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CITY OF WESTWEGO, LOUISIANA
ANNUAL FINANCIAL REPORT
DECEMBER 31, 1999

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Release Date JUL 26 2000

CITY OF WESTWEGO, LOUISIANA

DECEMBER 31, 1999

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CITY OF WESTWEGO, LOUISIANA

DECEMBER 31, 1999

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and
Members of the City Council
City of Westwego, Louisiana

We have audited the accompanying general purpose financial statements of the City of Westwego, Louisiana, as of December 31, 1999, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Westwego's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Westwego, Louisiana, at December 31, 1999, and the results of its operations and cash flows of its proprietary fund types and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2000 on our consideration of the City of Westwego's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. This report is listed in the accompanying table of contents and is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

UZEE, BUTLER, ARCENEUX & BOWES

Our audit was performed 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 supplementary information 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 City of Westwego, 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.

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 29, 2000

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF WESTWEGO, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
 December 31, 1999
 (With Comparative Totals for December 31, 1998)

	Governmental		Proprietary		Fiduciary		General		Totals	
	Fund Type	Fund Type	Fund Type	Fund Type	Pension	Trust	Account Group	Account Group	1999	(Memorandum Only) 1998
ASSETS										
Assets:										
Cash	\$ 289,276	\$ 181,687	\$ 5,202	\$			\$ -0-	\$ 476,165	\$	662,546
Certificates of deposit	287,596	58,914	130,050				-0-	476,560		670,298
Property tax receivable	863,396	-0-	-0-				-0-	863,396		837,179
Receivables - other	148,964	229,133	-0-				-0-	378,097		375,786
Due from other funds	1,027,910	-0-	-0-				-0-	1,027,910		1,201,318
Due from other governments	458,183	-0-	-0-				-0-	458,183		411,192
Restricted assets:										
Cash	-0-	35,159	-0-				-0-	35,159		29,946
Certificates of deposit	-0-	338,228	-0-				-0-	338,228		374,264
Property, plant and equipment - net	-0-	8,380,861	-0-				6,144,749	14,525,610		12,933,375
Total assets	\$ 3,075,325	\$ 9,223,982	\$ 135,252	\$ 6,144,749	\$ 18,579,308	\$ 17,495,904				

(continued)

CITY OF WESTWEGO, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP
 December 31, 1999
 (With Comparative Totals for December 31, 1998)
 (continued)

	Governmental		Proprietary		Fiduciary		General		Totals	
	Fund Type	Enterprise	Fund Type	Trust	Pension	Account Group	Fixed Assets	Account Group	1999	(Memorandum Only) 1998
LIABILITIES										
Accounts payable	\$ 123,357	\$ 69,693	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 193,050	\$ 461,813	
Accrued wages payable	62,967	16,264	-	-	-	-	-	79,231	65,463	
Due to other funds	-	1,027,910	-	-	-	-	-	1,027,910	1,201,318	
Customers' deposits - payable from restricted assets	-	93,184	-	-	-	-	-	93,184	89,103	
Deferred revenue	883,069	-	-	-	-	-	-	883,069	856,259	
Total liabilities	1,069,393	1,207,051	-	-	-	-	-	2,276,444	2,673,956	
FUND EQUITY AND OTHER CREDITS										
Investment in general fixed assets	-	-	-	-	-	6,144,749	-	6,144,749	4,473,981	
Contributed capital	-	8,126,409	-	-	-	-	-	8,126,409	8,126,409	
Retained earnings:										
Reserved for waterworks maintenance	-	280,203	-	-	-	-	-	280,203	315,107	
Unreserved	-	(389,681)	-	-	-	-	-	(389,681)	(407,084)	
Fund balance:										
Reserved	1,049,783	-	135,252	-	-	-	-	1,185,035	2,144,802	
Unreserved - undesignated	956,149	-	-	-	-	-	-	956,149	168,733	
Total fund equity and other credits	2,005,932	8,016,931	135,252	135,252	6,144,749	16,302,864	14,821,948	17,495,904	17,495,904	
Total liabilities, fund equity and other credits	\$ 3,075,325	\$ 9,223,982	\$135,252	\$6,144,749	\$18,579,308	\$17,495,904	\$17,495,904	\$17,495,904	\$17,495,904	

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND
Years Ended December 31, 1999 and 1998

	1999	1998
Revenues:		
Taxes	\$2,627,398	\$2,314,355
Licenses and permits	495,480	414,043
Intergovernmental	2,538,743	2,297,468
Charges for services	207,720	210,141
Fines	383,214	315,388
Miscellaneous	286,597	213,991
Total revenues	6,539,152	5,765,386
Expenditures:		
Current:		
General government	2,176,924	1,953,595
Public safety	2,088,117	1,879,951
Public works	1,002,000	1,195,375
Sanitation	542,731	514,849
Health	60,993	68,926
Recreation	402,490	308,258
Total expenditures	6,273,255	5,920,954
Transfers to other funds	416,343	203,108
Total expenditures and transfers	6,689,598	6,124,062
Deficiency of revenues over expenditures and transfers	(150,446)	(358,676)
Fund balance at beginning of year	2,156,378	2,515,054
Fund balance at end of year	\$2,005,932	\$2,156,378

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL FUND
Year Ended December 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$2,582,717	\$2,627,398	\$ 44,681
Licenses and permits	442,138	495,480	53,342
Intergovernmental	2,491,411	2,538,743	47,332
Charges for services	208,226	207,720	(506)
Fines	401,383	383,214	(18,169)
Miscellaneous	252,996	286,597	33,601
Total revenues	6,378,871	6,539,152	160,281
Expenditures:			
Current:			
General government	2,196,948	2,176,924	20,024
Public safety	2,048,040	2,088,117	(40,077)
Public works	1,003,179	1,002,000	1,179
Sanitation	550,676	542,731	7,945
Health	64,382	60,993	3,389
Recreation	397,967	402,490	(4,523)
Total expenditures	6,261,192	6,273,255	(12,063)
Transfers to other funds	416,343	416,343	-0-
Total expenditures and transfers	6,677,535	6,689,598	(12,063)
Excess (deficiency) of revenues over expenditures and transfers	(298,664)	(150,446)	148,218
Fund balance at beginning of year	2,156,378	2,156,378	-0-
Fund balance at end of year	\$1,857,714	\$2,005,932	\$148,218

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPE
 AND SIMILAR TRUST FUND
 Year Ended December 31, 1999
 (With Comparative Totals for Year Ended December 31, 1998)

	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Totals</u> <u>(Memorandum Only)</u>	
	<u>Enterprise</u>	<u>Pension</u> <u>Trust</u>	<u>1999</u>	<u>1998</u>
Operating revenues:				
Charges for services	\$1,205,308	\$ -0-	\$ 1,205,308	\$ 1,229,425
Interest	-0-	6,046	6,046	8,549
 Total operating revenues	 <u>1,205,308</u>	 <u>6,046</u>	 <u>1,211,354</u>	 <u>1,237,974</u>
 Operating expenses:				
Salaries, wages and personal services	411,798	-0-	411,798	452,076
Maintenance	370,239	-0-	370,239	229,826
Power	198,534	-0-	198,534	185,176
Chemicals	77,574	-0-	77,574	79,410
Medical insurance	39,839	-0-	39,839	42,035
General insurance	182,909	-0-	182,909	166,826
Truck expenses	14,775	-0-	14,775	18,115
Office supplies, expense and postage	16,451	-0-	16,451	15,485
Employees' pension plan	19,434	-0-	19,434	20,036
Bad debts	3,573	-0-	3,573	3,302
Other	11,696	27,951	39,647	34,539
Telephone	1,731	-0-	1,731	1,764
Tenure awards	5,350	-0-	5,350	5,050
Professional fees	36,301	-0-	36,301	33,070
Depreciation	273,768	-0-	273,768	266,709
 Total operating expenses	 <u>1,663,972</u>	 <u>27,951</u>	 <u>1,691,923</u>	 <u>1,553,419</u>
 Net operating loss	 (458,664)	 (21,905)	 (480,569)	 (315,445)
 Nonoperating revenues:				
Interest on investments	24,820	-0-	24,820	25,811
Transfer from other funds	416,343	-0-	416,343	203,108
 Total nonoperating revenues	 <u>441,163</u>	 <u>-0-</u>	 <u>441,163</u>	 <u>228,919</u>

