

City of Denham Springs, State of Louisiana



97601955
2167

Scan

**COMPREHENSIVE
ANNUAL
FINANCIAL
REPORT**

Under provisions of State Law, this report is a public document. A copy of this report has been submitted to the court, to be retained, or returned, at the option of the court, to the public. This work is available for public inspection at the Baton Rouge office of the Legislative Auditor and, when appropriate, at the office of the parish clerk of court.

Release Date 9/22/98

For The Year Ended June 30, 1998



CITY OF BERHAM SPRINGS, LOUISIANA

Single Audit Reports

TABLE OF CONTENTS

Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.....	Page 1 - 2
Independent Auditor's Report on Compliance with Requirements Applicable to Its Major Program and Internal Control over Compliance with OMB Circular A-133.....	3 - 4
Schedule of Expenditures of Federal Awards.....	5 - 7
Schedule of Findings and Questioned Cost.....	8 - 9
Summary Schedule of Prior Audit Findings.....	10

**Comprehensive
Annual Financial Report
of the**

CITY OF DENHAM SPRINGS

Denham Springs, Louisiana

**For the Fiscal Year Ended
June 30, 1998**

**Prepared by the
City Treasurer**

Mr. Horace W. Elkins

City of Basham Springs
Basham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1988

TABLE OF CONTENTS

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
<u>INTRODUCTORY SECTION</u>		
Table of Contents		i
Letter of Transmittal		vi
Principal Elected Officials		xviii
Organizational Chart		xix
Certificate of Achievement for Excellence in Financial Reporting		xx
<u>FINANCIAL SECTION</u>		
REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Combined Balance Sheet - All Fund Types, ACCOUNT GROUPS and Discretely Presented Component Units	Exhibit A	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Fund, and Discretely Presented Component Units	Exhibit B	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GNAP Basis) and Actual - General and Capital Projects Fund Types	Exhibit C	12
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	Exhibit D	14
Combined Statement of Cash Flows - All Proprietary Fund Types	Exhibit E	18
Notes to Financial Statements		
Note 1 - Summary of Significant Accounting Policies		21
Note 2 - Stewardship, Compliance and Account- ability		22

City of Bossier Springs
Bossier Springs, Louisiana
COMPREHENSIVE ANNUAL FINANCIAL REPORT
For the Year Ended June 30, 1998

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)		
Note 3 - Deposits and Investments		36
Note 4 - Ad Valorem Taxes		38
Note 5 - Receivables		40
Note 6 - Due from Other Governments		40
Note 7 - Interfund Receivables, Payables - Due (To) From Primary Government/ Component Units - Transfers In, Transfers Out		41
Note 8 - Changes in General Fixed Assets		43
Note 9 - Long-Term Debt		45
Note 10 - Amortization of the Cost of Issuing Bonds		48
Note 11 - Customers' Deposits		49
Note 12 - Retirement Commitments		49
Note 13 - Deferred Compensation Plan		50
Note 14 - Litigation		50
Note 15 - Intergovernmental Revenue		53
Note 16 - Contributed Capital		53
Note 17 - Changes in Agency Funds		53
Note 18 - Request Information - Enterprise Fund		54
Note 19 - Risk Management		55
Note 20 - Subsequent Events		56
CONTINUED, INDIVIDUAL FUND AND ACCOUNT SCHEDULE STATEMENTS AND SCHEDULES		
General Fund		
Comparative Balance Sheets	Exhibit F-1	58
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	Exhibit F-2	59
Schedule of Revenues, Compared to Budget (GAAP Basis)	Schedule F-3	60
Schedule of Expenditures, Compared to Budget (GAAP Basis)	Schedule F-4	62
Debt Service Fund		
Comparative Balance Sheets	Exhibit G-1	70
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	Exhibit G-2	71

City of Basham Springs
Basham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1998

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)		
Capital Projects Funds		
Combining Balance Sheets	Exhibit H-1	73
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	Exhibit H-2	75
Statement of Revenues, Expenditures, and Changes in Fund Balance - Streets, Budget (GAAP Basis) and Actual	Exhibit H-3	77
Statement of Revenues, Expenditures, and Changes in Fund Balance - Drainage, Budget (GAAP Basis) and Actual	Exhibit H-4	78
Statement of Revenues, Expenditures, and Changes in Fund Balance - Renovations, Budget (GAAP Basis) and Actual	Exhibit H-5	79
Enterprise Fund		
Comparative Balance Sheets	Exhibit I-1	81
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	Exhibit I-2	83
Comparative Statements of Cash Flows	Exhibit I-3	84
Comparative Schedules of Net Income (Loss) From Operations by Department	Schedule I-4	86
Comparative Schedules of Operating Expenses by Department	Schedule I-5	88
Schedule of Changes in Assets Re- stricted for Revenue Bond Debt Service	Schedule I-6	90

City of Basham Springs
 Fortson Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1998

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED):		
Internal Service Fund:		
Comparative Balance Sheets	Exhibit J-1	82
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	Exhibit J-2	83
Comparative Statements of Cash Flows	Exhibit J-3	84
Trust Fund:		
Comparative Balance Sheets	Exhibit K-1	86
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Expendable Cemetery Trust Fund	Exhibit K-2	87
General Fixed Assets Account Group:		
Statements of General Fixed Assets	Exhibit L-1	89
Schedule of General Fixed Assets - By Function and Activity	Schedule L-2	100
Schedule of Changes in General Fixed Assets - By Function and Activity	Schedule L-3	102
General Long-Term Debt Account Group:		
Statements of General Long-Term Debt	Exhibit M	104

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1998

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
OTHER SUPPLEMENTARY INFORMATION:		
Schedule of Insurance Coverage in Force (Unaudited)	Schedule 1	106
Schedule of Compensation of City Council Members	Schedule 2	109
STATISTICAL SECTION		
General Fund Expenditures and Other Uses by Function	Schedule 3	111
General Fund Revenues and Other Financing Sources	Schedule 4	113
General Fund Tax Revenues by Source	Schedule 4A	113
Property Tax Levies and Collections	Schedule 5	118
Assessed and Estimated Actual Value of Taxable Property	Schedule 6	116
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	Schedule 7	117
Special Assessment Collections	Schedule 8	119
Statement of Legal Debt Limit	Schedule 9	120
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	Schedule 10	122
Ratio of Annual Debt Service Expendi- tures for General Bonded Debt to Total General Governmental Expenditures	Schedule 11	124
Computation of Direct and Overlapping Debt	Schedule 12	125
Summary of Revenue Bond Coverage	Schedule 13	126
Demographic Statistics	Schedule 14	128
Construction	Schedule 15	129
Principal Sales Tax Payers	Schedule 16	130
Miscellaneous Statistics	Schedule 17	131



City of Denham Springs

MAYOR
ANNOUNCE DELIVERED

RECEIVED
CITY OF DENHAM SPRINGS
CITY CLERK'S OFFICE
CITY OF DENHAM SPRINGS

CITY CLERK
LINDA BARNETT
CITY OF DENHAM SPRINGS

October 27, 1998

The Honorable Mayor and
Members of the City Council
City of Denham Springs
P.O. Box 1623
Denham Springs, LA 70721-1623

Dear Mayor and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Denham Springs for the fiscal year ended June 30, 1998. The report continues to reflect the strength of the local economy, as indicated by the 4.8% increase in sales taxes over the prior year. The City continues its conservative approach in spending while continuing to improve the infrastructure of the City along with improved services to the citizens of the City of Denham Springs.

REPORTING STANDARDS

The City has prepared this report using generally accepted accounting principles (GAAP). We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of the various funds and account groups. All disclosures necessary to enable readers to gain a maximum understanding of the City's financial affairs have been included. Responsibility for the accuracy of the data presented and the completeness and fairness of the presentation, including all disclosures, rests with the City of Denham Springs.

REPORT OF ORGANIZATION

The CAFR is presented in three sections: Introductory, Financial, and Statistical. The introductory section includes a table of contents, this letter of transmittal, a list of principal elected officials, and the government's organizational chart. The financial section includes the independent auditor's report on the financial statements and schedules, the general purpose financial statements, and the combining, individual fund and account group statements and schedules. The statistical section includes selected financial and nonfinancial data, as well as demographic data to aid CAFR users and others to understand the financial activities of the City of Denham Springs.

SINGLE AUDIT

During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this Single Audit including the schedule of Expenditures of Federal Awards and the auditor's reports on Compliance and on the Internal Control Structure, is included in a separately issued report and is available upon request.

THE REPORTING ENTITY

The financial reporting entity consists of all funds under the auspices of the Mayor, and the City Council, and organizations for which the primary government is financially accountable. The City Council of Durham Springs - Ward II and the Marshall of the City Court of Durham Springs are considered component units according to criteria set forth under Governmental Accounting Standards Board GASB Statement No. 14. This criteria is explained fully in the Notes to Financial Statements under Financial Reporting Entity.

SERVICES PROVIDED

The City provides a full range of services to the community which include: police and fire protection, maintenance of streets and drainage, animal control, cemetery, general administrative services, planning and development, summer food program, main street program, health services, gas services, water services, sewer services, recycling, and solid waste disposal.

ECONOMIC CONDITIONS AND OUTLOOK

The City of Durham Springs is a bedroom community to the City of Baton Rouge. The City's major revenue source is the General Fund is from sales tax, the majority of which is collected from retail stores. The population of Durham Springs and the surrounding area is growing at a fast pace, and it's this growth that is mainly responsible for the increase in sales tax collections in the past several years. This increase is expected to continue in the near future as citizens inside and outside Durham Springs continue to shop within the city limits of Durham Springs. Over the past year, the City issued 85 residential construction permits with a value of \$2,448,471 and 82 commercial construction permits with a value of \$8,719,416. In the past fiscal year, two new hotels have begun construction and are nearing completion, a major retail chain has begun a significant expansion of an existing store, a grocery store has closed an existing store and opened a larger store, two banks have completed new facilities, a new junior high school has opened, a new bowling alley has completed construction and is about to open, and several new office and retail facilities have been completed. This new construction appears to reflect the opinion of entrepreneurs that the City of Durham Springs has a bright economic future.

MAJOR INITIATIVES

For the Year: The City continues to strive to improve infrastructure and to provide more improved services while staying fiscally conservative. Some of the infrastructure improvements and additional or upgraded services provided in the current year include:

- Completed construction of a new water storage tank on Pete's Highway.
- Awarded its first Certificate of Achievement for Excellence in Financial Reporting for the City's Comprehensive Annual Financial Report for the year ended June 30, 1996.
- Continued construction of new water mains on Pete's Highway.
- Completed construction of Capital Street to improve traffic flow along with drainage improvements in this area.
- Replaced all utilities, improved drainage, and reconstructed Oak and Poplar Streets.
- Continued resurfacing streets needing overlay.
- Continued drainage improvement program to alleviate drainage problems within City. A major portion of the Miller Diversion Canal project was completed along with the improvements on River Road.
- Began sewer collection system renovations per sewer study.
- The Police Department received accreditation from the Commission on Accreditation for Law Enforcement Agencies.
- An addition to the Municipal Building was begun.
- Additional streetlights were installed on Range Avenue.
- Continued Community policing program which included neighborhood meetings.
- Range Road By-Pass design was begun.
- Continued Beautification effort.

For the Future: The City will continue to upgrade and improve services. Some of the planned projects include:

- Construction of a new Animal Control Building.
- Completion of the Miller Diversion Canal project.
- Continue Capital Improvement Program consisting of street overlay and drainage improvements.

- Completion of the Municipal Building addition.
- Continue the restoration of the Old City Hall.
- Installation of sidewalks on a portion of South Range Avenue.
- Contribute to the renovation of the West Livingston Gym.
- Begin the design of a new Fire training Facility.
- Begin construction of the Range Road By-Pass Project.
- Begin renovations of sewer oxidation pond and filter system by utilizing Federal grant.
- Begin construction of new sewer force main on Pete's Highway and renovate Pumping station on Pete's Highway as recommended by Sewer study.
- Continue renovating all sewers pumping stations and lift stations by replacing old pumps and adding pumps where necessary.
- Continue upgrading and replacing equipment in all departments.

INTERNAL CONTROL

The management of the City of Dunbar Springs is responsible for establishing and maintaining internal control. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of internal control are to provide management with reasonable but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles.

We believe that the City's internal controls adequately safeguard assets and provides reasonable assurance of the proper recording of financial transactions.

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

An explanation of the City's accounting and budgetary policies is contained in the Notes to the Financial Statements. Replicated in detail are the basis of accounting, fund structure and other significant information regarding accounting and budgetary policies. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City. Activities of the General Fund, and Capital Projects Funds are included in the annual appropriated budget. In addition, a "financial plan" was utilized for the Enterprise Fund, Internal Service Fund, and Cemetery Trust Fund.

GENERAL GOVERNMENTAL FUNCTIONS

The general government operations of the City are accounted for in the General Fund and consists of the following departments: General Administrative, Cemetery, Tax, Ward Court, Planning and Development, Public Service Workers, Summer Food Program, Public Safety (Animal Control, Fire and Police), Highways and Streets, Health, and Culture and Recreation. The revenues to fund these departments consist of taxes, licenses and permits, fines and forfeits, 911 service fees and other miscellaneous revenues.

The schedule below presents a summary of revenues of the General Fund for the years ended June 30, 1998 and 1997, and the percentage increases (decreases) from the prior year.

GENERAL FUND REVENUES:

SOURCE OF REVENUES	1998		1997		INCREASE (DECREASE) OVER 1997	PERCENT INCREASE (DECREASE) OVER 1997
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Taxes	\$4,186,384	74.3%	\$4,001,814	74.9%	\$185,258	4.1%
Licenses and Permits	543,324	8.7	548,865	10.3	(6,041)	(1.1)
Fines and Forfeits	181,915	3.4	179,708	3.2	2,207	10.5
911 Service Fees	165,924	3.0	153,783	2.9	12,531	9.5
Miscellaneous	327,725	6.6	464,860	8.7	(137,135)	(29.7)
Total	\$5,404,452	100.0%	\$5,342,479	100.0%	\$241,973	4.3%

For the year ended June 30, 1998, General Fund Revenues exceeded General Fund Expenditures by \$1,029,578, but because of transfers out of \$1,428,948 to the Capital Projects Fund and other small transfers in and transfers out the City experienced a net deficiency of Revenues over Expenditures and Other Uses in the General Fund of \$438,661. This deficiency was made available through prior year surplus. The collection of taxes, accounts for 74.3% of the General Fund Revenues. Figure #1, as shown on page xi, indicates the types and percentages of taxes collected for the year ended June 30, 1998. The City of Denham Springs collects a 1.5% sales tax. This sales tax generated \$3,334,669 of the General Fund Revenue or 58.5% of the total general fund revenues. Sales tax revenue increased 4.8% in the past fiscal year. Figure #2, as shown on page xi, presents the past ten years of sales tax collections. As indicated by these charts and figures the City of Denham Springs General Fund relies heavily on sales tax revenue and this revenue has been increasing by an average of 3.0% over the past nine years.

GENERAL FUND TAX REVENUE - 1988

FIGURE 1



GENERAL FUND SALES TAX REVENUE

FIGURE 2



The schedule below presents a summary of expenditures of the General Fund for the years ended June 30, 1988 and 1987, and the percentage increases (decreases) from the prior year.

GENERAL FUND EXPENDITURES:

EXPENDITURES BY FUNCTION	1988		1987		INCREASE (DECREASE) OVER 1987	PERCENT INCREASE (DECREASE) OVER 1987
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
General						
Provisions	\$ 589,791	12.9%	\$ 567,761	13.8%	\$ 22,030	3.9%
Cemetery	65,107	1.4	65,158	1.5	151	1.1
Tax	127,840	2.8	105,258	2.4	22,582	21.5
Ward court	53,815	1.2	52,923	1.2	892	1.7
Planning and Development	149,361	3.3	118,433	2.7	30,928	26.1
Public Service Workers	57,547	1.3	36,735	0.8	20,812	56.7

(CONTINUED)

EXPENDITURES BY FUNCTION.	1958		1957		INCREASE (DECREASE) OVER 1957	PERCENT INCREASE (DECREASE) OVER 1957
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
Summer Feed Program	12,908	.3	11,683	0.3	1,226	10.4
Animal Control	54,346	1.2	32,941	0.7	21,405	67.0
Fire	538,601	20.3	517,182	20.9	19,409	3.8
Police	1,677,208	36.7	1,553,477	35.3	123,819	8.0
Streets	686,412	15.8	783,217	17.3	(96,805)	(12.3)
Highway						
Lighting	84,383	2.1	89,984	2.3	(5,611)	(6.2)
Health	24,695	.5	18,723	0.4	5,972	31.9
Culture and Recreation	48,462	1.8	17,883	0.4	30,579	171.7
Total	\$4,574,874	100.0%	\$4,379,897	100.0%	\$194,977	4.5%

GENERAL FUND EXPENDITURES - 1958

FIGURE 1



As indicated in the schedule on page xi, General Provisions expenditures increased \$21,830. This was due primarily to a \$12,833 increase in salaries and a \$15,864 increase in Contingency expenditures. The Tax Department expenditures increased \$23,683 mainly due to a \$8,218 increase in supplies and miscellaneous, a \$9,887 increase in equipment, and a \$5,483 increase in collection fee. Planning and Development increased by \$20,928. This increase was due primarily to a \$15,790 increase in equipment, an \$8,388 increase in demolition expense, and a \$1,551 increase in salaries. The expenditures for Public Service Workers increased \$30,812 mainly due to a \$12,847 increase in salaries, a \$8,298 increase in equipment purchases, and a \$9,667 increase in vehicle maintenance and fuel. Animal Control expenditures increased \$21,605 due to an increase in equipment expenditures. The Police Department expenditures increased \$123,819 due mainly to an increase in salaries. Street Department expenditures decreased \$96,805. This was due primarily to a \$12,106 decrease in Equipment

purchases, a \$16,676 decrease in salaries and related benefits, a \$18,948 decrease in Insurance, and a \$7,972 decrease in Equipment Repairs. Culture and Recreation expenditures increased \$31,379. This increase was due to the Main Street Program operating only a portion of fiscal 1987 and the full year in fiscal 1988. All departmental expenditures were within 1% of budgeted expenditures except for two small departments, Public Service Workers and Animal Control. These variances are fully explained in the Notes to Financial Statements under Excess of Expenditures over Appropriations. The total General Fund Expenditures were \$97,896 under budgeted expenditures.

