON, LOUISIANA

Schedule of Mayor's and Aldermen's
 Compensation and Reimbursed Expenses
 For the Year Ended December 31, 1999

	<u>Compensation</u>	<u>Reimbursed Expenses</u>	<u>Total</u>
Mayor Mosby	\$ 14,830	\$ 373	\$ 15,203
Alderman Hillis	3,680	373	4,053
Alderman Gagner	3,736	-	3,736
Alderman Hicks	3,680	-	3,680
Alderman Anderson	3,680	373	4,053
Alderman Winfield	3,680	315	3,995
Totals	<u>\$ 33,866</u>	<u>\$ 1,441</u>	<u>\$ 35,307</u>

COMBINING AND INDIVIDUAL FUND STATEMENTS

TOWN OF HAUGHTON, LOUISIANA

General Fund

Balance Sheet

December 31, 1998

with Comparative Totals for December 31, 1998

Assets	1998	1998
Cash	\$ 887,119	\$ 692,755
Certificates of deposit	147,368	176,879
Receivables (net where applicable, of allowances for uncollectibles):		
Accounts	6,908	6,697
Accrued interest	2,893	2,694
Prepaid expenses	9,412	7,965
Due from other funds	11,810	9,222
Total assets	\$ 1,058,608	\$ 895,912
Liabilities and Fund Balances		
Accounts payable	\$ 15,971	\$ 51,658
Accrued payroll liabilities	4,411	2,694
Total liabilities	20,382	54,352
Fund Balances:		
Unassigned	1,038,216	841,579
Total fund balances	1,038,216	841,579
Total liabilities and fund balances	\$ 1,058,604	\$ 895,931

TOWN OF HAUGHTON, LOUISIANA

General Fund

**Statement of Revenues, Expenditures, and Changes
in Fund Balances - Budget (GAAP Basis) and Actual**

For the Year Ended December 31, 1999

with Comparative Actual Amounts for the Year Ended December 31, 1998

	1999			1998 Actual
	Budget	Actual	Variance Favorable (Unfavorable)	
Revenues:				
Property taxes	\$ 44,580	\$ 43,347	\$ 4,847	\$ 48,693
Franchise taxes	21,580	19,719	17,239	42,318
Other taxes	411,215	448,096	17,871	556,589
Licenses and permits	90,800	81,183	4,345	83,858
Grant revenue	34,800	46,418	38,418	79,723
Intergovernmental	36,500	31,079	7,175	44,388
Interest	12,800	19,768	7,368	28,711
Fees and forfeits	175,800	171,283	2,362	188,823
Other	3,000	9,381	4,360	11,245
Total revenues	800,715	883,821	83,696	717,261
Expenditures:				
General Government:	158,200	158,054	28,146	167,430
Public Safety:				
Police department	192,325	291,511	(187)	243,830
Fire department	186,158	184,860	2,298	204,217
Total public safety	378,483	476,371	2,181	448,047
Street and drainage	74,100	41,868	11,072	19,304
Capital outlays	67,000	64,684	2,786	268,800
Total expenditures	677,783	634,978	41,671	885,331
Excess (Deficiency) of revenues over expenditures	124,798	254,323	129,273	160,798
Other financing sources (uses)				
Transfers in	3,258	21,800	17,850	15,178
Transfers out	(28,088)	(17,118)	826	(12,718)
Net other financing sources (uses)	(24,790)	(14,878)	18,676	(18,540)
Excess (Deficiency) of revenues over expenditures and other financing uses	99,998	239,445	148,249	122,258
Fund balance at beginning of year	880,176	808,179	-	926,442
Fund balance at end of year	\$ 880,176	\$ 1,047,624	\$ 148,249	\$ 808,179

TOWN OF HUNTERTON, LOUISIANA

Edu Service Funds

Comparing Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	General		Totals	
	Obligations Funds	Revenue Funds	1999	1998
Assets				
Cash	\$ 233,980	\$ 24,825	\$ 258,805	\$ 158,131
Receivables (net when applicable, of allowance for uncollectible):				
Accounts	8,481	-	8,481	11,760
Restricted assets:				
Cash	20,880	77,630	98,510	35,811
Total assets	\$ 273,341	\$ 102,455	\$ 375,796	\$ 205,712
Liabilities and Fund Balances				
Due to other funds	\$ 1,688	\$ -	\$ 1,688	\$ -
Total liabilities	1,688	-	1,688	-
Fund Balances				
Reserved for debt service	271,653	81,915	353,568	197,760
Total fund balances	271,653	81,915	353,568	197,760
Total liabilities and fund balances	\$ 273,341	\$ 81,915	\$ 355,256	\$ 197,760