(continued)

CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPE
 AND SIMILAR TRUST FUND
 Year Ended December 31, 1999
 (With Comparative Totals for Year Ended December 31, 1998)
 (continued)

	<u>Proprietary</u> <u>Fund Type</u>	<u>Fiduciary</u> <u>Fund Type</u>	<u>Totals</u>	
	<u>Enterprise</u>	<u>Pension</u> <u>Trust</u>	<u>(Memorandum Only)</u>	
			<u>1999</u>	<u>1998</u>
Net loss	\$ (17,501)	\$(21,905)	\$ (39,406)	\$ (86,526)
Retained earnings (deficit)/fund balance at beginning of year	<u>(91,977)</u>	<u>157,157</u>	<u>65,180</u>	<u>151,706</u>
Retained earnings (deficit)/fund balance at end of year	\$ <u>(109,478)</u>	<u>\$135,252</u>	<u>\$ 25,774</u>	<u>\$ 65,180</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
 COMBINED STATEMENT OF CASH FLOWS
 PROPRIETARY FUND TYPE AND SIMILAR TRUST FUND
 Year Ended December 31, 1999
 (With Comparative Totals for Year Ended December 31, 1998)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Pension Trust	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Net operating loss	\$ (458,664)	\$ (21,905)	\$ (480,569)	\$ (315,445)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:				
Depreciation	273,768	-0-	273,768	266,709
(Increase) decrease in accounts receivable	(22,694)	-0-	(22,694)	15,915
Increase (decrease) in accounts payable	24,092	-0-	24,092	(109,220)
Increase in accrued wages	1,644	-0-	1,644	682
Increase (decrease) in due to other funds	(173,408)	-0-	(173,408)	411,816
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(355,262)</u>	<u>(21,905)</u>	<u>(377,167)</u>	<u>270,457</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase in customers' deposits	<u>4,081</u>	<u>-0-</u>	<u>4,081</u>	<u>2,229</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property, plant and equipment	(195,235)	-0-	(195,235)	(293,073)
Transfer from other funds	416,343	-0-	416,343	203,108
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>221,108</u>	<u>-0-</u>	<u>221,108</u>	<u>(89,965)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of certificates of deposit and investments	4,642,318	1,496,925	6,139,243	7,505,659
Purchase of certificates of deposit	(4,612,084)	(1,482,462)	(6,094,546)	(7,515,028)
Interest on investments	24,820	-0-	24,820	25,811
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>55,054</u>	<u>14,463</u>	<u>69,517</u>	<u>16,442</u>
Net increase (decrease) in cash	(75,019)	(7,442)	(82,461)	199,163
Cash at beginning of year	291,865	12,644	304,509	105,346
Cash at end of year	<u>\$ 216,846</u>	<u>\$ 5,202</u>	<u>\$ 222,048</u>	<u>\$ 304,509</u>
SUMMARY OF CASH				
Current Asset - Cash	\$ 181,687	\$ 5,202	\$ 186,889	\$ 274,563
Restricted Assets:				
Reserve fund cash	34	-0-	34	33
Depreciation and contingencies fund cash	44	-0-	44	42
Customers' deposits cash	35,081	-0-	35,081	29,871
	<u>\$ 216,846</u>	<u>\$ 5,202</u>	<u>\$ 222,048</u>	<u>\$ 304,509</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 1999

(1) GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Westwego was incorporated January 18, 1919, under the provisions of Louisiana Revised Statutes 33:321 et. seq., which provisions are commonly known as the Lawrason Act. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Westwego conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The accompanying financial statements include all funds and account groups of the City of Westwego. There are no component units which are controlled by or fiscally dependent on the City which should be included to form the reporting entity. Control by or fiscal dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and financial accountability.

The following organizations conduct an activity entirely within the City for the benefit of the City's residents but are not considered a part of the reporting entity because the City does not exercise control over them and they are fiscally independent of the City.

Westwego Housing Authority
Westwego Volunteer Fire Company #1
Westwego Council on Aging

B. Fund Accounting

The accounts of the City are organized on the basis of funds and an account group, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into three generic fund types and three broad fund categories as follows:

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1999

B. Continued

GOVERNMENTAL FUND

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

PROPRIETARY FUNDS

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 primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

FIDUCIARY FUND

Pension Trust Fund - The Police Pension Trust Fund is used to account for assets held by the City in a trustee capacity. The Pension Trust Fund is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

ACCOUNT GROUP

General Fixed Assets Account Group - This account group is used to account for fixed assets which are not accounted for in the respective governmental funds.

C. Fixed Assets and Depreciation

Property, plant, and equipment of all funds acquired by purchase or construction are stated at historical cost. Donated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. The City has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the City government. Proprietary fund fixed assets are recorded in the respective fund and depreciated using the straight-line method.

D. Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Taxpayer-assessed revenues, such

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1999

D. Continued

as sales taxes, are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue of the period in which collected by merchants. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Property taxes are recognized as revenue of the year for which budgeted. The primary revenue sources that have been treated as "susceptible to accrual" under the modified accrual basis are sales taxes and various fees. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Unpaid vacation and sick pay does not accumulate for the employee and therefore is not accrued. Materials and supplies are recognized as expenditures at the time of purchase. Inventory of such items on hand at year-end would not be material to the financial statements.

All proprietary funds and pension trust fund 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. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

E. Budgets and Budgetary Accounting

The City follows these procedures in establishing the budgetary data presented in the financial statements:

1. A general summary of the proposed budget is published 10 days prior to a public hearing.
2. A public hearing is conducted at City Hall to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance. In the event the budget is not adopted by December 31, the temporary budget for the ensuing year is based on 50% of the expenditures of the prior year. The budget for the year ended December 31, 1999 is as adopted on December 28, 1998, or as amended on December 13, 1999.
4. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The adopted operating budget of expenditures operates as an appropriation and amounts are available for expenditure only to the extent included within the budget. At the end of the fiscal year, the unexpended balance of each appropriation reverts to the respective fund from which it was appropriated and is subject to future appropriation. Outstanding encumbrances which are not canceled are included as part of the next year's budget.

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1999

E. Continued

6. The adopted operating budget may be amended in an open meeting of the Mayor and City Council. The budget amendment cannot be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year.

F. Allowance for Uncollectible Receivables

An allowance for estimated uncollectible receivables was established in prior years based on historical collection experience and other relevant circumstances. At December 31, 1999, all receivables are considered collectible and therefore an allowance was not required.

G. Capitalization of Interest Costs

Interest incurred during the period of construction and preparation for use of proprietary fund fixed assets is capitalized as part of those assets. No interest costs were capitalized for the year ended December 31, 1999.