UTILITY ENTERPRISE FUND

The Enterprise Fund consists of Gas, Water, Sewer, and Sanitation Services. The City has 4,299 gas customers, 8,802 water customers, 4,794 sewer customers, and 3,188 sanitation customers. The Enterprise Fund has \$1,575,088 in unrestricted certificates of deposits. Property, Plant and Equipment (net of accumulated depreciation) is stated at cost and totals \$12,427,048.

The schedules on pages xiii and xiv, present a summary of operating revenues and operating expenses of the Utility Enterprise Fund for the years ended June 30, 1988 and 1987, and the percentage increases (decreases) from the prior year.

OPERATING REVENUE:

SOURCE OF REVENUE	1988		1987		INCREASE (DECREASE) OVER 1987	PERCENT INCREASE (DECREASE) OVER 1987
	REVENUE	PERCENT OF TOTAL	REVENUE	PERCENT OF TOTAL		
Gas Sales	\$2,855,815	50.4%	\$1,861,438	52.1%	\$ 994,377	4.8%
Water Sales	983,588	24.1	827,732	24.4	155,857	8.0
Sewer Service	927,189	22.9	516,329	13.7	410,860	2.1
Sanitation Services	458,242	11.2	384,212	8.1	74,030	50.6
Delinquent Charges	53,624	1.4	54,724	1.5	1,100	8.2
Total	\$4,082,461	100.0%	\$3,764,435	100.0%	\$317,926	8.1%

UTILITY ENTERPRISE FUND OPERATING REVENUE - 1998

PAGE # 1



OPERATING EXPENSES:

FUNCTION OF EXPENSES	1998		1997		INCREASE (DECREASE) OVER 1997	PERCENT INCREASE (DECREASE) OVER 1997
	EXPENSES	PERCENT OF TOTAL	EXPENSES	PERCENT OF TOTAL		
Gas Dept.	\$1,715,762	46.7%	\$1,675,594	47.8%	\$ 40,168	2.4%
Water Dept.	764,093	20.8	729,847	20.7	34,245	4.7
Sewer Dept.	718,828	19.3	764,623	22.3	(73,794)	(9.4)
Sanitation Dept.	483,332	13.2	330,672	9.4	152,660	46.3
Total	\$3,678,020	100.0%	\$3,520,540	100.0%	\$157,480	4.4%

UTILITY ENTERPRISE FUND OPERATING EXPENSES - 1998

PAGE # 2



Gas Department revenue increased \$94,371 in fiscal year 1998 due to a colder winter than in fiscal year 1997, which was a relatively warm winter. Water Sales increased \$34,245 due to a dry period in fiscal year 1998 with customers watering yards. Sanitation Department revenue and expenses increased by approximately \$154,860 each due to a new residential waste collection contract resulting in higher payments to the contractor and higher fees for residence.

EXPENDABLE CEMETERY TRUST FUND

The Expendable Cemetery Trust Fund was established by the City on June 28, 1991, to account for the revenues generated from the sale of cemetery plots and the interest earned by the cash and investments of the fund. The initial funding of \$350,000 was transferred from the General Fund on July 1, 1991.

The Expendable Cemetery Trust Fund will continue to accumulate the revenues generated from the sale of cemetery plots and the interest earned by the investments until such time as the interest earned by the investments fully cover the expenditures of the cemetery maintenance department. At this time, the Fund balance of the Expendable Cemetery Trust Fund is \$350,534. For the year ended June 30, 1998, the expenditures of the Cemetery department was \$65,107 which was funded by General Fund revenues.

DEBT ADMINISTRATION

The City of Dunham Springs has no general obligation debt. There is a Special Assessment debt with a balance of \$66,686 as of June 30, 1998. This Special Assessment debt occurred when the City issued its 1993 Paving Certificates of Indebtedness to be used for the street overlay project within the Lakeland Acres Subdivision. These Certificates of Indebtedness will be repaid by the assessment on the property owners of the Lakeland Acres subdivision. In addition, the Utility Enterprise Fund at June 30, 1998, has outstanding one Revenue bond with an unpaid balance of \$1,860,818. As more fully explained in Note 28 - Subsequent Event - the City subsequent to June 30, 1998, advance refunded its 1989 Utility Revenue Refunding Bonds bearing an annual interest rate of 11.8% with the issuance of its 1989 Utility Revenue Refunding Bonds with an annual interest rate of 7.3%. In addition, due to the reduction in the interest rate and the application of the interest savings to the principal of the new bonds, the City also reduced the remaining life of the old bonds from April 1, 2016 to April 1, 2096.

At the present time the City's outstanding bond has not been rated.

A summary of the certificates of indebtedness and revenue bond activities for 1998 is shown below.

	BALANCE OUTSTANDING JUNE 30, 1997	ADDITIONS	REDUCTIONS	BALANCE OUTSTANDING JUNE 30, 1998
1993 Paving Certificates of Indebtedness	\$ 79,926	\$ -	\$ 13,241	\$ 66,685
1989 Utility Revenue Refunding Bonds	2,100,244	-	132,125	1,860,818
Totals	\$2,180,690	\$ -	\$146,866	\$2,034,894

TREASURY ADMINISTRATION

The City of DeBach Springs conservatively invests its funds in short term certificates of deposits through its current fiscal agent, Hibernia National Bank. Investments are collateralized with securities pledged by the financial institution and held in our name by an approved third-party custodial bank. Procedures followed and securities pledged are in accordance with the Statutes of the State of Louisiana.

RISK MANAGEMENT

During the fiscal year ended June 30, 1999, management believes the City is fully insured for all major risks, such as general liability, Workmen's compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program as June 30, 1999.

INDEPENDENT AUDIT

State statutes require an audit by an independent certified public accountant on an annual basis. The audit has been completed, and the firm's opinion covers the basic financial statements of the financial activities of the report only. The general purpose financial statements and the combining and individual fund and account group statements constitute the basic financial statements.

TRANSPARENCY LETTER OF THE CAFR

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of DeBach Springs for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1997. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

In order to be awarded a Certificate of Achievement for Excellence by GFOA, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report, whose contents conform to program standards. The CAFR must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City of DeBach Springs received a Certificate of Achievement for the fiscal year 1997. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

ACKNOWLEDGMENT

It is our desire that this report contain the necessary information and data which will provide a better understanding of the operations of the City. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance our accountability to the public.

Mr. Kenneth H. Brown was City Treasurer from February 3, 1991 until October 18, 1998, when he resigned to accept other employment. He was primarily responsible for the development of this and the previous CAFR's, which received the Certificate of Achievement. Again, Mr. Brown should be recognized for his assistance in preparing this quality annual financial report for the City of Benton Springs.

Special recognition is also due to the Administrative Office Staff whose daily efforts result in the proper handling of the City's financial affairs and the successful completion of this report.

Finally, appreciation is expressed to the Mayor and City Council for their continued support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF BENTON SPRINGS



Horace W. Ekins
City Treasurer

City of Durham Springs
PRINCIPAL ELECTED OFFICIALS

June 30, 1998

Mayor:

James W. DeLoach

City Council Members:

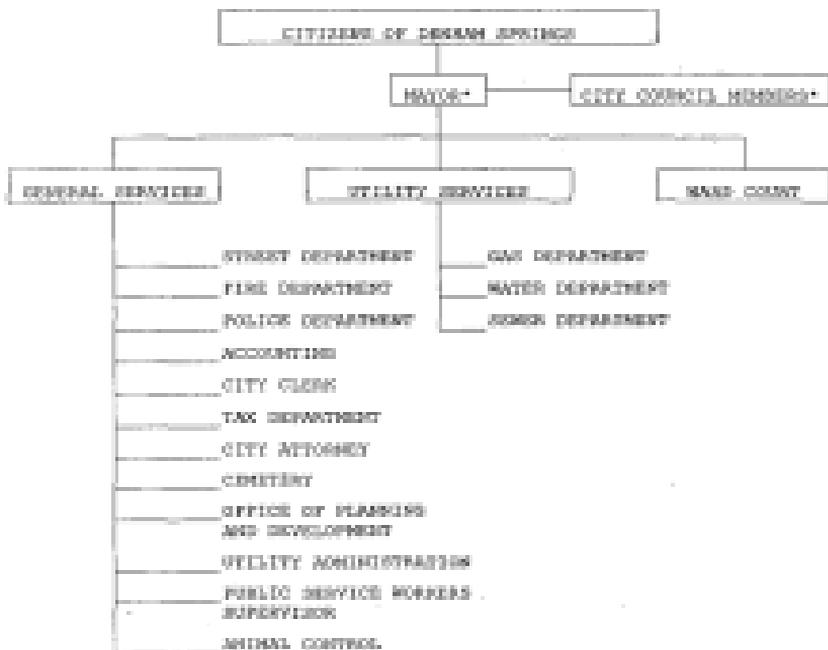
Current Terms Expire December 31, 1998:

James E. Harbin
Arthur Perkins
Sterling Virness
John Mason
Roy Zachary

City of Denham Springs

ORGANIZATIONAL CHART

June 30, 1988



* ELECTED OFFICIALS

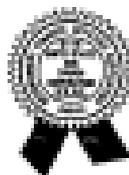
Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Denham Springs,
Louisiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1997

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Douglas R. Ellsworth
President

Jeffrey L. Essel
Executive Director





Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

Walter H. Bourgeois, CPA
Lloyd D. DeLoach, CPA
Brenton H. Mangum, CPA
Laurie P. Quinn, CPA
Stephen M. Pappas, CPA
Michael J. Jones, CPA
William J. Quinn, CPA
Frederick M. Jones, CPA

Edward H. Yarns, CPA
Leland A. Martin, CPA

1000 Lakeside, Metairie, Louisiana 70002

1111 S. Hugo Avenue, Suite 101
Berham Springs, LA 70006

Phone: (504) 662-8297

Fax: (504) 662-3813

Member American Institute of
Certified Public Accountants

2117 Lakeside Drive, Suite 200
Berham Springs, LA 70006

October 15, 1998

INDEPENDENT AUDITOR'S REPORT

The Honorable James E. DeLoach, Mayor
and Members of the City Council
Berham Springs, Louisiana

We have audited the accompanying general purpose financial statements of the City of Berham Springs, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

In addition, Hannis T. Bourgeois, L.L.P., acting separately, audited the financial statements of each of the component units discretely presented in the City of Berham Springs general purpose financial statements. The component units audited by us, separately, account for 100% of the assets, liabilities, revenues, expenditures and other resources (sales) of the financial resources of the component units.

We conducted our audits 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 audits provide 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 Berham Springs, Louisiana, as of June 30, 1998, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund,

The honorable James E. DeLaune
and Members of the City Council
City of Denham Springs, Louisiana

and account group financial statements, referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Denham Springs, Louisiana, at June 30, 1998, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated October 13, 1998 on our consideration of the City of Denham Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The accompanying financial information listed as "Schedules" in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose, combining, individual fund, and account group financial statements of the City of Denham Springs, Louisiana. Such information, except for the Schedule of Insurance in Force marked "unaudited", on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

The accompanying financial information listed in the Statistical Section as Schedules 1-17 is also presented for purposes of additional analysis and is not a required part of the financial statements of the City of Denham Springs, Louisiana. This information has not been audited by us, and accordingly we express no opinion on the information.

Respectfully submitted,

Thomas J. Bourgeois, L.L.P.

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

City of Dusham Springs

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCERNIBLY PRESENTED COMPONENT UNITS

June 30, 1998

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES			PARALLEL FUND TYPES	
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Cash and Cash Equivalents	\$ 375,314	\$ 77,320	\$ 12,344	\$ 219,124	\$ 10,348
Investments, at Cost	349,000	-	480,000	1,371,000	-
Receivables (Net of Allowance for Uncollectibles):					
Accounts	-	-	-	143,183	-
Special Assessments	-	35,487	-	-	-
Other	69,879	-	-	18,200	-
Unbilled Utility Sales	-	-	-	313,561	-
Due from Other Funds	-	2,700	153,454	143,331	-
Due from Other Governments	184,838	-	833,343	83,343	-
Due from Companies/Indvs	11,343	-	-	-	-
Inventory, at Cost	-	-	-	131,166	13,496
Prepaid Expenses	-	-	-	33,930	-
Restricted Assets:					
Investments, at Cost	-	-	-	379,776	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	33,427,848	34,312,545
Other Assets	34,372	-	-	89,034	-
Other Debits:					
Amount Available to Debt Service Fund for Payment of Old 1994 Revenue Certificates	-	-	-	-	-
Amount to be Provided from Special Assessment Receivables	-	-	-	-	-
Amount to be Provided for Accumulated Unpaid Wages	-	-	-	-	-
Amount to be Provided for Retirement of Sales Taxable	-	-	-	-	-
Total Assets and Other Debits	\$1,688,863	\$ 79,820	\$1,508,944	\$34,661,742	\$ 44,871
LIABILITIES					
Accounts Payable	\$ 18,380	\$ -	\$ 328,848	\$ 81,398	\$ 1,373
Unrecorded Payable	-	-	48,643	33,400	-
Payroll Taxes Payable	3,315	-	-	-	-
Warranties and Group Insurance Payable	29,838	-	-	-	-
Accrued Salaries and Wages	44,348	-	-	19,408	-
Due to Other Funds	13,674	-	188,475	-	1,373

CONTINUED

Exhibit A

FISCAL YEAR	ACCOUNT BUDGET		TOTAL FUND BALANCE AVAILABLE (OPERATION ONLY)	COMPONENT UNITS		TOTAL REPORTING UNITS (OPERATION ONLY)
	GENERAL FUND ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DEKALB COUNTY - ROAD II	MARRIAGE OF CITY COURT OF DEKALB COUNTY - ROAD II	
\$ 28,450	\$ -	\$ -	\$ 348,783	\$ 348,819	\$ 18,900	\$ 718,000
211,121	-	-	3,184,123	327,808	13,348	3,454,347
-	-	-	147,188	-	-	147,306
-	-	-	36,487	-	-	36,607
SI	-	-	134,170	3,508	306	137,984
-	-	-	223,381	-	-	223,591
HH	-	-	382,448	395	-	382,843
-	-	-	3,231,143	-	-	3,231,348
-	-	-	31,360	-	-	31,369
-	-	-	-	-	2,848	2,848
-	-	-	134,574	-	-	134,572
-	-	-	38,000	-	-	38,000
-	-	-	975,774	-	-	975,776
-	\$ 828,184	-	18,880,614	190,915	81,117	19,281,306
-	-	-	500,618	-	-	500,618
-	-	48,287	48,287	-	-	48,287
-	-	28,258	28,258	-	-	28,258
-	-	347,839	347,839	-	-	347,839
<u>\$ 358,954</u>	<u>\$ 828,184</u>	<u>\$ 313,664</u>	<u>\$24,822,808</u>	<u>\$ 493,875</u>	<u>\$ 128,880</u>	<u>\$27,382,793</u>
\$ -	\$ -	\$ -	\$ 348,313	\$ 3,618	\$ 2,800	\$ 354,731
-	-	-	87,847	-	-	87,847
-	-	-	2,100	-	2,100	4,200
-	-	-	25,004	-	1,400	26,404
-	-	-	74,048	-	-	74,048
-	-	-	342,448	298	-	342,746

City of Durham Springs

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS, ACCUMULATED

June 30, 1998

LIABILITIES (CONT'D.)	GOVERNMENTAL FUND TYPES			ENTERPRISE FUND TYPES	
	CURRENT	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
DUE TO OTHER GOVERNMENTS	-	-	-	2,114	-
DUE TO COMPONENT UNITS	2,448	-	-	-	-
DUE TO FINANCY GOVERNMENT	-	-	-	-	-
DEFERRED INCOME	-	29,378	-	-	-
REVENUE FROM PARTICIPATING AGREES:					
CUSTOMER'S DEPOSIT	-	-	-	431,138	-
REVENUE BONDS RECEIVABLE	-	-	-	132,153	-
ACCRUED BOND INTEREST	-	-	-	52,888	-
REVENUE BONDS RECEIVABLE	-	-	-	1,418,758	-
TRF ROLLING CONTRACTS	-	-	-	-	-
ACCUMULATED EMPLOYEES VACATION	-	-	-	18,791	2,088
OTHER PAYABLE	-	-	-	-	-
Other Liabilities	<u>21,896</u>	-	-	<u>18,508</u>	<u>2,088</u>
Total Liabilities	174,129	29,378	978,871	2,478,814	4,176
FUND EQUITY AND OTHER CREDITS					
Contributed Capital	-	-	-	4,418,858	-
Reserve in General Fund Assets	-	-	-	-	-
Retained Earnings:					
Reserved for Bond Repayment and Contingencies	-	-	-	754,498	-
Unreserved	-	-	-	6,483,418	48,481
Fund Balance:					
Reserved for Debt Service	-	48,322	-	-	-
Reserved for Elementary Expenditures	-	-	-	-	-
Reserved Capital Fees	-	-	-	-	-
Reserved for Encumbrances	18,597	-	-	-	-
Reserved:					
Designated for Contingencies	-	-	1,418,758	-	-
Designated for Reservations of City City Hall	18,879	-	-	-	-
Designated for William Park and Public Service Workers	-	-	-	-	-
UNRESERVED	<u>1,381,170</u>	-	-	<u>-</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>1,418,824</u>	<u>48,322</u>	<u>1,418,758</u>	<u>5,143,828</u>	<u>48,481</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$ 1,192,953</u>	<u>\$ 77,700</u>	<u>\$1,397,629</u>	<u>\$2,622,642</u>	<u>\$ 50,657</u>

The accompanying notes constitute an integral part of this statement.