TOWN OF HAUGHTON, LOUISIANA

Debt Service Funds

**Comparing Statement of Revenues, Expenditures,
and Changes in Fund Balances**

For the Year Ended December 31, 1999

with Comparative Totals for the Year Ended December 31, 1998

	General		Totals	
			1999	1998
	Obligation (Incurs)	Revenues (Receipts)		
Revenues:				
Property taxes	\$ 36,627	\$ -	\$ 36,627	\$ 33,388
Interest	2,111	1,261	3,372	3,147
Other	415	-	415	109
Total revenues	39,153	1,261	40,415	36,644
Expenditures:				
Debt service:				
Principal retirement	18,000	36,000	36,000	28,000
Interest	5,405	19,354	19,359	26,276
Other	173	291	664	173
Total expenditures	23,578	55,645	51,453	54,449
Excess (deficiency) of revenues over expenditures	15,575	(54,384)	(11,038)	(17,805)
Other financing sources:				
Transfers in	-	17,174	17,174	17,174
Total other financing sources	-	17,174	17,174	17,174
Excess of revenues and other sources over expenditures	15,575	3,790	16,446	1,329
Fund balance at beginning of year	147,977	48,765	197,742	171,765
Fund balance at end of year	\$ 171,281	\$ 52,555	\$ 223,836	\$ 173,094

TOWN OF HADNOTON, LOUISIANA

Comprehensive Fund - Water, Sewer, and Sanitation Funds

Comparative Balance Sheet

December 31, 1999

with Comparative Totals for December 31, 1998

	1999				1998
	Water Fund	Sewer Fund	Sanitation Fund	Combined	
Assets					
Cash	\$ 421,630	\$ 217,311	\$ 54,174	\$ 793,127	\$ 759,115
Reserve for depreciation	180,929	-	9,590	180,519	174,856
Reserves (not when applicable, of allowances for uncollectibles):					
Accounts	11,785	17,808	11,413	54,906	57,933
Accrued interest	2,704	-	404	2,709	3,398
Prepaid expenses	2,615	3,620	2,615	7,815	7,516
Due from other funds	-	3,489	-	3,489	3
Restricted assets:					
Cash	79,583	-	-	79,583	79,876
Reserve for depreciation	58,983	-	18,000	68,983	69,624
Property, plant and equipment (net of accumulated depreciation)	1,000,085	1,151,509	-	2,151,594	2,218,418
Total assets	\$ 1,723,128	\$ 1,412,738	\$ 129,226	\$ 3,264,618	\$ 3,297,615
Liabilities					
Accounts payable	\$ 2,699	\$ 3,856	\$ 2,648	\$ 11,796	\$ 14,673
Due to other funds	3,909	3,983	-	11,819	9,213
Payable from restricted assets:					
Current portion of bonds payable	17,876	-	-	15,176	17,111
Bonds	17,583	-	18,000	67,305	68,680
Miscellaneous bonds payable	129,389	-	-	158,168	217,379
Total liabilities	223,866	8,739	17,648	348,476	307,856
Fund Equity					
Contributed capital	490,381	398,208	-	1,460,783	1,548,000
Retained earnings:					
Reserved	-	-	10,800	10,800	18,000
Unreserved	918,000	411,283	111,577	1,470,503	1,773,568
Total retained earnings	918,000	411,283	111,577	1,470,503	1,791,568
Total fund equity	1,408,381	1,411,491	111,577	2,931,286	2,930,770
Total liabilities and fund equity	\$ 1,723,128	\$ 1,412,738	\$ 129,226	\$ 3,264,618	\$ 3,297,615