H. 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 City's financial position and operations. However, comparative data (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

I. Total Columns on Combined Statements

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

J. On-behalf Payments

Supplemental pay which is paid directly to employees of the City of Westwego by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid. For the year ended December 31, 1999, the amount recognized as revenue and expenditure was \$86,122.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(2) CASH AND INVESTMENTS

For financial reporting purposes, cash includes petty cash and demand deposits.

Under state law, the City of Westwego may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, any other state in the union, or the laws of the United States. Further, the City may invest in time deposits or certificates of deposit of state banks or savings and loans organized under Louisiana law and national banks or savings and loans having principal offices in Louisiana, or any other federally-insured investment.

As shown in the combined balance sheet, the City had cash totaling \$511,324 and certificates of deposit totaling \$814,788 at December 31, 1999. Cash and certificates of deposit are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance, federal savings and loan insurance, or the pledge of securities owned by the financial institutions. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution.

The following is a summary of the carrying value of cash and certificates of deposit at December 31, 1999.

Unrestricted:	
Petty cash and demand deposits	\$ 476,165
Certificates of deposit	<u>476,560</u>
	<u>952,725</u>
Restricted:	
Petty cash and demand deposits	35,159
Certificates of deposit	<u>338,228</u>
	<u>373,387</u>
Total	\$ <u>1,326,112</u>

The bank balances at December 31, 1999 were \$1,534,874, of which \$200,000 was covered by federal depository insurance, and \$1,334,874 was covered by collateral held by the Federal Reserve bank in the City's name.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(3) WATERWORKS ..

A. Restricted Assets

The assets remaining in the Reserve Fund and the Depreciation and Contingencies Fund are restricted and may be used only for the repair and maintenance of the water treatment plant and the water distribution system.

B. Customers

As of December 31, 1999, there was a total of 3,265 customers, based on unaudited data.

(4) FIXED ASSETS

A summary of the changes in general fixed assets is as follows:

	Balance <u>12-31-98</u>	<u>Additions</u>	Dele- <u>tions</u>	Balance <u>12-31-99</u>
Land & building	\$1,314,669	\$1,347,442	\$ -0-	\$2,662,111
Machinery & equipment	<u>3,159,312</u>	<u>452,981</u>	<u>129,655</u>	<u>3,482,638</u>
Total	<u>\$4,473,981</u>	<u>\$1,800,423</u>	<u>\$129,655</u>	<u>\$6,144,749</u>

A summary of fixed assets of the Enterprise Funds follows:

WATERWORKS ENTERPRISE FUND

Description	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net	Depre- ciation in 1999
Land		\$ 49,211	\$ -0-	\$ 49,211	\$ -0-
Purification Plant	50	986,230	703,218	283,012	23,143
River intake	50	190,042	105,114	84,928	3,801
Pipeline system	100	973,303	276,043	697,260	9,733
Elevated tanks	50	122,274	102,634	19,640	2,445
Meter and boxes	33 1/3	342,947	247,732	95,215	9,982
Office building	50	76,714	38,022	38,692	1,534
Office equipment	10	33,183	33,183	-0-	-0-
Equipment	10	334,989	226,465	108,524	17,945
Fences	5	<u>1,681</u>	<u>1,643</u>	<u>38</u>	<u>8</u>
		<u>\$ 3,110,574</u>	<u>\$1,734,054</u>	<u>\$ 1,376,520</u>	<u>\$ 68,591</u>

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(4) FIXED ASSETS - continued

SEWERAGE ENTERPRISE FUND

Description	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net	Depre- ciation in 1999
Land		\$ 42,222	\$ -0-	\$ 42,222	\$ -0-
Treatment plant	50	7,393,716	2,184,885	5,208,831	148,396
Collection lines	100	1,997,029	614,244	1,382,785	20,179
Lift system	50	342,679	213,532	129,147	7,457
Equipment	10	447,910	315,200	132,710	25,297
EPA improvement expenditures	50	192,388	83,742	108,646	3,848
		<u>\$10,415,944</u>	<u>\$3,411,603</u>	<u>\$7,004,341</u>	<u>\$ 205,177</u>
Total enterprise funds		<u>\$13,526,518</u>	<u>\$5,145,657</u>	<u>\$8,380,861</u>	<u>\$ 273,768</u>

A summary of changes in fixed assets follows:

WATERWORKS ENTERPRISE FUND

	Cost	Accumulated Depreciation	Net
Balance January 1	\$ 3,011,138	\$1,665,463	\$1,345,675
Additions:			
Meters and boxes	12,653	-0-	12,653
Equipment	30,709	-0-	30,709
River intake	56,074	-0-	56,074
Depreciation	-0-	68,591	(68,591)
	<u>\$ 3,110,574</u>	<u>\$1,734,054</u>	<u>\$1,376,520</u>

SEWERAGE ENTERPRISE FUND

Balance January 1	\$10,320,145	\$3,206,426	\$7,113,719
Additions:			
Treatment plant	60,611	-0-	60,611
Equipment	35,188	-0-	35,188
Depreciation	-0-	205,177	(205,177)
	<u>\$10,415,944</u>	<u>\$3,411,603</u>	<u>\$7,004,341</u>
Total enterprise funds	<u>\$13,526,518</u>	<u>\$5,145,657</u>	<u>\$8,380,861</u>

CITY OF WESTWEGO, LOUISIANA
NOTES TO FINANCIAL STATEMENTS - CONTINUED
December 31, 1999

(5) RETIREMENT PLANS

Prior to 1975, Louisiana Revised Statutes 33:2220 provided for the establishment of a police pension and relief fund for the Police Department of municipalities having more than 7,500 inhabitants. Since the City had more than 7,500, it adopted Ordinance 734 on December 13, 1971, establishing "The City of Westwego Police Pension and Relief Fund".

In 1975 the Louisiana legislature set up a statewide municipal police retirement system giving police employees the option of that plan or the City's. On September 15, 1983 the City's plan was merged with the state pension plan which is currently known as the Municipal Police Employees' Retirement System of Louisiana. Since then, the City of Westwego Police Pension and Relief Fund has been used to account for the accumulation of resources for the payment of (1) the actuarially determined liability at the time of the merger and (2) any liability arising due to differences between the two plans. At the time of the merger, the actuarially determined liability was \$348,317 and this amount was being paid to the Municipal Police Employees' Retirement System in quarterly installments of \$7,827, including interest at 7% per annum. During 1988 a lump-sum payment was made to the State Retirement System in full payment of the balance due. Additional liability for pensions to be paid from The City of Westwego Police Pension and Relief Fund would arise if any of the 4 employees who were merged into the state system on September 15, 1983 qualified for and elected to retire at an age younger than the minimum set by the state plan (50 years old). During 1999 two of the four former employees were receiving a pension benefit payable by the City.

All other full-time City employees participate in the Municipal Employees' Retirement System, State of Louisiana.

The Municipal Police Employees' Retirement System of Louisiana and the Municipal Employees' Retirement System, State of Louisiana are cost-sharing multiple employer public employees retirement systems. In addition to normal retirement benefits, both plans also provide for death and disability benefits. Benefits are established by State statutes.