Exhibit A
(Cont'd)

FINANCIAL EXCL. TITLE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT INDEBTEDNESS OBLIG.	COMPOSITION OF DEBTS		TOTAL REPORTING ENTLTY INDEBTEDNESS OBLIG.	
	GENERAL FUND - REVENUE	GENERAL FUND - TRANS FERT		CITY COURT OF DEBORAH BERENSON - WARD 17	MAYOR'S OFFICE OF CITY COURT OF DEBORAH BERENSON - WARD 22		
					WARD 17		WARD 22
-	-	-	2,194	-	-	2,194	
-	-	-	2,488	-	-	2,488	
-	-	-	-	18,839	941	19,780	
-	-	-	29,178	-	-	29,178	
-	-	-	431,138	-	-	431,138	
-	-	-	132,153	-	-	132,153	
-	-	-	81,388	-	-	81,388	
-	-	-	1,835,758	-	-	1,835,758	
-	-	88,808	88,808	-	-	88,808	
-	-	247,037	247,037	-	-	247,037	
-	-	-	-	-	18,792	18,792	
-	-	-	67,182	68,882	828	156,012	
-	-	312,844	2,774,480	302,218	27,722	3,384,879	
-	-	-	8,875,084	-	-	8,875,084	
-	5,844,144	-	5,844,144	129,219	82,717	6,046,070	
-	-	-	381,484	-	-	381,484	
-	-	-	8,842,031	-	-	8,842,031	
-	-	-	88,187	-	-	88,187	
158,938	-	-	225,154	-	-	384,092	
-	-	-	38,597	-	-	38,597	
-	-	-	2,839,185	-	-	2,839,185	
-	-	-	21,888	-	-	21,888	
-	-	-	-	18,484	-	18,484	
-	-	-	1,888	1,888	-	3,776	
-	-	-	2,281,170	159,170	28,481	2,468,821	
158,938	5,844,144	-	12,848,185	388,784	148,199	13,385,168	
\$ 158,938	\$ 5,844,144	\$ 312,844	\$ 12,848,185	\$ 421,178	\$ 218,681	\$ 13,385,168	

City of Deane Springs

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND FINANCES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, RESPONSIBLE
TRUST FUNDS AND DISCREETELY FUNDING COMPONENT UNITS

For the Year Ended June 30, 1998

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Revenues:			
Special Assessments	\$ -	\$ 8,973	\$ -
Taxes	4,188,364	-	-
Licenses and Permits	343,324	-	-
Fines and Forfeits	191,910	-	-
911 Service Fees	365,314	-	-
Interest	107,368	5,389	3,988
Court Costs	-	-	-
Excess Civil Fees	-	-	-
Miscellaneous	430,462	157	1,212,880
Total Revenues	5,604,432	14,441	1,216,868
Expenditures:			
Current:			
General Government	1,856,463	358	-
Public Safety:			
Animal Control	64,344	-	-
Fire	989,801	-	-
Police	1,677,296	-	-
Highways and Streets	702,805	-	-
Health	24,685	-	-
Culture and Recreation	48,462	-	-
Capital Outlay	-	-	1,444,548
Debt Service:			
Principal Retirement	-	18,121	-
Interest	-	4,736	-
Total Expenditures	4,974,874	18,407	1,444,548
Excess (Deficiency) of Revenues over Expenditures	1,029,578	(2,966)	(227,680)
Other Financing Sources (Uses):			
Operating Transfers In	-	-	1,436,588
Operating Transfers Out	(1,436,588)	-	-
Transfers In from Primary Government	-	-	-
Transfers In from Component Units	5,992	-	-
Transfers Out to Component Units	(77,774)	-	-
Transfers Out to Primary Government	-	-	-
Proceeds from Issuance of Notes Payable	-	-	-
Sale of Assets	11,048	-	-
Total Other Financing Sources (Uses)	(1,488,242)	-	1,436,588

(CONTINUED)

FINANCIAL FUND TYPE	TOTAL PRIMARY GOVERNMENT MEMORANDUM (OILS)	COMPONENT UNITS		TOTAL REPORTING ENTITY MEMORANDUM (OILS)
		CITY COURT OF DENVER SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENVER SPRINGS - WARD II	
\$ -	\$ 8,673	\$ -	\$ -	\$ 8,673
-	4,144,264	-	-	4,144,264
-	543,224	-	-	543,224
-	191,915	-	-	191,915
-	183,314	-	-	183,314
16,918	135,471	11,835	951	148,237
-	-	142,889	121,830	264,719
-	-	9,833	-	9,833
<u>17,075</u>	<u>1,668,681</u>	<u>162,658</u>	<u>91,804</u>	<u>1,725,442</u>
15,985	6,873,846	196,715	203,783	7,273,348
-	1,058,819	219,679	306,394	1,512,892
-	54,346	-	-	54,346
-	938,601	-	-	938,601
-	1,673,294	-	-	1,673,294
-	782,805	-	-	782,805
-	24,693	-	-	24,693
-	48,462	-	-	48,462
-	1,644,549	2,717	19,888	1,666,864
-	13,321	-	-	13,321
-	<u>4,736</u>	-	-	<u>4,736</u>
-	<u>6,237,838</u>	<u>222,396</u>	<u>254,682</u>	<u>6,714,318</u>
15,985	835,016	125,881	652,369	553,626
-	1,426,588	430	-	1,426,938
-	11,426,588	14301	-	11,426,938
-	-	48,809	32,865	71,774
-	6,983	-	-	6,983
-	(77,774)	-	-	(77,774)
-	-	66,933	-	66,933
-	-	-	19,570	19,570
-	<u>11,088</u>	-	<u>4,478</u>	<u>15,518</u>
-	(58,743)	17,817	67,811	35,088

City of Benham Springs

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, RESPECIALS
TRUST FUNDS, AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

For the Year Ended June 30, 1998

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	(456,664)	(3,966)	998,919
Fund Balances at Beginning of Year	<u>1,872,293</u>	<u>49,273</u>	<u>21,566</u>
Fund Balances at End of Year	<u>\$ 1,415,629</u>	<u>\$ 45,307</u>	<u>\$1,019,985</u>

The accompanying notes constitute an integral part of this statement.

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
		CITY COURT OF DEBBAN SPRINGS - WARD 11	MARSHALL OF CITY COURT OF DEBBAN SPRINGS - WARD 11	
35,985	575,274	12,336	4,702	592,112
314,563	2,257,198	172,320	12,741	2,441,643
<u>\$350,554</u>	<u>\$ 2,832,472</u>	<u>\$ 184,656</u>	<u>\$ 17,443</u>	<u>\$ 3,041,761</u>

city of DeWitt Springs

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -
GENERAL AND CAPITAL PROJECTS FUND TYPES

For the Year Ended June 30, 1998

	GENERAL FUND		VARIANCE- FAVORABLE/ UNFAVORABLE
	BUDGET	ACTUAL	
Revenues:			
Taxes	\$ 4,330,188	\$ 4,165,364	\$ 46,164
Licenses and Permits	606,988	543,334	17,934
Fines and Forfeits	330,000	191,535	1,935
Oil Service Fees	155,000	165,334	10,334
Interest	65,000	107,266	42,266
Miscellaneous	429,850	429,462	638
Total Revenues	5,465,350	5,604,452	139,202
Expenditures:			
Current:			
General Government	1,099,220	1,094,469	41,781
Public Safety:			
Animal Control	50,535	54,348	(3,813)
Fire	975,570	938,801	44,769
Police	1,615,820	1,677,296	(61,476)
Highways and Streets	655,400	782,805	(127,405)
Health	33,500	24,695	8,805
Culture and Recreation	53,125	48,462	4,663
Capital Projects			
Total Expenditures	4,672,470	4,574,878	97,592
Excess (Deficiency) of Revenues over Expenditures	792,780	1,029,574	236,794
Other Financing Sources (Uses):			
Operating Transfers In			
Operating Transfers Out	(1,424,000)	(1,424,000)	398,000
Transfers In from Component Units	12,000	6,992	(5,008)
Transfers Out to Component Units	(81,000)	(77,794)	3,206
sale of Assets	5,500	21,088	5,588
Total Other Financing Sources (Uses)	(1,688,000)	(1,486,242)	201,758
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Uses	(895,220)	(456,668)	438,556

(CONTINUED)

CAPITAL PROJECTS FUND - TYPES		
BUDGET	ACTUAL	VARIANCE - FAVORABLE (UNFAVORABLE)
-	-	-
-	-	-
-	-	-
-	-	-
5,000	3,900	(1,100)
<u>1,488,000</u>	<u>1,222,900</u>	<u>(265,100)</u>
1,488,000	1,216,800	(271,200)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>1,948,000</u>	<u>1,884,500</u>	<u>63,500</u>
1,948,000	1,844,500	103,500
(50,000)	(40,000)	10,000
1,428,500	1,428,500	-
-	-	-
-	-	-
-	-	-
<u>1,428,500</u>	<u>1,428,500</u>	<u>-</u>
883,500	998,910	115,410

City of Dechen Springs

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - BUDGET 1994-95 BOSTER AND ACTUAL -
GENERAL AND CAPITAL PROJECTS FUND TYPES (CONTINUED)

For the Year Ended June 30, 1995

	<u>GENERAL FUND</u>		<u>VARIANCE - FAVORABLE UNFAVORABLE</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	
Fund Balances at Beginning of Year	<u>1,812,298</u>	<u>1,812,298</u>	<u> </u>
Fund Balances at End of Year	<u>\$ 975,078</u>	<u>\$ 1,415,636</u>	<u>\$ 448,596</u>

The accompanying notes constitute an integral part of this statement.

<u>CAPITAL PROJECTS FUND TYPES</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
<u>21,066</u>	<u>21,066</u>	<u>-</u>
<u>\$ 284,508</u>	<u>\$ 1,019,985</u>	<u>\$ 115,419</u>

City of Durham Springs

FINANCIAL STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES

For the Year Ended June 30, 1998

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>GOVERNMENT OPERATIONS</u>
			<u>(DOLLAR)</u>
Operating Revenues:			
Charges for Services	\$4,882,461	\$ -	\$4,882,461
Sales	-	279,489	279,489
Total Operating Revenues	4,882,461	279,489	5,161,950
Operating Expenses:			
Cost of Sales	-	218,803	218,803
Natural Gas Purchases	871,821	-	871,821
Salaries	769,413	44,628	814,041
Payroll Taxes, Retirement and Group Insurance	178,804	8,888	187,692
Depreciation	589,738	5,687	595,425
Electricity	159,488	-	159,488
Equipment Expenses	139,415	583	140,000
Equipment Rental	18,583	-	18,583
Insurance	88,824	3,418	92,242
Maintenance	314,983	1,343	316,326
Water Reading and Meter Repairs	189,841	-	189,841
Miscellaneous	70,985	78	71,063
Office Expenses	48,133	193	48,326
Professional Fees	27,188	-	27,188
Small Tools and Supplies	49,843	1,834	51,677
Subcontract Disposal Service	428,792	-	428,792
Telephone	38,888	162	39,050
Uniforms	-	613	613
Bad Debt	5,704	-	5,704
Total Operating Expenses	3,674,628	286,388	3,961,016
Operating Income (Loss)	807,833	18,897	826,730

(CONTINUED)

City of Denham Springs

COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN
RETAINED EARNINGS - ALL PROPRIETARY FUND TYPES (CONTINUED)

For the Year Ended June 30, 1998

	PROPRIETARY FUND TYPES	TOTAL PRIMARY GOVERNMENT DEBT
	ENTERPRISE	INTERNAL SERVICE (GLES)
Nonoperating Revenues:		
Interest	188,568	-
Miscellaneous	<u>12,038</u>	<u>323</u>
Total Nonoperating Revenues	178,602	323
Nonoperating Expenses:		
Interest	327,441	-
Amortization of Bond Redemption Premium	<u>7,816</u>	<u>-</u>
Total Nonoperating Expenses	<u>335,257</u>	<u>-</u>
Net Income (Loss) Before Operating Transfers	313,388	16,678
Operating Transfers In	<u>-</u>	<u>-</u>
Net Income (Loss)	313,388	16,678
Retained Earnings at Beginning of Year	<u>8,186,328</u>	<u>58,277</u>
Retained Earnings at End of Year	<u>\$9,347,924</u>	<u>\$ 48,683</u>

The accompanying notes constitute an integral part of this statement.

City of DeSha Springs

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES

For the Year Ended June 30, 1998

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT MEMORANDUM ONLY</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Cash Flows From Operating Activities:			
Operating Income (Loss)	\$ 407,841	\$ (6,897)	\$ 400,944
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	505,730	5,467	511,197
Provision for Bad Debts	5,764	-	5,764
Miscellaneous Revenues	12,938	321	13,259
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(19,729)	-	(19,729)
(Increase) Decrease in Other Receivables	52,139	-	52,139
(Increase) Decrease in Unbilled Utility Sales	(22,362)	-	(22,362)
(Increase) Decrease in Due from Other Funds	28,931	28,972	57,903
(Increase) Decrease in Due from Government Agencies	28,559	-	28,559
(Increase) Decrease in Inventory	8,028	13,463	21,491
(Increase) Decrease in Prepaid Expenses	39,042	638	39,680
Increase (Decrease) in Accounts Payable	(270,186)	(25,474)	(295,660)
Increase (Decrease) in Retainage Payable	(17,283)	-	(17,283)
Increase (Decrease) in Accrued Salaries and Wages	3,547	-	3,547

(CONTINUED)

City of Danham Springs

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES (CONTINUED)

For the Year Ended June 30, 1998

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT MEMORANDUM ONLY</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Increase (Decrease) in Due to Other Funds	(26,670)	(25,719)	(52,389)
Increase (Decrease) in Other Current Liabilities	(46,232)	-	(46,232)
Increase (Decrease) in Other Accrued Expenses	-	(2,696)	(2,696)
Increase (Decrease) in Accumulated Unpaid Vacation	<u>8,256</u>	<u>(405)</u>	<u>8,861</u>
Net Cash Provided by Operating Activities	688,008	(14,332)	683,676
Cash Flows from Noncapital Financing Activities: Operating Transfers In	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	-	-	-
Cash Flows from Capital and Related Financing Activities: Acquisition and Construction of Property and Equipment	(3,075,465)	(870)	(1,876,335)
Increase (Decrease) in Restricted Assets	(53,352)	-	(53,352)
Increase (Decrease) in Liabilities Payable from Restricted Assets	7,928	-	7,928

City of Dunham Springs

Consolidated Statement of Cash Flows -
All Proprietary Fund Types Combined

For the Year Ended June 30, 1990

	<u>PROPRIETARY FUND TYPES</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
Principal Paid on Bonds	(132,736)	-	(132,736)
Grant - Louisiana Department of Transportation	33,850	-	33,850
Grant - U.S. H.F.A.	182,223	-	182,223
Impact Fees - Developers	31,127	-	31,127
Interest Paid on Revenue Bonds	<u>(231,284)</u>	<u>-</u>	<u>(231,284)</u>
Net Cash Used in Capital and Related Financing Activities	(1,127,688)	(810)	(1,238,978)
Cash Flows From Investing Activities:			
Net Sale (Purchase) of Investments	460,880	-	460,880
Interest Income	<u>166,564</u>	<u>-</u>	<u>166,564</u>
Net Cash Provided by (Used in) Investing Activities	627,444	-	627,444
Net Increase (Decrease) in Cash and Cash Equivalents	500,000	(810)	499,190
Cash and Cash equivalents - Beginning of Year	<u>122,388</u>	<u>25,362</u>	<u>147,750</u>
Cash and Cash Equivalents - End of Year	<u>\$ 219,426</u>	<u>\$ 19,160</u>	<u>\$ 229,586</u>
Schedule of Noncash Investing, Capital and Financing Activities:			
Amortization of Deferred bond expense	<u>\$ 7,528</u>	<u>\$ -</u>	<u>\$ 7,528</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS

June 30, 1998

(1) Summary of Significant Accounting Policies -

A. Financial Reporting Entity

The City of Denham Springs "the City" was incorporated May 9, 1903, under the provisions of R.S. 22:321-48. The City operates under a Mayor - City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture/recreation, education, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Each discretely presented component unit has a June 30, 1998 year end.

The financial reporting entity consists of (1) the primary government (all funds under the auspices of the Mayor and the City Council), (2) organizations for which the primary government is financially accountable, and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board (GASB) Statement No. 14, the Financial Reporting Entity, established criteria for determining which component units should be considered part of the City of Denham Springs for financial reporting purposes. The basic criteria for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or

City of DeBham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

- d. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the city does not appoint a voting majority but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

As required by generally accepted accounting principles, these financial statements present the City of DeBham Springs (the primary government) and its component units. The component units included in the accompanying financial statements are discretely presented.

BLENDED COMPONENT UNITS

There are no component units that have been determined by management to be reported as part of the primary government (included in the General Purpose Financial Statements of the City of DeBham Springs).

DISCRETELY PRESENTED COMPONENT UNITS

Component units that are legally separate from the City but are financially accountable to the city, or whose relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete are discretely presented. The Component Units column of the combined financial statements include the financial data of these discretely presented component units. They are reported in a separate column to emphasize that they are legally separate from the City.