TOWN OF HAUGHTON, LOUISIANA

Enterprise Fund - Water, Sewer, and Sanitation Funds

Comparing Statement of Revenues, Expenses
and Changes in Funded Earnings

For the Year Ended December 31, 1998

with Comparative Totals for the Year Ended December 31, 1997

	1998				1997
	Water Fund	Sewer Fund	Sanitation Fund	Combined	
Operating Revenues:					
Charges for service	\$ 211,874	\$ 152,650	\$ 96,371	\$ 460,895	\$ 442,138
Rates	7,286	367	-	7,653	9,838
Total operating revenues	219,160	153,017	96,371	468,548	451,976
Operating Expenses:					
Personnel services	49,875	49,075	-	98,950	93,878
Contracted services	3,478	3,098	29,879	36,455	83,158
Supplies and materials	31,309	17,584	-	48,893	33,152
Utilities	14,279	4,471	-	18,750	29,488
Insurance	11,867	30,738	-	42,605	28,452
Repairs and maintenance	6,734	38,980	-	45,714	21,995
Depreciation	73,438	31,400	-	104,838	121,883
Other	2,996	3,897	3,064	9,957	3,628
Total operating expenses	186,588	165,733	33,743	386,064	419,328
Operating income (loss)	32,572	(12,716)	62,628	82,484	32,648
Non-operating Revenues (Expenses):					
Interest income	15,156	3,294	3,938	22,388	26,447
Interest expense	(17,562)	-	-	(17,562)	(18,871)
Total non-operating revenues (expenses)	(2,406)	3,294	3,938	3,960	7,576
Income (loss) before other financing	30,166	(9,422)	66,566	80,044	40,224
Other Financing Uses:					
Transfers out	(18,258)	(19,356)	(989)	(38,603)	(19,178)
Total other financing uses	(18,258)	(19,356)	(989)	(38,603)	(19,178)
Net income	11,908	(28,778)	65,577	41,441	21,046
Amount charged to contribution accounts-depreciation on fixed assets	41,783	42,838	-	84,621	86,517
Retained earnings at beginning of year	871,988	415,199	(11,781)	1,275,406	1,232,886
Price period adjustment	-	-	(7,334)	(7,334)	-
Retained earnings at end of year	\$ 913,896	\$ 427,221	\$ 57,242	\$ 1,398,359	\$ 1,319,403

TOWN OF BACCHUS, LOUISIANA

Enterprise Fund - Water, Sewer, and Sanitation Funds

Combining Statement of Cash Flows

For the Year Ended December 31, 1999

with Comparative Totals for the Year Ended December 31, 1998

	1999				1998
	Water Fund	Sewer Fund	Sanitation Fund	Combined	
Cash flows from operating activities:					
Operating income (loss)	\$ 31,974	\$ (7,788)	\$ 4,809	\$ 38,995	\$ 78,849
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation	71,400	53,458	-	124,858	115,850
Inventory decrease in accounts receivable	1,781	(8,018)	6,815	3,801	(8,887)
Inventory decrease in prepaid expenses	1,243	1,144	(1,823)	(508)	118
Increase (decrease) in accounts payable	79	(7,664)	388	(1,477)	2,882
Increase (decrease) in customer deposits	(1,132)	-	-	(1,132)	8,416
Other period adjustments	-	-	(7,072)	(7,072)	-
Total adjustments	71,268	48,728	(1,814)	118,182	115,517
Net cash provided by operating activities	103,242	40,943	2,995	147,180	294,366
Cash flows from capital and related financing activities:					
Principal payments	(77,528)	-	-	(77,528)	(85,789)
Interest paid	(77,581)	-	-	(77,581)	(18,871)
Contributed capital - proceeds from L.E.O.S.	-	-	-	-	47,717
Net cash used for capital and related financing activities	(155,109)	-	-	(155,109)	(116,943)
Cash flows from noncapital financing activities:					
Operating transfers in (out), net	(8,751)	(11,678)	(588)	(21,017)	(18,684)
Net cash provided by noncapital financing activities	(8,751)	(11,678)	(588)	(21,017)	(18,684)