Participants in the Municipal Police Employees' Retirement System are eligible for normal retirement after they have been a member of the System for one year, if they have 25 years of creditable service at any age or has 20 years of creditable service and is age 50, or has 12 years of creditable service and is age 55. Benefit rates are 3 1/3 percent of final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100%. Membership in the Municipal Police Employees' Retirement System is mandatory for all full-time police officers employed by the City.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(5) RETIREMENT PLANS - continued

Participants in the Municipal Employees' Retirement System who attain 25 or more years of creditable service can retire at any age, or at age 60 with ten years of service. Generally, the monthly retirement benefit is equal to 3 percent of the participants' final compensation multiplied by his/her years of creditable service not to exceed 100%. Final compensation is the average monthly earnings during the highest 36 months or joined months if service was interrupted. Membership in the Municipal Employees' Retirement System is mandatory for permanent employees who work at least 35 hours per week and do not participate in another public funded retirement system and are under age 60 at date of employment.

The City's total payroll for all employees for the year ended December 31, 1999 was \$2,132,315. The payrolls of employees covered by the pension plans, number of employees covered, contribution rates, and the actuarially determined contributions required for the two plans for the year ended December 31, 1999 were as follows:

	Municipal Police Employees' Retirement <u>System</u>	Municipal Employees' Retirement <u>System</u>
Payroll of employees covered by the plan	\$ 671,105	\$1,162,632
Number of employees covered by the plan	29	60
Contribution rates:		
Employee	7.50%	9.25%
Employer (City)	9.00%	5.75%
Contributions required:		
Employee	\$ 50,333	\$ 107,543
Employer (City)	\$ 60,399	\$ 66,851

The City's total pension contribution of \$129,418 for the year ended December 31, 1999 is recorded as an expenditure or expense in the following funds: General Fund, \$109,984 Enterprise Funds, \$19,434. The City has no further liability for pension contributions after it has made the required contributions which are based upon a percent of salaries paid to covered employees. The City's 1999 contribution represented approximately .5% and 1.0%, respectively, of total contributions required of all employers participating in the Municipal Police Employees' Retirement System and the Municipal Employees' Retirement System.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(5) RETIREMENT PLANS - continued

The Municipal Police Employees' Retirement System and the Municipal Employees' Retirement System do not make separate measurement of assets and pension benefit obligations for individual employers. The pension benefit obligation and net assets available for benefits, valued at cost or amortized cost, for each of the two Systems as a whole, determined through actuarial valuation as of June 30, 1999, follows:

	<u>Municipal Police Employees' Retirement System</u>	<u>Municipal Employees' Retirement System</u>
Pension benefit obligation	\$ <u>1,038,469,896</u>	\$ <u>472,653,880</u>
Net assets available for benefits	\$ <u>1,148,895,773</u>	\$ <u>436,446,684</u>

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employees' retirement systems and employers.

Historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' June 30, 1999 annual financial reports.

(6) PROPERTY TAXES

The City bills and collects its own property taxes using the assessed values determined by the tax assessor of Jefferson Parish.

Property taxes are levied by the City in October to finance the budget for the following fiscal year. Thus the 1998 taxes were levied in October, 1998 to finance the budget for the year 1999. In the governmental fund, property taxes are recognized as revenue of the year for which budgeted. Taxes levied in 1999 but budgeted for 2000 are recorded as deferred revenue in the governmental funds.

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(6) PROPERTY TAXES - continued

The tax bills are mailed to the taxpayers on approximately January 1 and become an enforceable lien on the property at that time. Billed taxes become delinquent on March 31. Interest at the rate of 15% per annum is added to the uncollected balance from April 1 to the date of collection.

The number of mills levied in 1998 and 1999 and the purposes for which levied are shown below:

	<u>Number of mills</u>		Collection year in which dedicated tax expires
	<u>1998</u>	<u>1999</u>	
General corporate purposes	4.29	4.29	
Dedicated to:			
Street lighting	2.81	2.81	2002
Park maintenance and lighting	2.91	2.91	2002
Fire protection and maintenance	5.00	5.00	2002
Police Department maintenance and operations	5.00	5.00	2002
Emergency medical service maintenance and operations	<u>6.92</u>	<u>7.00</u>	2009
Total	<u>26.93</u>	<u>27.01</u>	

For the years 1998 and 1999 all property tax revenues were accounted for in the General Fund.

(7) LITIGATION AND CLAIMS

The City is a defendant in two lawsuits claiming damages of various amounts. The legal advisor to the City, is unable to evaluate the liability and therefore no provision has been made in the financial statements.

Claims and litigation costs of \$74,656, determined in accordance with FASB Statement 5, were incurred during the current year, all of which have been recorded as a current expenditure in the General Fund.

(8) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two Enterprise Funds which provide water and sewerage services. Segment information for the year ended December 31, 1999 follows:

	Waterworks Fund	Sewerage Fund	Total Enterprise Funds
Operating revenues	\$ 512,188	\$ 693,120	\$ 1,205,308
Depreciation	68,591	205,177	273,768
Operating loss	(157,499)	(301,165)	(458,664)
Net loss	(7,192)	(10,309)	(17,501)

CITY OF WESTWEGO, LOUISIANA
 NOTES TO FINANCIAL STATEMENTS - CONTINUED
 December 31, 1999

(8) SEGMENT INFORMATION FOR ENTERPRISE FUNDS - continued

	Waterworks Fund	Sewerage Fund	Total Enterprise Funds
Property, plant and equipment:			
Additions	99,436	95,799	195,235
Net working capital (deficit)	(67,212)	(576,921)	(644,133)
Total equity	1,589,511	6,427,420	8,016,931
Total assets	1,941,196	7,282,786	9,223,982

(9) FUND BALANCE AND DEFICIT IN RETAINED EARNINGS

As of December 31, 1999, the General fund balance was reserved for the following:

Noncurrent receivable from the Sewerage Enterprise Fund	\$ 803,477
Future expenditures for:	
Sala Avenue restoration	70,392
Other projects	175,914
	\$1,049,783

At December 31, 1999, there was a deficit of \$1,658,072 in retained earnings of the Sewerage Enterprise Fund. This deficit is expected to be reduced in future years by increases in sewerage service charges and subsidies from the General Fund.

(10) INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of December 31, 1999 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 1,027,910	\$ -0-
Enterprise Funds:		
Waterworks	-0-	224,433
Sewerage	-0-	803,477
	\$ 1,027,910	\$1,027,910

(11) RELATED PARTY TRANSACTIONS

The land on which one of the fire stations of the Westwego Volunteer Fire Company is located is leased by the City to the Volunteer Fire Company for a period of ninety-nine years beginning September 13, 1954 at a rental of \$1.00 per year. The City also provides the Volunteer Fire Company the free use of several fire trucks and other vehicles and pays for certain expenditures of the Volunteer Fire Company. During 1999, the City incurred approximately \$450,000 of expenditures for salaries and related benefits, insurance, auto and truck expense, and maintenance and operation of the Volunteer Fire Company.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ <u>289,276</u>	\$ <u>387,983</u>
Certificates of deposit	<u>287,596</u>	<u>472,673</u>
Receivables:		
Property taxes	863,396	837,179
Accounts	<u>148,964</u>	<u>169,347</u>
	<u>1,012,360</u>	<u>1,006,526</u>
Due from other funds:		
Waterworks Enterprise Fund	224,433	245,102
Sewerage Enterprise Fund	<u>803,477</u>	<u>956,216</u>
	<u>1,027,910</u>	<u>1,201,318</u>
Due from other governments:		
Parish of Jefferson	355,991	288,989
State of Louisiana	87,612	80,441
U.S. Department of Justice	<u>14,580</u>	<u>41,762</u>
	<u>458,183</u>	<u>411,192</u>
 Total assets	 \$ <u>3,075,325</u>	 \$ <u>3,479,692</u>
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 123,357	\$ 416,212
Accrued wages payable	62,967	50,843
Deferred revenue	<u>883,069</u>	<u>856,259</u>
 Total liabilities	 <u>1,069,393</u>	 <u>1,323,314</u>
Fund balance:		
Reserved	1,049,783	1,987,645
Unreserved - undesignated	<u>956,149</u>	<u>168,733</u>
 Total fund balance	 <u>2,005,932</u>	 <u>2,156,378</u>
 Total liabilities and fund balance	 \$ <u>3,075,325</u>	 \$ <u>3,479,692</u>