Funding for the following state constitutionally defined agencies is included in the City's general fund. These officials however, have certain statutorily defined sources of funds for their own operating and/or capital budget discretion. These funds have been discretely presented in the City's General Purpose Financial Statements:

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City's General Purpose Financial statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 1998.

Marshall of City Court of Denham Springs - Ward II - The Marshall is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshall in that the City is required to provide the Marshall's office facilities, and reimburses the Marshall's office for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the Marshall's financial statements for the year ended June 30, 1998.

RELATED ORGANIZATIONS

City officials are also responsible for appointing members of the board of another organization. The City's accountability does not extend beyond making the appointments.

Denham Springs Housing Authority - The Denham Springs Housing Authority is a legally separate government entity formed to administer housing programs funded by the U.S. Department of Housing and Urban Development (HUD). The City governing authority appoints a majority of the Authority's members; however, there is no financial relationship between the Authority and the primary government.

The Denham Springs Parks and Recreation District, #3 of Livingston Parish is a related organization of the City, however the City officials have no responsibility for the District. The District does however include the geographic area of the City.

Denham Springs Parks and Recreation District (PRRD) - PARRD is a legally separate parish agency that provides parks and recreational services to the residents of Livingston Parish District #3. District #3 includes the geographic area within the City of Denham Springs.

CITY of Berham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

WARD sets its own ad valorem tax, sets interest debt and owns property. The City has no budget approval, management designation or commission member removal powers. WARD finances capital and operating budgets directly from the parish constituents within District #3, and has no financial benefit/burden relationship with the City of Berham Springs.

The following agency is a non-profit corporation established pursuant to State statutes to finance debt for various public purposes within Livingston Parish. The City Council appoints the board members of the agency. The agency is fiscally independent from the City, issues its own debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City is not obligated in any manner for the debt issues of this agency.

Berham Springs/Livingston Housing and Mortgage
Finance Authority

Complete financial statements for each of the City of Berham Springs component units and related organizations can be obtained at the Office of the Legislative Auditor of the State of Louisiana, 1600 North Third Street, P.O. Box 94397, Baton Rouge, LA 70804-9397, or at each of the agencies' administrative offices.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The City uses funds and account groups to report on its financial position and the results of its operations. Fund Accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. On the other hand, an account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

Funds of the City are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

City of Panama Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

GOVERNMENTAL FUNDS

Governmental funds are used to account for the City's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "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 pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Property taxes, franchise taxes, licenses, interest and special assessments are susceptible to accrual. Sales taxes collected and held by the Livingston Parish School Board on year end on behalf of the City are also recognized as revenue. Other receipts and taxes become measurable and available when cash is received by the City and are recorded as revenue at that time.

Entitlements and shared revenues are recorded at the time of receipt or earlier if the susceptible to accrual criteria is met. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other grant requirements have been met.

Governmental funds include the following fund types:

General Fund - The general fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Debt Service Fund - The debt service fund accounts for the servicing of general long-term debt not being financed by proprietary or nonexpendable trust funds.

Capital Projects Funds - The capital projects funds account for the acquisition of fixed assets or construction of major capital projects not being financed by proprietary or non-expendable trust funds.

CITY of Denham Springs

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 1988

PROPRIETARY FUNDS

Proprietary funds are accounted for on the flow of economic resources measurement basis and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1987 be applied to proprietary activities unless they GASB Statements and Interpretations, APB Opinions, and ARBs conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1987, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the primary government (City of Denham Springs) will not elect to apply FASB Statements and Interpretations issued after November 30, 1987, unless they are adopted by GASB.

Proprietary funds include the following fund types:

Enterprise Funds - Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the board has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability.

Internal Service Funds - Internal service funds account for operations that provide services to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis.

City of DeSha Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

FIDUCIARY FUNDS

Fiduciary funds account for assets held by the City in a trustee capacity or as an agent on behalf of others. Trust funds account for assets held by the City under the terms of a formal trust agreement.

Expendable Trust Fund - The expendable trust fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable trust funds account for assets where both the principal and interest may be spent.

ACCOUNT GROUPS

General Fixed Assets Account Group - The general fixed assets account group is used to account for fixed assets not accounted for in proprietary or trust funds.

General Long-Term Debt Account Group - The general long-term debt account group is used to account for general long-term and certain other liabilities that are not specific liabilities of proprietary or trust funds.

C. Assets, Liabilities and Equity

1. Deposits and Investments

The City's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments, with original maturities of three months or less from the date of acquisition.

State statutes authorize the City to invest in obligations of the U.S. Treasury, commercial paper, corporate bonds, repurchase agreements and the State Treasurer's Investment Pool.

Investments (certificates of deposit with original maturities greater than 90 days) are stated at cost.

Deposit and investment policies of the component units are similar to those of the primary government.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

2. **Receivables and Payables -**

All outstanding balances between funds are reported as "due to/from other funds."

All accounts receivable and property tax receivables are shown net of allowance for uncollectibles. Uncollectible amounts due for ad valorem taxes and customers' utility receivables, are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivable.

3. **Inventories -**

The Enterprise and Internal Service inventories are valued at cost (first-in, first-out). Expendable supplies in the General Fund are recorded as expenditures at the time the supplies are purchased.

4. **Restricted Assets -**

Certain proceeds and resources of the City's Utility Enterprise Fund are set aside to reimburse customers their utility deposits upon discontinuance of service and for the repayment of outstanding revenue bonds. These amounts are classified as restricted assets on the Balance Sheet because their use is limited by applicable bond covenants. The "Utility Revenue Bond and Interest Redemption" account is used to segregate resources set aside to pay promptly and fully the principal and interest on the bonds falling due within the next twelve months. The "Utility Revenue Bond Reserves" account is used to report resources set aside to make up potential future deficiencies in the "Utility Revenue Bond and Interest Redemption" account. The "Utility Revenue Bond Contingency" account is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

Restricted Assets at June 30, 1998 are comprised of certificates of deposits with maturities greater than 90 days when purchased and U.S. Treasury Mutual Funds.

City of DeSha Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1994

5. Fixed Assets :

Fixed assets used in governmental fund types of the City are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Assets in the general fixed assets account group are not depreciated. Interest incurred during construction is not capitalized on general fixed assets.

Public domain (infrastructure) general fixed assets (e.g., roads, drainage systems, bridges, sidewalks and other assets that are immovable and of value only to the government) are not capitalized.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets group or capitalized in the proprietary funds.

Property, plant and equipment in the proprietary funds of the City are recorded at cost. Property, plant and equipment donated to these proprietary fund type operations are recorded at their estimated fair value at the date of donation.

Major outlays for capital assets and improvements are capitalized in proprietary funds as projects are constructed. Interest incurred during the construction phase of proprietary fund fixed assets is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

Property, plant and equipment are depreciated in the proprietary funds of the City using the straight-line method over the following estimated useful lives:

Buildings	25-50 Years
Improvements	20-25 Years
Equipment	3-15 Years
Systems	20-30 Years

City of Danham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

6. Compensated Absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

As of June 30, 1998, the liability for compensated absences is \$188,844. The amounts applicable to the Enterprise Fund of \$38,781 and Internal Service Fund of \$1,028 have been recorded in those funds and the amount applicable to the General Fund of \$147,035 has been recorded in the General Long-Term Debt account group.

7. Long-Term Obligations

The City reports long-term debt of governmental funds at face value in the general long-term debt account group, certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group. Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate funds.

For governmental fund types, when applicable, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures. For proprietary fund types, bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges.

City of Benton Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

8. Fund Equity -

Reservations of fund balance represent amounts that are not appropriable or are legally segregated for a specific purpose. Reservations of retained earnings are limited to outside third-party restrictions. Designations of fund balance represent tentative management plans that are subject to change. The proprietary fund's contributed capital represents equity acquired through capital grants and capital contributions from developers, customers or other funds.

9. Memorandum Only - Total Columns -

Total columns on the general purpose financial statements are captioned as "memorandum only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

10. Comparative Data/Reclassifications -

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the City's financial position and operations. Also, certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

11. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 13, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the city and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only ten (10) participants in the program as of June 30, 1998.

City of Penham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

COBRA Benefits -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the city provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 1998, there is one (1) participant in the program.

12. Accounting for Special Assessment Project -

Special Assessment Projects are accounted for in accordance with guidelines recommended by Statement No. 8 of the Governmental Accounting Standards Board.

Special Assessments are recognized as revenues when individual installments are considered due and payable and can be used in payment of special assessment debt.

The only Special Assessment Debt outstanding at June 30, 1998, is the balance of \$68,805 due on the 1993 Paving Certificates issued to pay the cost of the construction of street paving improvements along certain portions of certain streets in the Lakeland Acres subdivision.

13. Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles involves the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

14. Stewardship, Compliance and Accountability -

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. All annual appropriations lapse at fiscal year end.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

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

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council 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. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.

Activities of the General Fund and each Capital Project Fund are included in the annual appropriated budget. The City is not required to prepare and does not prepare an annual appropriated budget for its Debt Service Fund, Enterprise Fund, Internal Service Fund or Cemetery Trust Fund.

The appropriated budget is prepared by fund, function and department. The City's department heads may make transfers within a department. Transfers of appropriations between departments require the approval of the City Council. The legal level of budgetary control is the department level. Any increase in departmental budgets must be approved by the City Council.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 1998, the City Council approved the increase in the original expenditures and Transfers Out of the General Fund from \$4,362,738 to \$4,379,918 and an increase in the Capital Projects Funds from \$325,160 to \$1,948,088. The amended budgets for the General Fund and the Capital Projects Funds are presented in the combined statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual.

Of the total increase in the General Fund Budget of \$97,180, an additional amount of \$736,380 was budgeted to be transferred from the General Fund to be used by the Capital Projects Funds for drainage and improvements. In addition, in the General Fund the budget was increased by \$13,748 for salaries and benefits in various departments, by \$144,088 for additional equipment purchases, by \$48,700 for repairs and maintenance in various departments, by \$13,388 for expenditures for the Main Street Program, by \$26,160 for increases in insurance premiums and by \$29,750 for various other miscellaneous expenditures of the general fund.

Supplementary data for the discretely presented component units are not presented in these financial statements.

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 1998, expenditures exceeded appropriations by more than 3% in the following area:

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>UNFAVORABLE VARIANCE</u>
General Fund:			
Public Service Workers	\$ 39,760	\$ 57,547	(\$17,847)
Animal Control	80,535	54,548	13,823

The unfavorable variances within these two departments were caused primarily, if not all, by the purchase of additional equipment to be used within these departments. Although the Council approved these purchases, they failed to amend the General Fund Budget for these amounts prior to June 30, 1998. These amounts, however, were available from the prior year surplus.

City of Durham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

(3) Deposits and Investments -

The City maintains various deposit accounts for the current operations of each of the individual funds of the City. In addition, the City has established a consolidated bank account with a 100% back stop which monies are deposited and from which most disbursements are now being made. The City plans to eliminate many of the various deposit accounts during the next fiscal year. The purpose of the consolidation account is to reduce administrative charges and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings of the consolidated account according to its average cash balance. Cash is transferred from those funds with available cash resources to cover any negative cash balances, if any, in other funds at year-end.

The City also invests all excess funds in certificates of deposits, which have maturity dates greater than 90 days when purchased, and are therefore classified as investments for financial reporting. The restricted bond accounts in the Utility Enterprise Fund are invested in U.S. Treasury mutual funds.

The discretely presented component units maintain deposit accounts and investments in certificates of deposits similar to the Primary Government.

A. Deposits - Primary Government

City deposits (including demand deposit accounts and all certificates of deposit) at June 30, 1998, for the primary government of the City of Durham Springs are summarized as follows:

	<u>CARRYING</u> <u>AMOUNT</u>	<u>BANK</u> <u>BALANCE</u>
Category 1	\$4,367,818	\$4,368,843
Category 2	-	-
Category 3	<u>2,550</u>	<u> </u>
TOTAL	<u>\$4,369,868</u>	<u>\$4,368,843</u>

(CONTINUED)

City of Denham Springs

NOTE TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

	<u>CARRYING AMOUNT</u>	<u>FAIR BALANCE</u>
Balance Sheet Classification:		
Cash and Cash Equivalents	\$ 546,743	\$ 547,728
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	3,366,123	3,366,123
Restricted Assets:		
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	<u>435,000</u>	<u>435,000</u>
	<u>\$4,347,866</u>	<u>\$4,348,843</u>

The City's bank balances at June 30, 1988, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

B. Investments - Primary Government

The City is authorized by LA 39:1311-1345 and 33:2895 to invest monies in the following:

1. United States Treasury Bonds
2. United States Treasury Notes
3. United States Treasury Bills
4. Obligations of U.S. Government Agencies, including such instruments as Federal Home Loan Bank Bonds, Government National Mortgage Association bonds, or a variety of "Federal Farm Credit" bonds.
5. Fully collateralized certificates of deposit issued by qualified commercial banks and savings and loan associations located within the State of Louisiana.
6. Fully collateralized repurchase agreements.
7. Fully collateralized interest-bearing checking accounts.
8. Mutual or Trust Fund institutions which are registered with the Securities and Exchange Commission under the Security Act of 1933 and the Investment Act of 1940, and which have underlying investments consisting solely of and limited to securities of the United States Government or its agencies.

City of Danham Springs
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

City investments (excluding certificates of deposits with maturities of greater than 90 days) for the primary government at June 30, 1998, are categorized below in order to give an indication of the level of risk assumed by the entity at year-end.

	<u>CARRYING AMOUNT</u>	<u>RISCKET YIELD</u>
At June 30, 1998, the City had no Securities Subject to Categorization	\$ -	\$ -
Investments not Subject to Categorization:		
Governmental Securities		
Mutual Fund	\$48,774	\$48,774
Total	\$ 48,774	\$ 48,774

In accordance with GASB Codification Section 260.161, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

All investments are shown in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

C. Deposits - Discretely Presented Component Units

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 1998, are categorized below in three levels of credit risk as explained in section (a) of this note above:

	<u>CATEGORY 1</u>	<u>CATEGORY 2</u>	<u>CATEGORY 3</u>	<u>BANK BALANCE</u>	<u>CARRYING AMOUNT</u>
City Court of Danham Springs - Ward II					
Demand Deposits	\$166,881	\$ -	\$ -	\$166,881	\$166,889
Certificates of Deposits with Maturities Greater than 90 Days	137,800	-	-	137,800	137,800
Total City Court of Danham Springs - Ward II	303,881	-	-	303,881	303,889

City of Danham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

	<u>CATEGORY</u> <u>1</u>	<u>CATEGORY</u> <u>2</u>	<u>CATEGORY</u> <u>3</u>	<u>BANK</u> <u>BALANCE</u>	<u>CARRYING</u> <u>AMOUNT</u>
Marshall of City Court of Danham Springs - Ward II - Demand Deposits	32,388	-	-	32,388	32,503
Certificates of Deposits with Maturities Greater than 90 days	<u>11,208</u>	<u>-</u>	<u>-</u>	11,208	11,284
Total Marshall of City Court of Danham Springs - Ward II	<u>43,596</u>	<u>-</u>	<u>-</u>	43,596	43,787
Total Component Units	<u>\$446,677</u>	<u>\$ -</u>	<u>\$ -</u>	\$446,677	\$324,684

Certificates of deposits with maturities greater than 90 days are classified on the combined balance sheet as investments.

D. Deposits and Investments Summary

The following is a reconciliation of the carrying amount of deposits and investments to "Cash and Cash Equivalents", "Investments", and "Restricted Assets Investments" on the combined balance sheet.

	<u>PRIMARY</u> <u>GOVERNMENT</u>	<u>COMPONENT</u> <u>UNITS</u>	<u>TOTAL</u>
Cash and Cash Equivalents:			
Deposits	\$ 548,691	\$ 166,362	\$ 715,053
Cash on Hand	<u>2,850</u>	<u>-</u>	<u>2,850</u>
Total Cash and Cash Equivalents	548,341	166,362	715,053
Investments:			
Certificates of Deposits with Maturities Greater than 90 Days	1,388,123	148,244	1,536,367

(CONTINUED)

City of DeSha Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

	<u>PRIMARY</u> <u>GOVERNMENT</u>	<u>COMPONENT</u> <u>UNITS</u>	<u>TOTAL</u>
Restricted Assets -			
Investments:			
Certificates of Deposit with Maturities Greater than 90 Days	435,880	-	435,880
Governmental Securities Mutual Funds	<u>540,276</u>	<u>-</u>	<u>540,276</u>
Total Restricted Assets-Investments	<u>976,156</u>	<u>-</u>	<u>976,156</u>
 Total Cash, Cash Equivalents and Investments at June 30, 1998	 <u>\$4,810,648</u>	 <u>\$ 324,686</u>	 <u>\$5,135,334</u>

14) Ad Valorem Taxes -

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

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

For the year ended June 30, 1998, taxes of 4.18 mills were levied on property with assessed valuations totaling \$13,418,868 and were dedicated to general purposes.