TOWN OF HADSDEN, DELAWARE

Enterprise Fund - Water, Sewer, and Sanitation Funds

Combining Statement of Cash Flows

For the Year Ended December 31, 1999

with Comparative Totals for the Year Ended December 31, 1998

	1999				1998
	Water Fund	Sewer Fund	Sanitation Fund	Combined	
Cash flows from investing activities:					
Interest income received	25,363	3,298	1,820	30,481	30,300
Proceeds from investments	(181,830)	-	-	(181,830)	-
Payments for investments	171,881	-	(911)	170,970	(7,844)
Purchase of fixed assets	(98,278)	(43,156)	-	(141,434)	(11,289)
Net cash provided by investing activities	(103,864)	(39,858)	1,689	(142,033)	(41,764)
Net increase in cash and cash equivalents	26,885	(7,568)	1,624	20,941	84,511
Cash and cash equivalents at the beginning of year	472,318	215,111	82,588	769,987	635,478
Cash and cash equivalents at the end of year	\$ 503,290	\$ 207,543	\$ 84,212	\$ 795,045	\$ 720,089

**ADDITIONAL REPORT REQUIRED BY
GOVERNMENT ACCOUNTING STANDARDS**



SMITH PUGH ROBINSON LLP, P.A. CERTIFIED PUBLIC ACCOUNTANTS

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

The Honorable Billy Naxos, Mayor
and the members of the Board of Aldermen of
The Town of Haughton, Louisiana

We have audited the general purpose financial statements of the Town of Haughton, Louisiana, as of and for the year ended December 31, 1999, and have issued our report thereon dated April 26, 2000. We evaluated 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 Haughton, Louisiana'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, non-compliance 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 (1) one instance of non-compliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town of Haughton, Louisiana'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we considered 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 the Town of Haughton, Louisiana's ability to record, process, summarize, and report financial data consistent with the objectives of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings as item 99-2.

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. 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 weaknesses that are also considered to be material weaknesses. However, we believe that the reportable condition described above is not a material weakness.

This report is intended solely for the information and use of management and the Board of Aldermen, and is not intended to be used and should not be used by anyone other than those specified parties.


Certified Public Accountants

April 26, 2000

AUDIT FINDINGS

TOWN OF BAEFFREN, LOUISIANA

Schedule of Audit Findings

December 31, 1999

FINDINGS RELATED TO COMPLIANCE:

Finding #1-1:

Criteria: Under the terms of the Sales Tax Refunding Bonds, Series 1999, monthly deposits into a sinking fund and a reserve fund are required to be made not on or before the 20th day of each month.

Condition: During our testing of bond deposit compliance we found that the deposit requirements for the Sales Tax Refunding Bonds for July 1999, were made after the 20th day of the month.

Recommendation: The Town should strictly comply with the terms of the Sales Tax Refunding Bonds.

FINDINGS RELATED TO INTERNAL CONTROL:

Finding #1-2:

Criteria: During our testing of city (SR) disbursements for goods and services, we noted one (1) invoice not properly approved and twenty-nine (29) without purchase orders.

Recommendation: The Town should enforce the requirement for purchase orders and approval of invoices.

Town of Houghton

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COMBINE ACTION PLAN

April 28, 2008

Mr. David H. Kyle, CPA,
Legislative Auditor, State of Louisiana
P. O. Box 78377
Baton Rouge, LA 70804-0001

Dear Mr. Kyle:

The Town of Houghton, Louisiana, respectfully submits the following corrective action plan for the year ended December 31, 1999, for the Schedule of Findings. The findings are numbered consistently with the numbers assigned in the schedule.

FINDINGS RELATED TO COMPLIANCE

Finding 89-1:

Recommendation: The Town should strictly comply with the terms of the Sales Tax Refunding Bonds.

Action Taken: The Town 1999 monthly bond deposit requirements into the Town's sinking and reserve funds that were made after the 20th was an innocent oversight. The Town will strictly comply with the terms of the Sales Tax Refunding Bonds every month.

FINDINGS RELATING TO INTERNAL CONTROLS

Finding 99-1:

Recommendation: The Town should enforce the requirement for purchase orders and approval of invoices.

Action Taken: The Town has reviewed their policies and procedures for purchase orders and determined which expenditures require purchase orders and has implemented these requirements for all applicable purchases. The use invoice without proper approval was an innocent oversight. The Town will carefully review all required documentation along with invoice approval when making purchases.

Sincerely,


Billy Mincey, Mayor
Town of Houghton

TOWN OF INDEPENDENCE, LOUISIANA

Schedule of Price Audit Findings

December 31, 1999

No audit findings for prior year.