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
Year Ended December 31, 1999
(With Comparative Actual Amounts for Year Ended December 31, 1998)

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 2,582,717	\$ 2,627,398	\$ 44,681	\$ 2,314,355
Licenses and permits	442,138	495,480	53,342	414,043
Intergovernmental	2,491,411	2,538,743	47,332	2,297,468
Charges for services	208,226	207,720	(506)	210,141
Fines	401,383	383,214	(18,169)	315,388
Miscellaneous	252,996	286,597	33,601	213,991
Total revenues	<u>6,378,871</u>	<u>6,539,152</u>	<u>160,281</u>	<u>5,765,386</u>
Expenditures:				
General government	2,196,948	2,176,924	20,024	1,953,595
Public safety	2,048,040	2,088,117	(40,077)	1,879,951
Public works	1,003,179	1,002,000	1,179	1,195,375
Sanitation	550,676	542,731	7,945	514,849
Health	64,382	60,993	3,389	68,926
Recreation	397,967	402,490	(4,523)	308,258
Total expenditures	6,261,192	6,273,255	(12,063)	5,920,954
Transfers to other funds	416,343	416,343	-0-	203,108
Total expenditures and transfers	<u>6,677,535</u>	<u>6,689,598</u>	<u>(12,063)</u>	<u>6,124,062</u>
Excess (deficiency) of revenues over expenditures and transfers	(298,664)	(150,446)	148,218	(358,676)
Fund balance at beginning of year	<u>2,156,378</u>	<u>2,156,378</u>	-0-	<u>2,515,054</u>
Fund balance at end of year	<u>\$ 1,857,714</u>	<u>\$ 2,005,932</u>	<u>\$148,218</u>	<u>\$ 2,156,378</u>

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1999
(With Comparative Actual Amounts for Year Ended December 31, 1998)

EXPENDITURES	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>General Government</u>				
Personal services:				
City Council	\$ 42,878	\$ 42,996	\$ (118)	\$ 42,996
Accounting and auditing	34,239	38,475	(4,236)	33,079
City administrator	27,818	28,014	(196)	27,052
City superintendent	36,397	36,792	(395)	52,721
Legal	40,000	39,376	624	42,173
Magistrate	6,365	6,382	(17)	6,382
Mayor	6,000	6,000	-0-	6,000
Office	153,327	153,571	(244)	141,342
Tourism	32,183	33,056	(873)	29,688
Total	<u>379,207</u>	<u>384,662</u>	<u>(5,455)</u>	<u>381,433</u>
<u>Other:</u>				
Advertising	19,177	13,732	5,445	9,026
Automobile expense	44,191	36,882	7,309	39,940
Bad debts	-0-	9,999	(9,999)	77,173
Capital outlays	756,912	764,549	(7,637)	490,902
Casualty insurance	341,638	354,365	(12,727)	390,227
Contribution to employees' pension plan	50,643	49,585	1,058	45,846
Convention travel, dues and public relations	320	320	-0-	-0-
Hospitalization insurance for employees	309,783	284,541	25,242	242,768
Office supplies, expense and postage	105,435	100,252	5,183	123,002
Other	110,084	108,256	1,828	60,480
Tenure awards	9,575	10,075	(500)	9,575
Election expense	10,000	-0-	10,000	-0-
Lawsuit - settlement and legal fees	29,680	35,280	(5,600)	33,467
Donations, needy families	7,600	7,583	17	6,120
Sala Avenue project	22,703	16,843	5,860	43,636
Total	<u>1,817,741</u>	<u>1,792,262</u>	<u>25,479</u>	<u>1,572,162</u>
Total general government	<u>2,196,948</u>	<u>2,176,924</u>	<u>20,024</u>	<u>1,953,595</u>

(continued)

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1999
(With Comparative Actual Amounts for Year Ended December 31, 1998)
(continued)

EXPENDITURES	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>Public Safety</u>				
Personal services:				
Air condition and heating inspector	\$ 2,400	\$ 2,400	\$ -0-	\$ 2,400
Arson investigator	1,200	1,200	-0-	1,200
Building inspector	3,000	3,000	-0-	3,000
Electrical inspector	2,400	2,400	-0-	2,400
Fire chief	3,333	3,250	83	3,136
Firemen	282,393	282,200	193	272,475
Fire prevention chief	2,400	2,400	-0-	1,200
Plumbing inspector	4,800	4,800	-0-	4,800
Police chief's salary and expense	31,225	33,263	(2,038)	32,202
Policemen	755,439	740,893	14,546	633,778
Emergency medical technicians	184,063	188,308	(4,245)	171,804
Code enforcer	-0-	-0-	-0-	1,200
Total	1,272,653	1,264,114	8,539	1,129,595
<u>Other:</u>				
Auto and truck expenses, Fire Department	28,162	24,927	3,235	30,528
Auto expenses, Police Department	99,048	95,725	3,323	71,765
Capital outlays	86,043	166,180	(80,137)	183,411
Fire Department maintenance and operation	105,286	96,253	9,033	101,976
Police Department maintenance and operation	195,448	197,705	(2,257)	146,449
Police pension contributions	59,871	60,399	(528)	47,162
Police witness fees	10,420	9,890	530	8,125
Signs	4,975	4,067	908	2,110
Street and flood light electricity	75,976	69,290	6,686	66,581
Emergency medical service expense	31,046	30,584	462	34,735
Parish jail	79,112	68,983	10,129	57,514
Total	775,387	824,003	(48,616)	750,356
Total public safety	2,048,040	2,088,117	(40,077)	1,879,951

(continued)

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1999
(With Comparative Actual Amounts for Year Ended December 31, 1998)
(continued)

EXPENDITURES	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>Public Works</u>				
Personal Services:				
Maintenance shop	\$ 24,427	\$ 24,535	\$ (108)	\$ 23,986
Labor crews	132,766	129,037	3,729	150,499
Total	<u>157,193</u>	<u>153,572</u>	<u>3,621</u>	<u>174,485</u>
<u>Other:</u>				
Auto, truck and equipment expenses	37,367	34,036	3,331	26,648
Materials, supplies and pipe	24,498	18,643	5,855	45,708
Miscellaneous maintenance	84,191	80,676	3,515	80,974
Capital expenditures	699,930	715,073	(15,143)	867,560
Total	<u>845,986</u>	<u>848,428</u>	<u>(2,442)</u>	<u>1,020,890</u>
Total public works	<u>1,003,179</u>	<u>1,002,000</u>	<u>1,179</u>	<u>1,195,375</u>
<u>Sanitation</u>				
Personal Services:				
Garbage and trash crews	8,000	8,000	-0-	8,000
<u>Other:</u>				
Solid waste disposal expenses	542,676	534,731	7,945	506,849
Total sanitation	<u>550,676</u>	<u>542,731</u>	<u>7,945</u>	<u>514,849</u>
<u>Health</u>				
Other:				
Social services	57,516	53,745	3,771	57,375
Capital expenditures	1,268	1,268	-0-	5,559
Other	5,598	5,980	(382)	5,992
Total health	<u>64,382</u>	<u>60,993</u>	<u>3,389</u>	<u>68,926</u>