Total taxes levied were \$128,804. Taxes receivable at June 30, 1998, consisted of the following:

City of Denham Springs
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

Taxes Receivable - Current Year	\$4,027
Taxes Receivable - Prior Years	<u>2,344</u>
	\$ 6,371
Allowance for Uncollectible Taxes	<u>(4,870)</u>
	<u>\$ 1,501</u>

(5) Receivables -

Receivables as of June 30, 1988, including the applicable allowances for uncollectible accounts, are as follows:

	GENERAL	DEPT SERVICE	CAPITAL PROJECTS	EXTENSIVE	TRUST	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL RESPONSIBLE PARTIES
Receivables:								
Special	\$ 3,377	-	-	\$ 3,848	-	\$ 7,225	\$ 3,382	\$ 10,607
Ad Valorem								
Taxes	4,373	-	-	-	-	4,373	-	4,373
Royalties	5,870	-	-	-	-	5,870	-	5,870
Franchise								
Taxes	82,498	-	-	-	-	82,498	-	82,498
Special								
Assessments	-	33,487	-	-	-	33,487	-	33,487
Accounts	-	-	-	184,505	-	184,505	-	184,505
Other	<u>2,344</u>	<u>-</u>	<u>-</u>	<u>24,268</u>	<u>-</u>	<u>26,612</u>	<u>266</u>	<u>16,878</u>
Other								
Receivables	102,341	33,487	-	184,505	91	318,464	3,313	321,777
Less: Allowance for Uncollectible Items	<u>(4,870)</u>	<u>-</u>	<u>-</u>	<u>(24,268)</u>	<u>-</u>	<u>(29,138)</u>	<u>-</u>	<u>(29,138)</u>
Net Receivables	<u>\$ 97,471</u>	<u>\$ 33,487</u>	<u>\$ -</u>	<u>\$ 160,237</u>	<u>\$ 91</u>	<u>\$ 288,142</u>	<u>\$ 3,313</u>	<u>\$ 301,454</u>

(6) Due From Other Governments -

Due from Other Governments as of June 30, 1988, consists of the following:

	GENERAL	CAPITAL PROJECTS	EXTENSIVE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL RESPONSIBLE PARTIES
Livingston Parish						
School Board						
Sales Tax						
Collections	\$127,322	-	-	\$ 127,322	-	\$ 127,322
State of Louisiana:						
Department of Education	5,250	-	-	5,250	-	5,250
Department of Transport- ation and Development	4,882	173,284	39,875	218,041	-	218,041
Other	4,488	-	-	4,488	-	4,488
Video Poker Fees	37,840	-	-	37,840	-	37,840
Alcoholic Beverage Tax	5,980	-	-	5,980	-	5,980
Tobacco Tax	18,843	-	-	18,843	-	18,843
Police Grants	44,853	-	-	44,853	-	44,853

City of Beekham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>RETIREABLE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL REPORTING ENTITY</u>
Division of Administration	-	28,000	-	28,000	-	28,000
Livingston Parish Commission District 28,883	-	-	-	28,883	-	28,883
Fire Protection District No. 5	1,800	-	-	1,800	-	1,800
Livingston Parish Council:						
Fire Insurance Commission	17,700	-	-	17,700	-	17,700
M.S. E.P.A.	-	-	24,838	24,838	-	24,838
Totals	\$24,500	\$28,000	\$ 24,838	\$ 85,221,345	\$ -	\$1,123,146

- (7) Interfund Receivables, Payables - Due (To) From Primary Government/Component Units - Transfers In, Transfers Out -

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Primary Government:		
General Fund	\$ 280	\$ 12,800
Debt Service Fund	2,788	-
Capital Projects Funds:		
Street Overlay	102,250	-
Drainage Improvements	50	289,475
Building Renovations	59,252	-
Enterprise Fund	140,331	-
Internal Service Fund	-	1,515
Trust Fund	800	-
Total Primary Government	305,449	393,890
Component Units:		
City Court of Beekham Springs - Ward II		
General Fund	395	-
Agency Funds:		
Criminal Docket	-	258
Restitution	-	145
Total Component Units	395	403
Total Primary Government and Component Units	\$305,844	\$394,293

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS CONTINUED

June 30, 1988

	DEB (704) / FROM PRIMARY GOVERNMENT	DEB (704) / FROM COMPONENT UNIT
Primary Government:		
General Fund	\$ -	\$ 8,912
Total Primary Government	-	8,912
Component Units:		
City Court of Denham Springs - Ward II:		
Agency Funds:		
Criminal Socket Fund	110,433	-
Marshall of City Court of Denham Springs - Ward II	<u>1,587</u>	<u>-</u>
Total Component Units	<u>112,020</u>	<u>-</u>
Total Primary Government and Component Units	<u>\$ 112,020</u>	<u>\$ 8,912</u>
	<u>TRANSFERS</u> <u>IN</u>	<u>TRANSFERS</u> <u>OUT</u>
Primary Government:		
General Fund	\$ 6,092	\$1,584,274
Capital Projects Fund:		
street overlay	887,588	-
sewage improvements	485,088	-
Building Renovations	250,000	-
Enterprise Fund	<u>-</u>	<u>-</u>
Total Primary Government	<u>1,433,492</u>	<u>1,584,274</u>
Component Units:		
City Court of Denham Springs - Ward II:		
General Fund	48,339	-
Special Revenue Funds:		
Witness Fee Fund	-	382
Public Service Work Fund	-	7,121
Marshall of City Court of Denham Springs - Ward II:		
General Fund	<u>32,345</u>	<u>-</u>
Total Component Units	<u>78,304</u>	<u>7,423</u>
Total Primary Government and Component Units	<u>\$1,511,696</u>	<u>\$1,511,696</u>

City of Dadeham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

(8) Changes in General Fixed Assets -

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

	BALANCE JUNE 30, 1997	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1998
Land	\$ 571,271	\$ -	\$ -	\$ 571,271
Land Improve- ments	34,417	-	-	34,417
Buildings	3,459,132	-	-	3,459,132
Equipment	2,329,581	491,819	160,833	2,660,567
Furniture and Fixtures	47,138	-	-	47,138
Incomplete construction	<u>59,998</u>	<u>119,334</u>	<u>(159,845)</u>	<u>59,998</u>
Total Primary Government	<u>\$8,432,537</u>	<u>\$600,353</u>	<u>\$120,668</u>	<u>\$8,912,164</u>

Incomplete construction for general fixed assets consists of a contract for the renovations of the municipal building and the construction of an animal shelter. The total contract amount is \$179,000. Allocations are 71.23% to the municipal building and 28.77% to the animal shelter. Costs to date allocated for the year ended June 30, 1998 are \$95,998. Also included in incomplete construction is a payment of \$5,999 towards window installations at the Old City Hall. Total estimated costs of the windows to be installed in the Old City Hall is approximately \$42,800.

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

	BALANCE JUNE 30, 1997	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1998
City Court of Dadeham Springs - Ward II: Equipment	\$135,199	\$ 2,717	\$ -	\$135,915
Marshall of City Court of Dadeham Springs - Ward II: Equipment	<u>78,642</u>	<u>12,699</u>	<u>(14,833)</u>	<u>76,511</u>
Total Component Units	<u>\$212,840</u>	<u>\$ 22,415</u>	<u>\$14,833</u>	<u>\$219,432</u>

City of Durham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

The following is a summary of proprietary fund type property, plant, and equipment for the Primary Government as June 30, 1998:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 158,875	\$ -
Land Improvements	-	18,057
Gas System	3,240,781	-
Water System	6,423,854	-
sewer System	9,007,219	-
Buildings	144,347	61,829
Transportation Equipment	404,262	-
E.D.F. Equipment	115,510	-
Furniture and Fixtures	9,855	-
Other Equipment	550,385	67,838
Incomplete Construction	<u>238,400</u>	<u>-</u>
Total	28,374,356	147,717
Less: Accumulated Depreciation	<u>(17,347,307)</u>	<u>(114,325)</u>
Net	<u>\$11,027,049</u>	<u>\$ 33,392</u>

In 1988, an experimental sewer oxidation pond was completed based on certain specifications approved by the United States Environmental Protection Agency. Because it was experimental, the EPA agreed to fund a major portion of the project. In addition, the EPA agreed that if the project was not working properly within a specified period of time and it was because of the experimental design of the pond, that it would assist the City to renovate and correct the problems. In March 1997, the EPA executed a cooperative agreement offering Federal assistance for the wastewater treatment facilities project. It was not until October 1997, that the approval from the State of Louisiana, Department of Environmental Quality was received. Total estimated costs of the Wastewater Treatment Facility Renovations are \$3,880,000 of which \$3,500,000 will be funded by the Federal assistance award. At June 30, 1998, the City has incurred costs in the amount of \$183,333 and is included in the incomplete construction.

The balance of incomplete construction at June 30, 1998, in the amount of \$56,196, relates to the construction of a pump station and force main on Pete's Key. Total estimated cost of the project is \$1,098,600 and is expected to be complete approximately a year and a half after all right-of-way acquisitions are complete.

City of DeBham Springs

NOTE TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

(5) Long-Term Debt -

Revenue Bonds. The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt services. Revenue bonds outstanding at June 30, 1998, are as follows:

<u>DESCRIPTION/PURPOSE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>	<u>BALANCE JUNE 30, 1998</u>
1989 Utility Revenue Refunding Bonds - Proceeds Used to Retire Prior Revenue Bonds	45,862,876	11.50%	04-01-2016	\$1,968,028

Revenue bond debt service requirements to maturity, including interest requirements, are as follows:

<u>DEB DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
10-1-1998	-	108,342	108,342
04-1-1999	132,313	108,342	240,655
10-1-1999	-	108,864	108,864
04-1-2000	128,539	108,864	237,403
10-1-2000	-	98,804	98,804
04-1-2001	138,699	98,804	237,503
10-1-2001	-	88,816	88,816
04-1-2002	138,040	88,816	226,856
10-1-2002	-	78,663	78,663
04-1-2003	129,304	78,663	207,967
10-1-2003	-	72,552	72,552
04-1-2004	128,482	72,552	201,034
10-1-2004	-	65,485	65,485
04-1-2005	122,273	65,485	187,758
10-1-2005	-	58,768	58,768
04-1-2006	115,342	58,768	174,110
10-1-2006	-	52,416	52,416
04-1-2007	112,885	52,416	165,301
10-1-2007	-	46,207	46,207
04-1-2008	104,873	46,207	151,080
10-1-2008	-	40,439	40,439
04-1-2009	95,918	40,439	136,357
10-1-2009	-	35,164	35,164
04-1-2010	81,288	35,164	116,452
10-1-2010	-	30,147	30,147

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

<u>ISS DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
04-1-2011	\$1,242	10,147	11,389
10-1-2011	-	25,129	25,129
04-1-2012	\$1,281	25,129	26,410
10-1-2012	-	20,189	20,189
04-1-2013	\$1,524	20,189	21,713
10-1-2013	-	15,088	15,088
04-1-2014	\$1,373	15,088	16,461
10-1-2014	-	10,048	10,048
04-1-2015	\$1,427	10,048	11,475
10-1-2015	-	5,022	5,022
04-1-2016	<u>\$1,482</u>	<u>5,022</u>	<u>6,504</u>
Total Revenue Bonds	<u>\$1,948,029</u>	<u>\$1,892,510</u>	<u>\$3,840,539</u>

The Series 1989 Utility Revenue Refunding Bond indenture provides that all revenues of the Enterprise Fund are pledged for the purposes and in the priority order following:

- a. Reasonable and necessary expenses of maintaining and operating the system.
- b. Payments into the "Utility Revenue Bond and Interest Sinking Fund" of an amount sufficient to pay promptly and fully the principal and interest on the bonds. This payment is to be made monthly in advance on or before the 28th day of each month of each year a sum equal to one-sixth (1/6) of the amount of interest falling due on the next interest payment date and one-twelfth (1/12) of the amount of principal falling due on the next principal payment date.
- c. Payments into the "Utility Revenue Bond Reserve Fund" of an amount at least equal to 5 percent (5%) of the amount paid into the Sinking Fund paid monthly in advance on or before the 28th day of each month of each year until such time as there has been accumulated in this Reserve Fund a sum equal to the highest combined principal and interest falling due in any succeeding bond year.
- d. Payments into the "Utility Revenue Bond Depreciation and Contingency Fund" of an amount at least equal to 5 percent (5%) of the amount paid into the sinking Fund paid monthly in advance on or before the 28th day of each month of each year.

City of Dumas Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1990

The balances required in the "Utility Revenue Bond and Interest Sinking Fund", the "Utility Revenue Bond Reserve Fund", and the "Utility Revenue Bond Depreciation and Contingency Fund", from a strict interpretation of the Bond Resolution as compared to the actual balances are reflected in the following schedule:

	<u>SINKING</u> <u>FUND</u>	<u>RESERVE</u> <u>FUND</u>	<u>CONTINGENCY</u> <u>FUND</u>	<u>TOTAL</u>
Required Balance	\$ 87,180	\$185,548	\$185,548	\$458,276
Actual Balance	<u>84,702</u>	<u>211,288</u>	<u>214,788</u>	<u>510,778</u>
Excess	\$ 3,501	\$ 25,636	\$ 49,140	\$ 78,277

There are a number of limitations and restrictions contained in the bond indenture. The City is in compliance with all material limitations and restrictions.

Special Assessment Debt. The City issued \$133,218 of Special Assessment Certificates of Indebtedness in 1983 to provide funds for the construction of street paving improvements along certain portions of streets in the Lakeland Acres Subdivision. The Certificates bear interest at rates of 8.60% - 8.00% and are payable in equal annual installments of principal over ten years.

These Special Assessment Certificates of Indebtedness constitute legally binding special and limited obligations of the City. In addition, the City has legally pledged and dedicated the funds to be derived from the collection of the special assessments levied on the real property of the property owners of the Lakeland Acres Subdivision.

The City accounts for the collections of the annual special assessments on the property owners of the Lakeland Acres subdivision and the annual payments on the 1983 Paving Certificates of Indebtedness in the 1990 Paving Certificates Debt Service Fund.

As June 30, 1990, management estimates that earnings and collections of the special assessments will be in amounts sufficient to cover the City's annual Certificate of Indebtedness liability and therefore has not set up any reserve for uncollectible assessments.

City of DeSha Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

Special Assessment debt service requirements to maturity, including interest requirements, are as follows:

<u>DUPLICATE</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06-1-1999	\$ 23,321	\$ 3,896	\$ 27,217
06-1-2000	23,321	3,857	27,178
06-1-2001	23,321	3,313	26,634
06-1-2002	23,321	1,545	24,866
06-1-2003	<u>23,321</u>	<u>333</u>	<u>24,654</u>
	<u>\$ 66,605</u>	<u>\$ 11,582</u>	<u>\$ 78,187</u>

Prior Year Bond Refinance. There are no outstanding balances on any prior-year bond defeasance as of June 30, 1998.

Summary of Changes in Long-Term Debt:

	<u>BALANCE</u>			<u>BALANCE</u>
	<u>JUNE 30, 1997</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>JUNE 30, 1998</u>
General Long-Term Debt Account Group:				
1993 Certificates of Indebtedness	\$ 79,806	\$ -	\$ (13,321)	\$ 66,485
Accumulated Unpaid Vacation - Net	<u>218,145</u>	<u>39,714</u>	<u>-</u>	<u>257,859</u>
Total General Long-Term Debt Account Group	297,951	39,714	(13,321)	314,344
Enterprise Funds:				
1989 Utility Revenue Refunding Bond	<u>2,100,364</u>	<u>-</u>	<u>(112,735)</u>	<u>1,987,629</u>
Total Changes in Long-Term Debt	<u>\$2,398,315</u>	<u>\$ 39,714</u>	<u>\$(126,056)</u>	<u>\$2,311,973</u>

(10) Amortization of the Cost of Issuing Bonds -

The cost of issuing the 1989 Utility Revenue Refunding Bonds dated April 16, 1989, is being amortized over the life of the bonds. The unamortized balance at June 30, 1998, was \$26,064 and is included in the financial statements as an Other Asset.

City of Durham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

(ii) Customers' Deposits -

Meter deposits are paid by customers upon application for utility services and are returnable to them upon termination of service. Receipts from meter deposits are deposited in the Utility Operating Fund and refunds of deposits on termination of service are made from the same account.

The City has a certificate of deposit which is designated specifically for Customers' Deposits. At June 30, 1988, customers' deposits amounted to \$431,195 and the balance on the certificate of deposit amounted to \$433,000 and is included as a Restricted Asset on the Balance Sheet.

(iii) Retirement Commitments -

A. Plan Descriptions, Contribution Information, and Funding Policies

Substantially all employees of the City of Durham Springs are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana, Municipal Police Employees Retirement System of Louisiana, or Firefighters Retirement System of Louisiana. These systems are multiple-employer (cost-sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

The following is a summary of eligibility factors, contribution methods, and benefit provisions.

	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>FIREFIIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>
Eligibility to Participate	All permanent employees working at least 20 hours per week, not covered by another pension plan, and under age 65 at date of employment and are paid wholly or in part from City funds; all elected municipal officials are also eligible to participate; all employees of the City are members of Plan B.	All full-time police department employees covered by law and ordinance are required to participate in the System.	Mandatory for all full-time firefighters employed by a municipal, parish, or fire protection district that did not elect an ordinance before January 1, 1988, exempting itself from participation in the System.

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>
Authority Establishing Compensation Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	5.00%	7.00%	8.00%
CITY'S CONTRIBUTION RATE (Percent of Covered Payroll)	3.75%	5.00%	6.00%
Period Required to Vest	10 years	13 years	12 years
Benefits and Eligibility FOR DISTRI- BUTION (Full-Time)	At or after age 60 with at least 10 years of creditable service or at or after 55 with at least 30 years of creditable service, 2% of final average salary multiplied by the years of creditable service, at least 10 years but less than 20 years of creditable service, may take early retirement, benefits reduced 2% for each year retirement pre- cedes age 60, in any case monthly retirement benefits can not exceed 100% of final average salary	25 years of creditable service at any age or has 10 years of creditable service and is age 55 or has 10 years of creditable service and is age 50, 2 1/2% of average salary multiplied by the years of credit- able service but to exceed 100% of final salary; early retire- ment, 20 years of service regardless of age, 2 1/2% of average salary multiplied by creditable service eventually reduced for retirement prior to age 55	20 years or more of creditable service and attained age 60 or 15 years of service and age 55 or 25 years of service at any age, 2 1/2% of average salary multiplied by the years of creditable service not to exceed 100% of final salary
Deferred Retirement Options	Yes, 10 years creditable service	Yes, 10 years of creditable service regardless of age or 10 years of creditable service and attaining the age of 55	Yes, after completing 20 years of creditable service

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>
Provisions for: Cost of Living Adjustments (RORAs) Retirement) Yes	Yes	Yes	Yes
Death (Duty, Non-Duty, Post-Retire- ment) Yes	Yes	Yes	Yes
Disability (Duty, Non-Duty) Yes	Yes	Yes	Yes
Cost of Living Allowances Yes	Yes	Yes	Yes

B. Trend Information :

Contributions required by State status:

<u>Fiscal Year</u>	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>		<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>		<u>FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>	
	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
1995	\$120,454	98%	\$122,481	100%	\$87,647	100%
1996	\$134,785	97%	\$128,125	100%	\$84,808	100%
1997	\$122,875	94%	\$121,380	100%	\$82,273	100%
1998	\$121,618	94%	\$120,883	100%	\$85,453	100%

Trend information showing the progress of the Systems in accumu-
lating sufficient assets to pay benefits when due is presented
in their annual financial reports. Copies of these reports may
be obtained from the respective State retirement systems.