(continued)

CITY OF WESTWEGO, LOUISIANA
GENERAL FUND
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)
Year Ended December 31, 1999
(With Comparative Actual Amounts for Year Ended December 31, 1998)
(continued)

EXPENDITURES	1999		Variance - Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
<u>Recreation</u>				
Personal Services:				
Playground directors	\$ 25,053	\$ 25,205	\$ (152)	\$ 24,960
Playground upkeep	71,271	71,717	(446)	61,248
Total	<u>96,324</u>	<u>96,922</u>	<u>(598)</u>	<u>86,208</u>
Other:				
Capital outlays	137,483	141,432	(3,949)	112,832
Park maintenance and lighting	135,537	126,934	8,603	85,390
Playground sports equipment	28,623	37,202	(8,579)	23,828
Total	<u>301,643</u>	<u>305,568</u>	<u>(3,925)</u>	<u>222,050</u>
Total recreation	<u>397,967</u>	<u>402,490</u>	<u>(4,523)</u>	<u>308,258</u>
Total Expenditures	<u>6,261,192</u>	<u>6,273,255</u>	<u>(12,063)</u>	<u>5,920,954</u>
Transfers to other funds	<u>416,343</u>	<u>416,343</u>	<u>-0-</u>	<u>203,108</u>
Total expenditures and transfers	<u>\$6,677,535</u>	<u>\$ 6,689,598</u>	<u>\$ (12,063)</u>	<u>\$ 6,124,062</u>

ENTERPRISE FUNDS

Waterworks and Sewerage Funds - to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF WESTWEGO, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING BALANCE SHEET
 December 31, 1999
 (With Comparative Totals for December 31, 1998)

<u>ASSETS</u>	Waterworks	Sewerage	Totals	
			1999	1998
CURRENT ASSETS				
Cash	\$ 27,116	\$ 154,571	\$ 181,687	\$ 261,919
Certificates of deposit	58,914	-0-	58,914	53,112
Accounts receivable	105,259	123,874	229,133	206,439
Total current assets	191,289	278,445	469,734	521,470
RESTRICTED ASSETS				
Revenue bonds reserve fund:				
Cash	34	-0-	34	33
Certificate of deposit	32,520	-0-	32,520	77,314
Revenue bonds depreciation and contingencies fund:				
Cash	44	-0-	44	42
Certificate of deposit	247,605	-0-	247,605	237,718
Customers' deposits fund:				
Cash	35,081	-0-	35,081	29,871
Certificate of deposit	58,103	-0-	58,103	59,232
Total restricted assets	373,387	-0-	373,387	404,210
PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION				
	1,376,520	7,004,341	8,380,861	8,459,394
Total assets	\$1,941,196	\$ 7,282,786	\$ 9,223,982	\$9,385,074

(continued)

CITY OF WESTWEGO, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
December 31, 1999
(With Comparative Totals for December 31, 1998)
(continued)

	Waterworks	Sewerage	Totals	
			1999	1998
<u>LIABILITIES AND FUND EQUITY</u>				
CURRENT LIABILITIES				
(Payable from current assets)				
Accounts payable	\$ 26,200	\$ 43,493	\$ 69,693	\$ 45,601
Accrued wages payable	7,868	8,396	16,264	14,620
Due to other funds	224,433	803,477	1,027,910	1,201,318
Total	258,501	855,366	1,113,867	1,261,539
CURRENT LIABILITIES				
(Payable from restricted assets)				
Customers' deposits	93,184	-0-	93,184	89,103
Total liabilities	351,685	855,366	1,207,051	1,350,642
FUND EQUITY				
Contributed capital:				
City grants	-0-	1,851,632	1,851,632	1,851,632
Federal grants	40,917	4,997,596	5,038,513	5,038,513
State grants	-0-	347,308	347,308	347,308
Property owners	-0-	862,956	862,956	862,956
Parish grants	-0-	26,000	26,000	26,000
Total contributed capital	40,917	8,085,492	8,126,409	8,126,409
Retained earnings (deficit):				
Reserved for water-works maintenance	280,203	-0-	280,203	315,107
Unreserved	1,268,391	(1,658,072)	(389,681)	(407,084)
Total retained earnings (deficit)	1,548,594	(1,658,072)	(109,478)	(91,977)
Total fund equity	1,589,511	6,427,420	8,016,931	8,034,432
Total liabilities and fund equity	\$1,941,196	\$ 7,282,786	\$ 9,223,982	\$ 9,385,074

CITY OF WESTWEGO, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS
 Year Ended December 31, 1999
 (With Comparative Totals for Year Ended December 31, 1998)

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>	
			1999	1998
Operating revenues:				
Charges for services and other	\$ 512,188	\$ 693,120	\$ 1,205,308	\$ 1,229,425
Operating expenses:				
Salaries, wages and personal services	181,692	230,106	411,798	452,076
Maintenance	124,019	246,220	370,239	229,826
Power	91,170	107,364	198,534	185,176
Chemicals	51,677	25,897	77,574	79,410
Medical insurance	14,117	25,722	39,839	42,035
General insurance	91,370	91,539	182,909	166,826
Truck expense	5,781	8,994	14,775	18,115
Office supplies, expense and postage	8,475	7,976	16,451	15,485
Employees' pension plan	8,758	10,676	19,434	20,036
Bad debts	963	2,610	3,573	3,302
Other	2,680	9,016	11,696	6,588
Telephone	352	1,379	1,731	1,764
Tenure awards	2,175	3,175	5,350	5,050
Professional fees	17,867	18,434	36,301	33,070
Depreciation	68,591	205,177	273,768	266,709
Total operating expenses	<u>669,687</u>	<u>994,285</u>	<u>1,663,972</u>	<u>1,525,468</u>
Net operating loss	<u>(157,499)</u>	<u>(301,165)</u>	<u>(458,664)</u>	<u>(296,043)</u>
Nonoperating revenues:				
Interest on investments	22,730	2,090	24,820	25,811
Transfer from other funds	<u>127,577</u>	<u>288,766</u>	<u>416,343</u>	<u>203,108</u>
Total nonoperating revenues	<u>150,307</u>	<u>290,856</u>	<u>441,163</u>	<u>228,919</u>

(continued)

CITY OF WESTWEGO, LOUISIANA
 ENTERPRISE FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
 RETAINED EARNINGS
 Year Ended December 31, 1999
 (With Comparative Totals for Year Ended December 31, 1998)
 (continued)

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
Net income (loss)	\$ (7,192)	\$ (10,309)	\$ (17,501)	\$ (67,124)
Retained earnings (deficit) at beginning of year	<u>1,555,786</u>	<u>(1,647,763)</u>	<u>(91,977)</u>	<u>(24,853)</u>
Retained earnings (deficit) at end of year	<u>\$1,548,594</u>	<u>\$ (1,658,072)</u>	<u>\$ (109,478)</u>	<u>\$ (91,977)</u>

CITY OF WESTWEGO, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
Year Ended December 31, 1999
(With Comparative Totals for Year Ended December 31, 1998)

	Waterworks	Sewerage	Totals	
			1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES				
Net operating loss	\$ (157,499)	\$ (301,165)	\$ (458,664)	\$ (296,043)
Adjustments to reconcile net operating loss to net cash provided by operating activities:				
Depreciation	68,591	205,177	273,768	266,709
(Increase) decrease in accounts receivable	(8,533)	(14,161)	(22,694)	15,915
Increase(decrease) in accounts payable	(2,736)	26,828	24,092	(109,220)
Increase in accrued wages	1,589	55	1,644	682
Increase (decrease) in due to other funds	(20,669)	(152,739)	(173,408)	411,816
NET CASH (USED) PROVIDED BY OPERATING ACTIVITIES	(119,257)	(236,005)	(355,262)	289,859
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Increase in customers' deposits	4,081	-0-	4,081	2,229
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition of property, plant and equipment	(99,436)	(95,799)	(195,235)	(293,073)
Transfer from other funds	127,577	288,766	416,343	203,108
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	28,141	192,967	221,108	(89,965)
CASH FLOWS FROM INVESTING ACTIVITIES				
Redemption of certificates of deposit	4,642,318	-0-	4,642,318	5,419,497
Purchase of certificates of deposit	(4,612,084)	-0-	(4,612,084)	(5,440,703)
Interest on investments	22,730	2,090	24,820	25,811
NET CASH PROVIDED BY INVESTING ACTIVITIES	52,964	2,090	55,054	4,605
Net increase (decrease) in cash	(34,071)	(40,948)	(75,019)	206,728
Cash at beginning of year	96,346	195,519	291,865	85,137
Cash at end of year	\$ 62,275	\$ 154,571	\$ 216,846	\$ 291,865
SUMMARY OF CASH				
Current Asset - Cash	\$ 27,116	\$ 154,571	\$ 181,687	\$ 261,919
Restricted Assets:				
Reserve fund cash	34	-0-	34	33
Depreciation and contingencies fund cash	44	-0-	44	42
Customers' deposits cash	35,081	-0-	35,081	29,871
	\$ 62,275	\$ 154,571	\$ 216,846	\$ 291,865

CITY OF WESTWEGO, LOUISIANA
 WATERWORKS ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 December 31, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash	\$ 27,116	\$ 66,400
Certificates of deposit	58,914	53,112
Accounts receivable	<u>105,259</u>	<u>96,726</u>
Total current assets	<u>191,289</u>	<u>216,238</u>
RESTRICTED ASSETS		
Revenue bonds reserve fund:		
Cash	34	33
Certificate of deposit	32,520	77,314
Revenue bonds depreciation and contingencies fund:		
Cash	44	42
Certificate of deposit	247,605	237,718
Customers' deposits fund:		
Cash	35,081	29,871
Certificate of deposit	<u>58,103</u>	<u>59,232</u>
Total restricted assets	<u>373,387</u>	<u>404,210</u>
PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION		
(1999 - \$1,734,054; 1998 - \$1,665,463)	<u>1,376,520</u>	<u>1,345,675</u>
Total assets	<u>\$ 1,941,196</u>	<u>\$ 1,966,123</u>

(continued)

CITY OF WESTWEGO, LOUISIANA
 WATERWORKS ENTERPRISE FUND
 COMPARATIVE BALANCE SHEET
 December 31, 1999 and 1998

<u>LIABILITIES AND FUND EQUITY</u>	<u>1999</u>	<u>1998</u>
CURRENT LIABILITIES		
(Payable from current assets)		
Accounts payable	\$ 26,200	\$ 28,936
Accrued wages payable	7,868	6,279
Due to other funds	<u>224,433</u>	<u>245,102</u>
Total	258,501	280,317
CURRENT LIABILITIES		
(Payable from restricted assets)		
Customers' deposits	<u>93,184</u>	<u>89,103</u>
Total liabilities	<u>351,685</u>	<u>369,420</u>
FUND EQUITY		
Contributed capital:		
Federal grants	<u>40,917</u>	<u>40,917</u>
Retained earnings:		
Reserved for waterworks maintenance	280,203	315,107
Unreserved	<u>1,268,391</u>	<u>1,240,679</u>
Total retained earnings	<u>1,548,594</u>	<u>1,555,786</u>
Total fund equity	<u>1,589,511</u>	<u>1,596,703</u>
Total liabilities and fund equity	<u>\$ 1,941,196</u>	<u>1,966,123</u>

CITY OF WESTWEGO, LOUISIANA
WATERWORKS ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN RETAINED EARNINGS
Years Ended December 31, 1999 and 1998

	1999	1998
Operating revenues:		
Water sales	\$ 504,213	\$ 523,035
Installations	7,732	7,386
Miscellaneous	243	3
	512,188	530,424
Total operating revenues		
Operating expenses:		
Salaries, wages and personal services	181,692	204,790
Maintenance	124,019	83,659
Power	91,170	79,382
Chemicals	51,677	58,408
Medical insurance	14,117	15,373
General insurance	91,370	84,250
Truck expenses	5,781	3,442
Office supplies, expense and postage	8,475	6,250
Employees' pension plan	8,758	9,562
Bad debt expense	963	731
Other	2,680	741
Telephone	352	346
Tenure awards	2,175	2,000
Professional fees	17,867	16,535
Depreciation	68,591	62,663
	669,687	628,132
Total operating expenses		
Net operating loss	(157,499)	(97,708)
Nonoperating revenues:		
Interest on investment	22,730	24,375
Transfer from other funds	127,577	89,917
	150,307	114,292
Total nonoperating revenues		
Net income (loss)	(7,192)	16,584
Retained earnings at beginning of year	1,555,786	1,539,202
Retained earnings at end of year	\$ 1,548,594	\$ 1,555,786

CITY OF WESTWEGO, LOUISIANA
WATERWORKS ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 1999 and 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$ (157,499)	\$ (97,708)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	68,591	62,663
(Increase)decrease in accounts receivable	(8,533)	8,256
Decrease in accounts payable	(2,736)	(6,338)
Increase in accrued wages	1,589	141
Increase(decrease)in due to/from other funds	<u>(20,669)</u>	<u>49,258</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>(119,257)</u>	<u>16,272</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in customers' deposits	<u>4,081</u>	<u>2,229</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(99,436)	(78,389)
Transfer from other funds	<u>127,577</u>	<u>89,917</u>
NET CASH PROVIDED BY CAPITAL AND RELATED FINANCING ACTIVITIES	<u>28,141</u>	<u>11,528</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificates of deposit	4,642,318	5,419,497
Purchase of certificates of deposit	(4,612,084)	(5,440,703)
Interest on investment	<u>22,730</u>	<u>24,375</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>52,964</u>	<u>3,169</u>
Net increase (decrease) in cash	(34,071)	33,198
Cash at beginning of year	<u>96,346</u>	<u>63,148</u>
Cash at end of year	<u>\$ 62,275</u>	<u>\$ 96,346</u>
SUMMARY OF CASH		
Current Asset - Cash	\$ 27,116	\$ 66,400
Restricted Assets:		
Reserve fund cash	34	33
Depreciation and contingencies fund cash	44	42
Customers' deposits cash	<u>35,081</u>	<u>29,871</u>
	<u>\$ 62,275</u>	<u>\$ 96,346</u>