City of Benton Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

(13) Deferred Compensation Plan :

The City offers its employees a deferred compensation plan created in accordance with Louisiana Revised Statutes 42:1392 through 42:1398 and Section 457 of the Internal Revenue Code of 1954. The Louisiana Public Employees' Deferred Compensation Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1986, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are solely the property and rights of the participants and their beneficiaries. As required by the amendments to the code, the City established a custodial account with a third party administrator who will hold the assets and income of the plan.

The City implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", in the current fiscal year. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the City's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements as of June 30, 1988.

Assets totaling \$69,383 are held by Great West Life & Annuity Insurance Company, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 1988, amounted to \$10,788.

(14) Litigation -

The City is a defendant in several lawsuits. Although the outcome of these lawsuits is not presently determinable, it is the opinion of the City's counsel that resolution of these matters will not have a material adverse effect on the financial condition of the City of Benton Springs.

City of Danham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

(15) Intergovernmental Revenue -

GAO No. 34 requires government employees to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 1998, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$158,120.

(16) Contributed Capital -

The changes in the City's contributed capital accounts for its Enterprise Proprietary Fund were as follows:

	BALANCE AT JUNE 30, 1997	ADDITIONS	REDUCTIONS	BALANCE AT JUNE 30, 1998
Federal	\$2,671,307	\$160,213	\$ -	\$2,831,420
State	497,603	33,858	-	491,653
Local	608,000	-	-	608,000
Other	28,316	-	-	28,316
Developers	<u>93,218</u>	<u>31,137</u>	<u>-</u>	<u>124,355</u>
Total Contributed Capital	<u>\$3,897,804</u>	<u>\$225,208</u>	<u>\$ -</u>	<u>\$4,095,004</u>

(17) Changes in Agency Funds -

A summary of the changes in assets and liabilities in the agency funds of the component units is as follows:

City of Danham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1998

City Court of Danham Springs - Ward II

	BALANCE JUNE 30, 1997	ADDITIONS	DEDUCTIONS	BALANCE JUNE 30, 1998
ASSETS				
Cash - Civil Docket	\$ 22,638	\$ 86,533	\$ 180,850	\$ 289,321
Cash - Criminal Docket	79,237	893,610	1660,423	79,416
Cash - Restitution	-	3,724	13,440	140
Total Assets	<u>\$101,875</u>	<u>\$983,967</u>	<u>\$1854,713</u>	<u>\$ 98,877</u>
LIABILITIES				
Due to Other Funds	\$ 395	\$ 1,919	\$ (1,774)	\$ 395
Due to Primary Government	11,352	10,419	111,350	18,419
Bonds Paid in Advance of Trial - Civil	22,800	88,243	180,550	28,335
Bonds Paid in Advance of Trial - Criminal	47,616	638,281	1642,380	59,742
Total Liabilities	<u>\$102,163</u>	<u>\$738,862</u>	<u>\$1744,054</u>	<u>\$ 98,877</u>

(18) Request Information - Enterprise Fund -

The City maintains only a single enterprise fund. The services provided by this enterprise fund include basic utility services (natural gas, water, sewer and sanitation) for all citizens of the City of Danham Springs and to citizens within certain areas around the City of Danham Springs. Selected request information for the year ended June 30, 1998, is as follows:

Operating Revenues	\$ 4,882,461
Depreciation	505,738
Operating Income	407,841
Net Income	251,286
Current Capital Contributions	247,288
Fixed Asset Additions	1,875,885
Net Working Capital	3,380,384
Total Assets	18,813,742
Bonds Payable	1,808,819
Total Equity	13,342,828

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1988

119) Risk Management -

The City is exposed to various risks of loss related to torts (such as, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters). In an effort to help governmental entities obtain various forms of insurance coverage at affordable rates, the Louisiana Municipal Association formed the Louisiana Municipal Risk Management Agency Liability Program in 1986. The City has obtained the (1) General Liability, (2) Law Enforcement Liability, (3) Public Officials Liability and (4) Business Auto Liability coverages for the past number of years from the program. The City pays an annual premium for each type of coverage it obtains from the pool. The agreement for formation of the Louisiana Municipal Risk Management Agency Liability Program provides that the pool will be self-sustaining through member premiums and will re-insure through commercial companies. It is not possible for the City to estimate the possibility of additional losses, if any, to be borne by the City.

The City continues to carry commercial insurance for all other risks of loss, including (1) Worker's Compensation, (2) Public Official Bonds, (3) Public Employee Winter Bond, (4) valuable papers and records coverage, (5) Fire and Extended Coverage and (6) Flood Insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

120) Subsequent Events -

On April 29, 1988, the City Council passed Ordinance No. 1153 providing for the restructuring of the principal and interest payments of the obligation incurred by the issuance of the outstanding Utility Revenue Bonds, Series 1989. The restructuring was caused by the reduction of interest rates now available and the allowance of the prepayment of the balance of the existing bonds. Therefore, on July 17, 1988, the City of Denham Springs issued \$1,712,500 in Utility Revenue Refunding Bonds, Series 1988, with an annual interest rate of 7.2%. The proceeds from the issuance of the 1988 Bonds (\$1,712,500) along with the "Sinking Fund" and "Reserve Fund" balances of the 1989 Bonds in the amount of \$379,427, provided the source of funds to advance refund the 1989 Bonds in the amount of \$1,988,029, along with accrued interest of \$63,742, a prepayment premium of \$38,361 and other costs of \$12,880.

Total debt service payments over the next 28 years has been reduced by approximately \$1,350,088. The City will experience an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$354,088.

PRIMARY COVERMENT

CONTAINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES

GENERAL FUND

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

City of Denham Springs
GENERAL FUND

COMPARATIVE BALANCE SHEETS

June 30, 1998 and 1997

Assets	<u>1998</u>	<u>1997</u>
Cash and Cash Equivalents	\$ 233,306	\$ 217,292
Certificates of Deposit - (Maturities Greater than 90 Days)	900,000	1,500,000
Ad Valorem Taxes Receivable, Net of Allowance for Uncollectible Accounts of \$4,372 in 1998 and \$2,598 in 1997	1,982	-
Due from other Funds	188	32,837
Due from Other Governments	294,838	245,055
Due from Component Unit	11,388	11,353
Other Receivables, Net of Allowance for Uncollectible Accounts of \$-0- in 1998 and 1997	83,978	83,243
Insurance Deposits	<u>58,372</u>	<u>-</u>
Total Assets	<u>\$1,589,968</u>	<u>\$2,089,320</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Accounts Payable	\$ 38,583	\$ 73,984
Payroll Taxes Payable	3,335	3,588
Pension and Group Insurance Payable	35,824	52,568
Accrued Salaries and Wages	80,348	46,382
Due to Other Funds	11,658	15,887
Due to Component Unit	2,448	2,830
Other Liabilities	<u>21,982</u>	<u>33,883</u>
Total Liabilities	274,339	329,836
Fund Balance:		
Reserved for Encumbrance	38,937	80,344
Unreserved:		
Designated for Renovations of Old City Hall	15,858	-
Undesignated	<u>1,263,178</u>	<u>1,289,140</u>
Total Fund Balance	<u>1,415,622</u>	<u>1,872,299</u>
Total Liabilities and Fund Balance	<u>\$1,589,968</u>	<u>\$2,089,320</u>

The accompanying notes constitute an integral part of this statement.

City of Dechen Springs
GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - BUDGET AGAIN BASTRI AND ACTUAL

For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	<u>1998</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
Revenues:				
Taxes	\$ 4,128,100	\$ 4,166,264	\$ 48,164	\$4,893,914
Licenses and Permits	505,300	549,334	47,934	549,065
Fines and Forfeits	199,800	191,918	(7,882)	173,748
Gas Service Fees	155,800	165,314	10,514	153,783
Miscellaneous	<u>428,850</u>	<u>537,335</u>	<u>108,485</u>	<u>664,283</u>
Total Revenues	5,468,250	5,608,452	139,202	5,343,679
Expenditures:				
General Government	1,098,350	1,056,469	41,751	857,968
Public Safety	2,642,825	2,662,443	(20,628)	2,503,218
Highways and Streets	895,400	782,806	112,798	881,133
Health	23,500	24,879	(1,379)	18,723
Culture and Recreation	<u>52,125</u>	<u>68,462</u>	<u>(16,337)</u>	<u>37,883</u>
Total Expenditures	4,672,470	4,578,874	97,596	4,318,097
Excess of Revenues over Expenditures	795,780	1,029,578	236,798	944,382
Other Financing Sources (Uses):				
Operating Transfers Out	(1,426,500)	(1,426,500)	-	(629,818)
Transfers In from Component Units	12,000	6,992	(5,008)	7,514
Transfers Out to Component Units	(83,008)	(77,774)	5,234	(76,748)
Sale of Assets	<u>5,508</u>	<u>11,043</u>	<u>5,535</u>	<u>6,812</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(887,228)	(856,664)	448,556	272,861
Fund Balance at Beginning of Year	<u>1,812,298</u>	<u>1,812,298</u>	<u>-</u>	<u>1,608,139</u>
Fund Balance at End of Year	<u>\$ 925,070</u>	<u>\$ 1,415,634</u>	<u>\$ 448,556</u>	<u>\$1,072,290</u>

The accompanying notes constitute an integral part of this statement.

City of Dunbar Springs
GENERAL FUND

SCHEDULE OF REVENUES, COMPARED TO BUDGET (GRAND TOTAL)

For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997
	BUDGET	ACTUAL		ACTUAL
Taxes:				
Ad Valorem Taxes	\$ 138,000	\$ 138,772	\$ 13,280	\$ 131,255
Alcoholic Beverages				
Tax	28,000	22,012	11,988	23,383
Chain Store Tax	12,000	11,984	(16)	12,270
Electrical Franchise				
Taxes	408,000	398,317	11,883	377,544
Sales Taxes	3,388,000	3,338,669	24,889	3,182,883
Tobacco Taxes	82,000	82,571	571	82,564
Cable TV Franchise Tax	68,000	57,877	12,133	56,843
Tractor Franchise TAX	2,100	2,160	60	2,870
Video Poker Fees	138,000	169,302	19,982	173,688
	<u>4,128,100</u>	<u>4,166,364</u>	<u>46,164</u>	<u>4,081,014</u>
Licenses and Permits:				
Occupational				
Licenses	428,000	443,493	18,493	448,428
Other Permits and				
Licenses	99,300	99,731	19,431	108,637
	<u>527,300</u>	<u>543,224</u>	<u>37,924</u>	<u>557,065</u>
Fines and Forfeits:				
Ward II Court	188,000	181,815	1,815	173,708
911 Service Fees	152,000	182,318	10,314	152,783
Miscellaneous:				
Dog Licenses and Fees	3,000	5,762	2,762	4,116
Fire Insurance				
Commissions	18,000	17,709	1,789	18,723
Interest Income	89,000	127,260	42,260	85,202
Royalties	48,000	41,395	16,885	51,512
Miscellaneous	23,050	31,480	6,430	37,337
Summer Food Program	13,000	18,639	12,381	18,656
Law Enforcement Grants	88,000	188,629	19,629	73,465
Main Street Grant Revenue	12,800	12,800	-	8,888

City of DeSoto Springs
GENERAL FUNDSCHEDULE OF REVENUES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
Miscellaneous (Cont'd.):				
Other Grant Revenue	18,000	11,000	7,000	3,350
Road Maintenance Fees	13,400	13,354	(46)	13,364
Donations	29,000	18,877	(10,123)	9,843
Intergovernmental Revenue	158,400	156,720	(1,680)	141,200
Rent Income	500	50	(450)	400
Utility Adminis- trative Charges	18,000	2,844	(15,156)	14,300
Time and Equipment Usage Reimbursement	1,100	-	(1,100)	-
	<u>428,800</u>	<u>327,735</u>	<u>(101,065)</u>	<u>464,809</u>
Total Revenues	<u>\$3,463,350</u>	<u>\$3,604,452</u>	<u>\$ 139,202</u>	<u>\$3,342,478</u>

See auditor's report.

City of Berham Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	<u>1998</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
General Government:				
General Provisions:				
Salaries	\$ 197,100	\$ 212,699	\$ (15,599)	\$ 199,988
Alcorno's Per Diem	28,000	17,300	2,700	17,280
Payroll Taxes, Retirement, and Group Insurance	34,550	37,309	(2,859)	30,974
Contingency	18,000	15,104	3,896	-
Electricity	13,000	19,391	(2,391)	13,378
Equipment and Land	49,000	41,748	7,252	30,247
Insurance	15,000	17,944	2,944	11,585
Legal and Professional	14,000	13,392	608	43,929
Membership Fees and Educational Training	9,000	7,653	1,347	11,089
Miscellaneous	80,578	73,583	11,997	89,328
Planning and Zoning				331
Printing, Postage and Office Supplies	29,800	31,935	(2,135)	36,164
Rental Equipment	8,800	10,888	(2,088)	9,380
Repairs and Maintenance	27,800	29,330	9,234	30,857
Small Tools and Supplies	3,500	3,995	(495)	2,320
Telephone	8,500	18,704	(2,204)	9,134
Travel	2,800	2,310	490	1,867
Total General Provisions	<u>637,820</u>	<u>589,791</u>	<u>47,229</u>	<u>567,761</u>
Sanitary:				
Salaries	38,500	39,114	(614)	37,634
Payroll Taxes, Retirement, and Group Insurance	8,500	8,334	246	8,187

CONTINUED

City of Betham Springs
GENERAL FUNDSCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (GAAP BASIS) - CONTINUEDFor the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE: FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
Cemetery (Cont'd.):				
Equipment	1,500	3,435	(2,135)	4,364
Equipment Expense	4,300	3,415	1,604	4,304
Legal and Professional	500	-	500	300
Maintenance Contract	2,000	1,500	490	1,240
Insurance	5,300	3,041	1,459	5,813
Miscellaneous	2,500	3,075	584	3,233
Small Tools	2,000	4,200	(2,183)	3,000
Total Cemetery	64,840	65,107	(147)	65,158
Tax:				
Salaries	40,200	40,437	(237)	37,553
Payroll Taxes, Retirement, and Group Insurance	8,000	8,288	342	6,893
Collection Fee	58,000	65,118	3,860	51,849
Equipment	3,000	3,007	(2,807)	-
Equipment Expense	-	3,227	(1,327)	-
Insurance	200	192	8	304
Legal and Professional	-	30	(30)	-
Miscellaneous	3,400	3,760	(388)	2,500
Printing, Postage and Office Supplies	2,500	4,920	572	4,833
Small Tools and Supplies	1,500	1,133	18	100
Tax Wolf	1,000	1,000	-	1,300
Total tax	128,100	127,248	340	105,258
Ward Court:				
Group Insurance	4,200	8,200	(2,000)	6,000
Judge's Salary	26,000	25,800	200	26,000
Judge's Retirement	3,300	3,354	(184)	3,100

(CONTINUED)

City of Benham Springs
MUNICIPAL FORMSCHEDULE OF EXPENDITURES - COMPARED TO BUDGET (BASED BASIS) (CONTINUED)

For the Year Ended June 30, 1998

With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997
	BUDGET	ACTUAL		ACTUAL
Ward Court (Cont'd.):				
Additional Court Costs	10,800	6,395	3,605	5,887
Parking Lot Rental	100	-	100	1,100
Prosecuting Attorney	12,800	12,800	-	11,350
Total Ward Court	23,700	23,815	1,735	22,337
Planning and Development:				
Salaries	79,800	81,917	(2,317)	78,366
Payroll Taxes, Retirement, and Group Insurance	12,760	12,831	(171)	12,627
Equipment	19,800	19,451	49	3,650
Insurance	8,700	6,844	1,856	8,470
Legal and Professional	10,000	5,373	4,627	5,480
Miscellaneous	6,850	5,883	967	4,300
Demolition Expense	9,800	8,800	1,000	520
Printing, Postage and Office Supplies	5,800	4,343	658	2,861
Small Tools and Supplies	700	346	354	47
Vehicle Expense	3,500	3,576	(76)	1,606
Total Planning and Development	155,410	149,361	6,049	118,433
Public Service Workers:				
Salaries	20,800	27,754	(7,754)	15,707
Payroll Taxes, Retirement, and Group Insurance	4,400	4,863	(463)	2,874
Equipment	2,000	4,328	(4,228)	1,831
Equipment Repairs	1,000	593	407	1,843
Small Tools and Supplies	5,000	4,179	821	5,327
Electricity	2,000	3,321	(321)	3,234
Insurance	2,500	2,780	720	4,621
Miscellaneous	800	7,628	(7,028)	3,369
Total Public Service Workers	38,700	57,547	(17,847)	38,735