CITY OF WESTWEGO, LOUISIANA
SEWERAGE ENTERPRISE FUND
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
CURRENT ASSETS		
Cash	\$ 154,571	\$ 195,519
Accounts receivable	<u>123,874</u>	<u>109,713</u>
Total current assets	278,445	305,232
PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION		
(1999 - \$3,411,603; 1998 - \$3,206,426)	<u>7,004,341</u>	<u>7,113,719</u>
Total assets	\$ <u>7,282,786</u>	\$ <u>7,418,951</u>
<u>LIABILITIES AND FUND EQUITY</u>		
CURRENT LIABILITIES		
Accounts payable	\$ 43,493	\$ 16,665
Accrued wages payable	8,396	8,341
Due to other funds	<u>803,477</u>	<u>956,216</u>
Total liabilities	<u>855,366</u>	<u>981,222</u>
FUND EQUITY		
Contributed capital:		
City grants	1,851,632	1,851,632
Federal grants	4,997,596	4,997,596
State grants	347,308	347,308
Property owners	862,956	862,956
Parish grants	<u>26,000</u>	<u>26,000</u>
Total contributed capital	<u>8,085,492</u>	<u>8,085,492</u>
Accumulated deficit	<u>(1,658,072)</u>	<u>(1,647,763)</u>
Total fund equity	<u>6,427,420</u>	<u>6,437,729</u>
Total liabilities and fund equity	\$ <u>7,282,786</u>	\$ <u>7,418,951</u>

CITY OF WESTWEGO, LOUISIANA
SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN ACCUMULATED DEFICIT
Years Ended December 31, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating revenues:		
Sewerage service charges	\$ 683,974	\$ 697,851
Installations	1,140	32
Permits and other	<u>8,006</u>	<u>1,118</u>
Total operating revenues	<u>693,120</u>	<u>699,001</u>
Operating expenses:		
Salaries, wages and personal services	230,106	247,286
Maintenance	246,220	146,167
Power	107,364	105,794
Chemicals	25,897	21,002
Medical insurance	25,722	26,662
General insurance	91,539	82,576
Truck expenses	8,994	14,673
Office supplies, expense and postage	7,976	9,235
Employees' pension plan	10,676	10,474
Bad debts	2,610	2,571
Other	9,016	5,847
Telephone	1,379	1,418
Tenure awards	3,175	3,050
Professional fees	18,434	16,535
Depreciation	<u>205,177</u>	<u>204,046</u>
Total operating expenses	<u>994,285</u>	<u>897,336</u>
Net operating loss	<u>(301,165)</u>	<u>(198,335)</u>
Nonoperating revenues:		
Interest on investments	2,090	1,436
Transfer from other funds	<u>288,766</u>	<u>113,191</u>
Total nonoperating revenues	<u>290,856</u>	<u>114,627</u>
Net loss	(10,309)	(83,708)
Accumulated deficit at beginning of year	<u>(1,647,763)</u>	<u>(1,564,055)</u>
Accumulated deficit at end of year	<u>\$ (1,658,072)</u>	<u>\$ (1,647,763)</u>

CITY OF WESTWEGO, LOUISIANA
SEWERAGE ENTERPRISE FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 1999 and 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$ (301,165)	\$ (198,335)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	205,177	204,046
(Increase) decrease in accounts receivable	(14,161)	7,659
Increase (decrease) in accounts payable	26,828	(102,882)
Increase in accrued wages	55	541
Increase (decrease) in due to other funds	<u>(152,739)</u>	<u>362,558</u>
 NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	 <u>(236,005)</u>	 <u>273,587</u>
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(95,799)	(214,684)
Transfer from other funds	<u>288,766</u>	<u>113,191</u>
 NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	 <u>192,967</u>	 <u>(101,493)</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	<u>2,090</u>	<u>1,436</u>
 Net increase (decrease) in cash	 (40,948)	 173,530
Cash at beginning of year	<u>195,519</u>	<u>21,989</u>
Cash at end of year	<u>\$ 154,571</u>	<u>\$ 195,519</u>

FIDUCIARY FUND

Police Pension and Relief Trust Fund - prior to 1983, this fund was used to account for the accumulation of resources for police pension and relief payments. Resources were contributed by employees at rates fixed by law and by the City of a portion of the amounts collected for licenses and fines. In 1983, the City Police Pension Plan was merged with the Municipal Police Employees' Retirement System of Louisiana (formerly, the Louisiana Municipal Police Employees' Retirement System) in accordance with Act 585 of the 1982 regular session of the Louisiana Legislature. The Police Pension and Relief Fund was then used to account for the accumulation of resources to be used for the payment of (1) the actuarially determined liability at the time of the merger and (2) any liability arising due to differences between the two plans. During 1988, a lump-sum payment was made to the State Retirement System in full payment of the balance due on the actuarially determined liability at the time of merger. Funds are now being accumulated for the payment of any liability arising due to differences between the two plans.

CITY OF WESTWEGO, LOUISIANA
POLICE PENSION AND RELIEF TRUST FUND
COMPARATIVE BALANCE SHEET
December 31, 1999 and 1998

<u>ASSETS</u>	<u>1999</u>	<u>1998</u>
Cash	\$ 5,202	\$ 12,644
Certificate of deposit	<u>130,050</u>	<u>144,513</u>
Total assets	\$ <u>135,252</u>	\$ <u>157,157</u>
 <u>FUND BALANCE</u>		
Reserved for payment of benefits	\$ <u>135,252</u>	\$ <u>157,157</u>

CITY OF WESTWEGO, LOUISIANA
POLICE PENSION AND RELIEF TRUST FUND
COMPARATIVE STATEMENT OF REVENUES, EXPENSES
AND CHANGES IN FUND BALANCE
Years Ended December 31, 1999 and 1998

	1999	1998
Revenues:		
Interest received on investments	6,046	8,549
Expenses:		
Benefits paid	27,951	27,951
Deficiency of revenues over expenses	(21,905)	(19,402)
Fund balance at beginning of year	157,157	176,559
Fund balance at end of year	\$ 135,252	\$ 157,157

CITY OF WESTWEGO, LOUISIANA
POLICE PENSION AND RELIEF TRUST FUND
COMPARATIVE STATEMENT OF CASH FLOWS
Years Ended December 31, 1999 and 1998

	1999	1998
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ <u>(21,905)</u>	\$ <u>(19,402)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificates of deposit and investment	1,496,925	2,086,162
Purchase of certificates of deposit	<u>(1,482,462)</u>	<u>(2,074,325)</u>
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>14,463</u>	<u>11,837</u>
Net decrease in cash	(7,442)	(7,565)
Cash at beginning of year	<u>12,644</u>	<u>20,209</u>
Cash at end of year	<u>\$ 5,202</u>	<u>\$ 12,644</u>

SUPPLEMENTARY INFORMATION

CITY OF WESTWEGO, LOUISIANA
SCHEDULE OF COMPENSATION PAID TO MEMBERS
OF THE CITY COUNCIL
Year Ended December 31, 1999

<u>Councilmen</u>	<u>Salary</u>
Melvin J. Guidry	\$ 8,868
Ted J. Munch	8,420
Glenn Green	8,868
Ivy E. Rogers	8,420
Garrison J. Toups, Sr.	<u>8,420</u>
	\$ <u>42,996</u>

COMPLIANCE AND INTERNAL CONTROL

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

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

The Honorable Mayor and
Members of the City Council
City of Westwego, Louisiana

We have audited the general purpose financial statements of the City of Westwego, Louisiana as of and for the year ended December 31, 1999, and have issued our report thereon dated June 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the City of Westwego, 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, 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 the City of Westwego, Louisiana's control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A

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material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

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

Uzee, Butler, Arceneux & Bowes

Harvey, Louisiana
June 29, 2000