COMBINED

City of Dechen Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

For the Year Ended June 30, 1998
with Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
Summer Food Program:				
Salaries	6,800	6,746	(788)	5,701
Payroll Taxes	800	514	386	420
Equipment Rental	1,850	840	1,010	-
Food Purchases	7,000	3,774	3,226	4,585
Insurance	250	351	(101)	209
Supplies	1,500	883	617	697
Total Summer Food Program	17,500	12,908	4,592	11,602
Total General Government	1,098,320	1,058,469	41,751	937,960
Public Safety:				
Animal Control:				
Salaries	17,100	16,795	305	16,867
Payroll Taxes, Retirement, and Group Insurance	4,035	3,877	158	3,437
Electricity	400	2,262	(612)	894
Equipment	18,000	18,906	(12,886)	445
Equipment Expense	2,400	2,474	(74)	2,583
Insurance	1,400	1,305	95	1,380
Miscellaneous	3,450	3,929	(479)	3,449
Small Tools and Supplies	1,500	1,796	(296)	1,419
Total Animal Control	58,535	54,346	13,811	32,541
Fire:				
Salaries	574,900	578,879	(1,979)	537,327
Payroll Taxes, Retirement, and Group Insurance	145,000	136,319	8,681	139,440
Electricity	7,500	8,122	(1,378)	5,755
Legal and Profes- sional	200	60	140	75

City of Danvers Springs
GENERAL FUNDSCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (STATE BASIS) (CONTINUED)For the Year Ended June 30, 1998
with comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997 ACTUAL
	BUDGET	ACTUAL		
Fire (Cont'd.):				
Equipment	118,000	114,000	3,980	94,790
Equipment Expense	25,000	23,418	1,582	23,199
Insurance	31,700	31,397	29,303	71,258
Membership Fees and Educational				
Training	5,000	2,997	2,463	4,298
Miscellaneous	3,920	3,211	709	7,028
Printing, Postage and Office				
Supplies	900	658	(108)	1,394
Postal Equipment	100	95	5	150
Repairs and Maintenance	10,000	4,997	5,403	3,094
Small Tools and Supplies	5,500	3,783	1,737	7,144
Telephone	4,000	4,628	(630)	2,585
Uniforms	4,228	2,895	1,303	1,858
Total Fire	275,278	230,881	44,769	817,193
Police:				
Salaries	965,800	1,052,334	(87,334)	927,180
Payroll Taxes, Retirement, and Group Insurance	221,800	234,184	(13,184)	211,884
Electricity	26,800	27,632	(1,632)	26,223
Equipment	102,800	86,884	14,194	226,858
Equipment Expense	34,800	37,278	(2,378)	60,828
Equipment Rental	3,800	2,626	374	3,428
Insurance	103,800	68,983	34,017	161,183
Mail Expense	1,500	1,378	(278)	648

(CONTINUED)

City of Ashland Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)

For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE - FAVORABLE (UNFAVORABLE)	1997
	BUDGET	ACTUAL		ACTUAL
Police (Cont'd.):				
Membership Fees and Educational Training	35,888	37,333	(1,445)	36,488
Miscellaneous	13,470	12,431	1,039	10,485
Printing, Postage and Office Supplies	9,588	9,863	275	10,988
Professional Fees	750	823	(73)	888
Repairs and Maintenance	13,880	10,261	3,619	9,344
Small Tools and Supplies	4,588	9,336	(4,748)	3,587
Telephone	9,888	10,820	(1,012)	9,888
Uniforms	15,288	17,288	(2,000)	13,378
Total Police	1,835,520	1,877,296	(41,776)	1,553,477
Total Public Safety	2,642,828	2,662,443	(19,615)	2,568,228
Highways and Streets:				
Streets:				
Salaries	135,888	109,388	26,500	140,478
Payroll Taxes, Retirement, and Group Insurance	70,458	66,883	3,575	71,988
Electricity	5,988	4,714	1,274	3,538
Equipment	95,888	94,778	1,110	127,381
Equipment Expenses	78,500	71,378	7,122	79,350
Equipment Rental	18,888	12,765	6,123	5,687
Insurance	59,588	49,532	10,056	69,882
Uniforms	7,588	5,322	2,266	7,428
Legal and Professional	1,888	170	1,718	1,378
Streets Maintenance and Materials	64,588	58,278	6,310	62,743
Miscellaneous	10,458	9,324	1,134	8,434
Small Tools and Supplies	9,888	11,390	(1,502)	12,888
Telephone	3,228	2,281	947	2,881
Total Streets	753,288	696,432	56,856	782,217

(CONTINUED)

City of Denham Springs
GENERAL FUNDSTATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)For the Year Ended June 30, 1998
With Comparative Actual Amounts for the Year Ended June 30, 1997

	1998		VARIANCE- FAVORABLE (UNFAVORABLE)	1997
	BUDGET	ACTUAL		ACTUAL
Lighting:				
Electricity	182,998	96,393	86,605	98,984
Total Lighting	182,998	96,393	86,605	98,984
Total Highways and Streets	856,688	782,885	73,793	681,321
Health:				
Crowd on Aging Head Start Program	18,688	20,688	(1,999)	18,723
	4,880	4,880	-	-
Total Health	23,568	24,688	(1,120)	18,723
Culture and Recreation:				
Main Street Program:				
Salaries	20,580	21,933	(1,353)	8,870
Payroll Taxes, Retirement, and Group Insurance	4,750	4,879	671	1,680
Committee Expenses	3,800	2,608	1,192	2,348
Equipment	-	536	(536)	-
Grant Expenses	10,800	8,800	2,000	-
Insurance	-	101	(101)	12
Membership Fees and Educational Training	3,400	2,529	871	3,288
Printing, Postage and Office Supplies	650	3,083	(2,433)	584
Repossessions of Car				
City Hall	3,000	3,000	-	-
Repair and Maintenance	8,000	2,218	5,782	-
Travel	622	2,381	(1,759)	622
Total Culture and Recreation	53,120	48,462	4,658	17,083
Total Expendi- tures	\$4,872,479	\$4,574,874	\$ 297,605	\$4,378,097

See auditor's report.

DEBT SERVICE FUND

1994 Paying Certificates Debt Service Fund - To account for the collection of a special assessment on the property owners of the Lakeland Acres Subdivision. The proceeds of such collections to be used to make annual payments on the 1994 Paying Certificates of Indebtedness incurred for the benefit of the property owners of the Lakeland Acres Subdivision.

City of Benham Springs
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1997

	<u>1999</u>	<u>1997</u>
ASSETS		
Cash and Cash Equivalents	\$ 37,220	\$ 44,734
Special Assessment Receivables:		
Current	19,378	39,358
Delinquent	2,588	4,837
Due from Other Funds	<u>2,728</u>	
Total Assets	<u>\$ 75,685</u>	<u>\$ 88,929</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deferred Revenues	\$ 39,378	\$ 39,358
Due to Other Funds	<u> </u>	<u>238</u>
Total Liabilities	39,378	39,596
Fund Balance:		
Reserved for Debt Service	<u>46,307</u>	<u>49,333</u>
Total Fund Balance	<u>46,307</u>	<u>49,333</u>
Total Liabilities and Fund Balance	<u>\$ 75,685</u>	<u>\$ 88,929</u>

The accompanying notes constitute an integral part of this statement.

City of Norman Springs
WATER SERVICE FUNDCOMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

For the Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Special Assessments	\$ 9,877	\$ 14,870
Interest	5,307	5,340
Permits	<u>357</u>	<u>358</u>
Total Revenues	15,441	20,568
Expenditures:		
Administrative Charges	350	350
Debt Service:		
Principal Retirement	13,321	13,321
Interest	<u>4,736</u>	<u>5,391</u>
Total Expenditures	18,407	19,062
Excess of Revenues over Expenditures	(2,966)	1,506
Fund Balance at Beginning of Year	<u>49,273</u>	<u>48,258</u>
Fund Balance at End of Year	<u>\$ 46,307</u>	<u>\$ 49,764</u>

The accompanying notes constitute an integral part of this statement.

CAPITAL PROJECTS FUNDS

Street Overlay Fund - To account for the costs of major repairs of existing city streets. Construction in this fund tends to be continuous but in various degrees of activity from one year to the next.

Drainage Improvements Fund - To account for the costs of improving the major drainage canals throughout the City. Construction in this fund also tends to be continuous but in various degrees of activity from one year to the next.

Renovations to Buildings - to account for the construction costs and/or renovations and improvements to the City buildings.

City of Dushan Springs
CAPITAL RESERVE FUNDS

COMBINING BALANCE SHEETS

June 30, 1998
With Comparative Totals as of June 30, 1997

ASSETS	STREET OVERLAY	DRAINAGE IMPROVEMENTS	BUILDING RENOVATIONS
Cash and Cash Equivalents	\$ -	\$ 12,144	\$ -
Certificates of Deposit	426,000	-	200,000
Accrued Interest Receivable	-	-	-
Due from Other Funds	182,150	52	52,252
Due from Other Governments	<u>58,068</u>	<u>373,284</u>	<u>-</u>
Total Assets	<u>\$ 582,218</u>	<u>\$ 785,480</u>	<u>\$ 252,252</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 126,148	\$ 82,288	\$ 38,608
Retainages Payable	7,588	53,782	4,000
Due to Other Funds	<u>-</u>	<u>289,425</u>	<u>-</u>
Total Liabilities	133,736	425,523	42,608
Fund Balances:			
Unreserved - Designated for Construction	447,482	360,167	212,356
Unreserved - Undesignated - (Deficit)	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances - (Deficit)	<u>447,482</u>	<u>360,167</u>	<u>212,356</u>
Total Liabilities and Fund Balances	<u>\$ 582,218</u>	<u>\$ 785,480</u>	<u>\$ 252,252</u>

The accompanying notes constitute an integral part of this statement.

<u>TOTALS</u>	
<u>1998</u>	<u>1997</u>
\$ 12,144	\$ 28,102
800,880	208,000
-	7,542
155,434	18,147
<u>812,162</u>	<u>-</u>
<u>\$1,599,960</u>	<u>\$ 345,791</u>

\$ 225,000	\$ 13,103
85,440	32,844
<u>288,425</u>	<u>178,710</u>
579,975	224,725
1,029,985	-
-	<u>31,886</u>
<u>1,029,985</u>	<u>31,886</u>
<u>\$1,599,960</u>	<u>\$ 345,791</u>

City of Danvers Springs
CAPITAL PROJECTS FUNDS

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 1986
With Comparative Totals for the Year Ended June 30, 1987

	<u>STREET COVERLAY</u>	<u>DRAINAGE IMPROVEMENTS</u>	<u>BUILDING RENOVATIONS</u>
Revenues:			
Interest	\$ -	\$ 3,988	\$ -
State Grants	59,668	1,853,912	-
Other Government Grant	-	150,928	-
Total Revenues	<u>59,668</u>	<u>1,857,900</u>	<u>-</u>
Expenditures - Capital Projects:			
Construction Contracts	145,499	1,128,758	40,896
Construction Costs	26,352	42,681	-
Engineering	<u>129,812</u>	<u>132,793</u>	<u>15,854</u>
Total Expenditures	<u>302,323</u>	<u>1,286,234</u>	<u>56,950</u>
Deficiency of Revenues over Expenditures	1243,255	(128,334)	156,950
Other Financing Sources:			
Operating Transfers In	<u>682,500</u>	<u>488,028</u>	<u>259,800</u>
Surplus (Deficiency) of Revenues and Other Sources over Expenditures	446,345	360,694	104,850
Fund Balances at Beginning of Year	<u>3,337</u>	<u>1423</u>	<u>18,346</u>
Fund Balances at End of Year	<u>\$ 447,463</u>	<u>\$ 360,197</u>	<u>\$ 113,356</u>

The accompanying notes constitute an integral part of this statement.

<u>TOTALS</u>	
<u>2008</u>	<u>1997</u>
\$ 2,880	\$ 35,813
1,062,980	-
<u>150,800</u>	<u>-</u>
1,314,980	35,813
1,307,253	640,518
69,633	400,388
<u>267,263</u>	<u>83,583</u>
1,644,549	1,532,310
1627,9813	1,697,3173
<u>1,426,580</u>	<u>429,918</u>
880,918	(667,388)
<u>21,388</u>	<u>888,882</u>
\$ 1,819,985	\$ 21,066

City of Denham Springs
STREET OVERLAY CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - STREET'S BUDGET (GAS BASIS) AND ACTUAL

For the Year Ended June 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ -	\$ -	\$ -
State Grant	<u>250,000</u>	<u>58,268</u>	<u>(191,732)</u>
Total Revenues	250,000	58,268	(191,732)
Expenditures:			
Construction Contracts	363,000	345,499	17,501
Construction Costs	36,000	36,952	(952)
Engineering	<u>240,000</u>	<u>223,832</u>	<u>161,168</u>
Total Expenditures	<u>639,000</u>	<u>606,283</u>	<u>322,717</u>
Excess (Deficiency) of Revenues over Expenditures	(389,000)	(543,255)	154,255
Other Financing Sources:			
Operating Transfers In	<u>487,500</u>	<u>487,500</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures	400,500	444,245	43,745
Fund Balance at Beginning of Year	<u>3,217</u>	<u>3,217</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 403,717</u>	<u>\$ 447,462</u>	<u>\$ 43,745</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DRAINAGE IMPROVEMENTS CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - DRAINAGE, BUDGET BASIS AND ACTUAL

For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ 5,800	\$ 3,908	\$ (1,892)
State Grant	1,000,800	1,013,913	13,113
Other Government Grant	<u>150,000</u>	<u>150,000</u>	<u>-</u>
Total Revenues	1,156,600	1,157,821	1,221
Expenditures:			
Construction Contracts	1,170,000	1,128,758	41,242
Construction Costs	22,000	42,681	(20,681)
Engineering	<u>129,000</u>	<u>122,792</u>	<u>6,208</u>
Total Expenditures	<u>1,321,000</u>	<u>1,294,231</u>	<u>26,769</u>
deficiency of revenues over expenditures	164,400	(136,330)	27,884
Other Financing Sources:			
Operating Transfers In	<u>489,000</u>	<u>489,000</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures	329,000	380,688	27,884
Fund Balance at Beginning of Year	<u>4892</u>	<u>1492</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 322,503</u>	<u>\$ 388,167</u>	<u>\$ 27,664</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
BUILDING RENOVATIONS CAPITAL PROJECTS FUND

STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE - RENOVATIONS, BUDGET (GRAND BASIS) AND ACTUAL

For the Year Ended June 30, 1998

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE - FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ -	\$ -	\$ -
Total Revenues	-	-	-
Expenditures:			
Construction Contracts	79,800	40,898	38,902
Engineering	<u>11,800</u>	<u>35,024</u>	<u>(23,224)</u>
Total Expenditures	<u>90,800</u>	<u>75,922</u>	<u>14,878</u>
Deficiency of Revenues over Expenditures	(90,800)	(55,994)	34,806
Other Financing Sources:			
Operating Transfers In	<u>250,800</u>	<u>250,022</u>	<u>778</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	160,000	194,028	34,028
Fund Balance at Beginning of Year	<u>18,346</u>	<u>50,346</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 178,346</u>	<u>\$ 232,374</u>	<u>\$ 54,028</u>

The accompanying notes constitute an integral part of this statement.

UTILITY FUND

Utility Fund - To account for the provision of gas, water, sewer and sanitation services to the residents of the City of Berham Springs and some residents of the parishes of Livingston and East Baton Rouge. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

City of Danham Springs
 UTILITY ENTERPRISE FUND
 COMPARATIVE BALANCE SHEETS
 June 30, 1998 and 1997

	1998	1997
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 219,428	\$ 132,966
Certificates of Deposit - (Maturities Greater than 90 Days)	1,575,880	2,835,880
Receivables:		
Accounts (Net of Allowance for Uncollectible Accounts of \$13,000 in 1998 and \$8,980 in 1997)	149,305	135,288
Other	18,300	70,338
Unbilled Utility Sales	213,881	381,569
Due from Other Funds	149,331	170,283
Due from Other Governments	50,945	332,493
Inventory, at Cost	121,166	131,875
Prepaid Expenses	38,830	69,311
Total Current Assets	2,564,854	3,657,982
 Restricted Assets:		
Certificates of Deposit - Customer Deposit Account (Maturity Greater Than 90 Days)	435,880	435,880
Bond Interest and Redemption Account	94,309	109,359
Bond Reserve Account	311,285	182,355
Bond Contingency Account	234,789	288,810
Total Restricted Assets	1,076,263	1,016,404
 Property, Plant and Equipment, at Cost (Net of Accumulated Depreciation of \$7,943,307 in 1998 and \$7,430,118 in 1997)		
	12,427,048	11,957,322
 Deferred Expenses and Other Assets:		
Deferred Bond Expenses	45,664	53,680
Total Assets	\$18,013,742	\$13,691,388

The accompanying notes constitute an integral part of this statement.

	1998	1997
LIABILITIES AND FUND EQUITY		
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 83,100	\$ 353,384
Retainage Payable	32,407	49,489
Accrued Salaries and Wages	19,620	16,973
Due to Other Funds	-	26,573
Due to Other Government Agencies	3,114	3,114
Other Current Liabilities	<u>68,308</u>	<u>30,721</u>
Total Current Liabilities (Payable from Current Assets)	183,809	330,627
Current Liabilities (Payable from Restricted Assets):		
Customers' Deposits	431,133	423,281
Bonds Payable - 1989 Series	132,313	332,936
Accrued Bond Interest	<u>53,968</u>	<u>57,423</u>
Total Current Liabilities (Payable from Restricted Assets)	617,414	613,639
Long-Term Liabilities:		
Accumulated Unpaid Vacation	36,794	36,806
Bonds Payable - 1987 Series	<u>1,833,716</u>	<u>1,984,023</u>
Total Long-Term Liabilities	1,870,510	1,984,023
Total Liabilities	2,678,814	2,347,946
Fund Equity:		
Contributed Capital:		
Federal Grants	2,853,420	2,671,207
State Grants	498,853	457,000
Residual Equity Transfer - General Fund	-	800,000
Impact Fees - Developers	124,419	93,278
Other	<u>28,318</u>	<u>26,318</u>
Total Contributed Capital	4,095,000	3,847,804
Retained Earnings:		
Reserved for Revenue Bond Reserves	119,706	92,288
Reserved for Revenue Bond Contingencies	234,789	204,810
Unreserved	<u>8,893,438</u>	<u>8,209,852</u>
Total Retained Earnings	9,247,924	8,496,949
Total Fund Equity	13,342,928	12,744,743
Total Liabilities and Fund Equity	\$16,013,742	\$15,891,389

City of Indian Springs
UTILITY ENTERPRISE FUND

**COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS**

For the Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating Revenues:		
Charges for Services:		
Gas Sales	\$ 3,955,919	\$ 1,991,438
Water Sales	989,989	927,732
Sewer Service	527,189	516,329
Sanitation Service	458,242	308,212
Delinquent Charges	<u>57,826</u>	<u>56,774</u>
Total Operating Revenues	4,987,465	3,768,485
Operating Expenses:		
Gas Department	3,715,762	1,676,594
Water Department	766,092	729,847
Sewer Department	718,829	784,827
Sanitation Department	<u>682,322</u>	<u>330,672</u>
Total Operating Expenses	5,874,820	3,520,540
Operating Income	497,841	243,945
Nonoperating Revenues:		
Interest	166,368	183,848
Miscellaneous	<u>12,828</u>	<u>12,827</u>
Total Nonoperating Revenues	179,196	196,675
Nonoperating Expenses:		
Interest	227,441	241,485
Amortization of Bond Redemption Premium	<u>7,616</u>	<u>8,325</u>
Total Nonoperating Expenses	235,057	250,208
Net Income before Operating Transfers	351,386	189,667
Operating Transfers In	<u>-</u>	<u>288,000</u>
Net Income	351,386	477,667
Retained Earnings at Beginning of Year	<u>8,826,338</u>	<u>8,526,871</u>
Retained Earnings at End of Year	<u>\$ 9,247,924</u>	<u>\$ 8,896,538</u>

The accompanying notes constitute an integral part of this statement.

City of Berham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 407,841	\$ 343,945
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	506,738	494,327
Provision for Bad Debt	5,704	28,139
Miscellaneous Revenues	12,830	12,077
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	139,723	33,362
(Increase) Decrease in Other Receivables	52,136	(27,443)
(Increase) Decrease in Unbilled Utility Sales	120,383	6,828
(Increase) Decrease in Due from Other Funds	26,931	1179,262
(Increase) Decrease in Due from Government Agencies	20,556	(122,496)
(Increase) Decrease in Inventory	5,908	(13,969)
(Increase) Decrease in Prepaid Expenses	39,841	(2,714)
Increase (Decrease) in Accounts Payable	(270,293)	142,641
Increase (Decrease) in Retainage Payable	(17,283)	48,137
Increase (Decrease) in Accrued Salaries and Wages	3,547	18,921
Increase (Decrease) in Due to Other Funds	126,573	(14,873)
Increase (Decrease) in Due to Other Government Agencies	-	-
Increase (Decrease) in Other Current Liabilities	(44,223)	28,349
Increase (Decrease) in Accumulated Unpaid Vacation	<u>8,256</u>	<u>(2,895)</u>
Net Cash Provided by Operating Activities	579,864	588,611

City of DeSha Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash Flows from Noncapital Financing Activities:		
Operating Transfers In	<u> </u>	<u>200,000</u>
Net Cash Provided by Noncapital Financing Activities		200,000
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(1,075,463)	(1,047,338)
(Increase) Decrease in Restricted Assets	(53,352)	(96,873)
Increase (Decrease) in Liabilities Payable from Restricted Assets	7,928	34,487
Principal Paid on Bonds	(132,735)	(138,374)
Grant - La. Department of Transportation	33,050	122,496
Grant - U.S. E.P.A.	183,210	-
Impact Fees - Developers	31,137	39,483
Interest Paid on Revenue Bonds	<u>(231,054)</u>	<u>(245,325)</u>
Net Cash Used in Capital and Related Financing Activities	(1,237,589)	(1,347,325)
Cash Flows from Investing Activities:		
Net Sale (Purchase) of Investments	400,000	140,000
Interest Income	<u>368,884</u>	<u>183,845</u>
Net Cash Provided by Investing Activities	768,884	323,845
Net Increase (Decrease) in Cash and Cash Equivalents	531,300	(142,580)
Cash and Cash Equivalents - Beginning of Year	<u>132,366</u>	<u>274,925</u>
Cash and Cash Equivalents - End of Year	<u>\$ 219,426</u>	<u>\$ 132,365</u>
Schedule of Noncash Investing, Capital and Financing Activities:		
Amortization of Deferred Bond Expense	<u>\$ 7,616</u>	<u>\$ 8,515</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULES OF NET INCOME (LOSS) FROM
OPERATIONS BY DEPARTMENT

For the Years Ended June 30, 1998 and 1997

	<u>Gas Department</u>		<u>Water Department</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Operating Revenues:				
Charges for Services	\$2,055,815	\$1,961,438	\$ 954,741	\$ 886,798
Miscellaneous	-	-	28,042	10,222
total operating Revenues	<u>2,055,815</u>	<u>1,961,438</u>	<u>982,783</u>	<u>897,020</u>
Operating Expenses:				
Direct	1,514,219	1,478,786	617,601	572,833
general and Administrative	<u>231,543</u>	<u>126,808</u>	<u>146,421</u>	<u>156,814</u>
Total Operating Expenses	<u>1,745,762</u>	<u>1,605,594</u>	<u>764,022</u>	<u>729,647</u>
Operating Income (Loss) by Departments	<u>\$ 310,053</u>	<u>\$ 355,844</u>	<u>\$ 218,761</u>	<u>\$ 167,373</u>
Other Operating Revenues: Delinquent Charges				
Net Operating Income				

See auditor's report.

<u>SEWER DEPARTMENT</u>		<u>SANITATION DEPARTMENT</u>		<u>TOTAL</u>	
<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
\$ 527,524	\$ 515,853	\$ 458,242	\$ 304,212	\$1,995,812	\$1,678,393
<u>75</u>	<u>216</u>	<u>-</u>	<u>-</u>	<u>28,223</u>	<u>31,318</u>
527,189	516,329	458,242	304,212	4,694,835	3,709,711
582,468	581,585	447,738	282,318	3,562,026	3,825,813
<u>128,361</u>	<u>263,932</u>	<u>16,199</u>	<u>18,394</u>	<u>512,394</u>	<u>195,218</u>
<u>719,829</u>	<u>784,627</u>	<u>463,937</u>	<u>310,672</u>	<u>3,674,638</u>	<u>3,130,840</u>
\$ (187,648)	\$ (248,298)	\$ 128,893	\$ 128,468	350,215	189,171
				<u>57,626</u>	<u>54,774</u>
				<u>\$ 487,840</u>	<u>\$ 243,945</u>

City of Benton Springs
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULE OF OPERATING EXPENSES BY DEPARTMENT

For the Years Ended June 30, 1998 and 1997

	<u>GAS DEPARTMENT</u>		<u>WATER DEPARTMENT</u>	
	<u>1998</u>	<u>1997</u>	<u>1998</u>	<u>1997</u>
Direct Expenses:				
Natural Gas Purchases	\$ 671,431	\$ 604,344	-	-
Direct Labor	208,323	208,323	183,333	156,782
Chlorinator Expense			7,452	3,883
Depreciation	97,925	100,680	175,325	153,608
Electricity	10,539	13,460	77,376	78,989
Equipment Expenses	65,299	48,868	48,763	28,402
Equipment Rental	11,484	9,240	4,885	2,126
Lab Fees			-	-
Maintenance	103,129	106,241	58,717	81,694
Water Reading	19,887	41,232	94,710	54,849
Water Repairs	16,124	24,860		-
Small Tools and Supplies	12,989	12,727	12,649	9,287
Subcontract Disposal Service			-	1,222
Water Pollution Fee				1,222
	<u>1,514,219</u>	<u>1,478,786</u>	<u>617,601</u>	<u>571,803</u>
General and Administrative Expenses:				
Office Salaries	36,136	34,858	34,843	31,793
Payroll Taxes, Retirement and Group Insurance	59,921	60,624	40,317	38,058
Administrative Charges	786	3,886	842	6,168
Electricity	2,329	2,832	3,704	3,287
Ground Maintenance Insurance			499	753
	59,271	58,899	28,896	21,762
Miscellaneous	20,857	15,283	10,241	7,051
Office Expense	16,938	13,847	12,323	8,193
Professional Fees	13,161	1,271	4,807	18,503
Telephone and Data	10,536	9,830	11,310	8,953
	<u>1,328</u>	<u>6,273</u>	<u>1,813</u>	<u>9,222</u>
	<u>201,543</u>	<u>186,888</u>	<u>146,481</u>	<u>156,814</u>
Total Operating Expenses	<u>\$1,715,762</u>	<u>\$1,675,584</u>	<u>\$ 764,082</u>	<u>\$ 728,617</u>

see auditor's report.

SEWER DEPARTMENT		SANITATION DEPARTMENT		TOTAL	
1936	1937	1936	1937	1936	1937
\$ -	\$ -	\$ -	\$ -	\$ 871,621	\$ 834,244
198,409	183,798	-	-	658,794	637,666
212,864	214,828	19,934	21,419	889,738	890,227
63,863	53,868	-	-	158,977	136,217
28,565	34,577	778	486	138,415	110,331
9,811	5,468	503	341	16,563	17,186
13,687	13,317	-	-	23,087	12,817
52,217	66,286	-	-	214,063	284,137
-	-	-	-	81,717	86,072
-	-	-	-	18,128	24,068
15,484	7,607	121	8	48,643	29,689
-	-	436,702	278,064	436,702	316,064
<u>8,348</u>	<u>8,348</u>	-	-	<u>8,348</u>	<u>21,888</u>
592,469	581,595	447,739	292,318	1,140,208	2,925,533
29,835	27,072	19,053	17,529	109,637	108,452
49,885	48,261	2,913	2,661	139,636	139,614
801	4,394	515	2,845	2,864	16,394
2,300	2,859	1,477	1,845	8,509	18,674
-	478	-	4	695	2,284
14,336	21,878	2,061	2,063	94,824	118,622
9,848	7,681	2,003	856	42,842	31,151
13,753	8,520	2,329	1,472	45,322	31,531
5,834	74,872	2,964	2,865	27,766	97,311
8,827	7,073	1,615	909	38,888	24,675
<u>1,342</u>	<u>2,853</u>	<u>880</u>	<u>5,685</u>	<u>5,704</u>	<u>28,132</u>
128,381	203,632	36,189	38,354	512,584	593,008
<u>\$ 710,825</u>	<u>\$ 704,827</u>	<u>\$ 483,937</u>	<u>\$ 320,872</u>	<u>\$3,074,620</u>	<u>\$3,328,540</u>

City of Denham Springs
UTILITY ENTERPRISE FUND

**SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR RESERVE
BOND DEBT SERVICE**

For the Year Ended June 30, 1998

	<u>BOND INTEREST AND REDEMPTION</u>	<u>BOND RESERVE</u>	<u>BOND CONTINGENCY</u>	<u>TOTAL</u>
Cash and Investments at Beginning of Year	\$ 108,359	\$ 182,365	\$ 204,818	\$ 495,542
Cash Receipts:				
Transfers from Operating Cash	351,120	18,191	18,191	387,502
Interest Received	<u>2,342</u>	<u>18,332</u>	<u>12,788</u>	<u>33,462</u>
Total Cash Receipts	<u>353,462</u>	<u>36,523</u>	<u>30,979</u>	<u>421,964</u>
Total Cash and Investments Available	458,821	218,888	235,797	913,506
Cash Disbursements:				
Principal Payments	102,735	-	-	102,735
Interest Payments	<u>231,028</u>	<u>-</u>	<u>-</u>	<u>231,028</u>
Total Cash Dis- bursements	<u>333,763</u>	<u>-</u>	<u>-</u>	<u>333,763</u>
Cash and Investments at End of Year	\$ 125,058	\$ 218,888	\$ 235,797	\$ 579,743

See auditor's report.

INTERNAL SERVICE FUND

Motor Fuel Fund - To account for the costs of operating a maintenance facility for automotive equipment used by other City departments. Costs for gasoline, diesel fuel, motor oil, and the like are billed to the other departments at cost plus thirty percent. Actual costs include depreciation on the garage building, improvements, and equipment used to provide the service. The automotive equipment itself is acquired by the various user departments which are also responsible for replacement vehicles as necessary.

City of Durham Springs
MOPOR POC. INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1998 and 1997

ASSETS	<u>1998</u>	<u>1997</u>
Current Assets:		
Cash and Cash Equivalents	\$ 18,168	\$ 35,363
Due from Other Funds	-	26,972
Inventory at Cost	17,408	26,987
Other Assets	<u>583</u>	<u>1,222</u>
Total Current Assets	24,149	89,022
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$116,985 in 1998 and \$102,958 in 1997)	<u>38,722</u>	<u>25,518</u>
Total Assets	\$ <u>64,871</u>	\$ <u>114,540</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 1,373	\$ 26,967
Due to Other Funds	1,515	26,734
Accumulated Unpaid Vacation	2,058	1,503
Other Accrued Expenses	<u>1,298</u>	<u>4,182</u>
Total Current Liabilities	4,270	88,286
Fund Equity:		
Retained Earnings	<u>48,601</u>	<u>55,277</u>
Total Fund Equity	<u>48,601</u>	<u>55,277</u>
Total Liabilities and Fund Equity	\$ <u>64,871</u>	\$ <u>114,540</u>

The accompanying notes constitute an integral part of this statement.

City of Durham Springs
 MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN RETAINED EARNINGS

For the Years Ended June 30, 1998 and 1997

	1998	1997
Sales and Labor Charges	\$ 279,489	\$ 268,544
Cost of Sales	<u>216,883</u>	<u>192,410</u>
Gross Profit	62,606	76,134
Operating Expenses:		
Salaries	44,428	46,780
Payroll Taxes, Retirement, and Group Insurance	8,848	9,819
Depreciation	5,687	5,812
Insurance	3,428	4,333
Miscellaneous	78	590
Repairs and Maintenance	1,343	1,778
Small Tools and Supplies	1,934	877
Telephone and Utilities	142	183
Office Supplies	193	819
Uniforms	823	810
Vehicle Expenses	<u>583</u>	<u>1,375</u>
Total Operating Expenses	<u>67,583</u>	<u>69,831</u>
Operating Income (Loss)	(4,977)	6,303
Nonoperating Revenues:		
Miscellaneous Income	<u>221</u>	<u>310</u>
Total Nonoperating Revenues	<u>221</u>	<u>310</u>
Net Income (Loss)	16,676	6,393
Retained Earnings at Beginning of Year	<u>55,277</u>	<u>48,884</u>
Retained Earnings at End of Year	<u>\$ 48,601</u>	<u>\$ 55,277</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
 MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 16,8373	\$ 6,880
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	5,587	5,012
Miscellaneous Revenues	225	310
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from:		
Other Funds	16,572	(2,368)
(Increase) Decrease in Inventory	13,861	(7,894)
(Increase) Decrease in Other Assets	838	(126)
Increase (Decrease) in Accounts Payable	(25,474)	16,481
Increase (Decrease) in Due to Other Funds	(25,218)	9,547
Increase (Decrease) in Other Accrued Expenses	(3,894)	2,586
Increase (Decrease) in Accumulated Unpaid Vacation	1425	-
Net Cash Provided by (Used in) Operating Activities	<u>114,332</u>	<u>27,734</u>
Cash Flows from Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	<u>(878)</u>	<u>(8,815)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(878)</u>	<u>(8,815)</u>
Net Increase (Decrease) in Cash and and Equivalents	115,282	19,719
Cash and Cash Equivalents - Beginning of Year	<u>25,363</u>	<u>6,442</u>
Cash and Cash Equivalents - End of Year	<u>\$ 141,665</u>	<u>\$ 26,161</u>

The accompanying notes constitute an integral part of this statement.

TRUST FUND

Expendable Cemetery Trust Fund - The Expendable Cemetery Trust Fund was established by the City on June 28, 1993, to account for the revenues generated from the sale of cemetery plots and the interest earned by the cash and investments of the fund. The initial funding of \$150,000 was transferred from the General Fund on July 1, 1993.

City of DeSham Springs
 EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE BALANCE SHEETS

June 30, 1998 and 1997

ASSETS		<u>1998</u>	<u>1997</u>
Cash and Cash Equivalents		\$ 38,455	\$ 28,484
Certificates of Deposit - (Maturities Greater Than 90 Days)		917,123	293,948
Accounts Receivable		-	2,058
Due from Other Funds		895	-
Accrued Interest Receivable		<u>91</u>	<u>91</u>
Total Assets		<u>\$156,564</u>	<u>\$314,569</u>
FUND BALANCE			
Fund Balances: Reserved for Cemetery Expenditures		<u>\$156,564</u>	<u>\$314,569</u>
Total Liabilities and Fund Balances		<u>\$156,564</u>	<u>\$314,569</u>

The accompanying notes constitute an integral part of this statement.

City of Berham Springs
 HEMPHILL CEMETERY TRUST FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended June 30, 1938 and 1937

	<u>1938</u>	<u>1937</u>
Revenues:		
Sales of Cemetery Plots	\$ 17,875	\$ 28,025
Interest	<u>18,910</u>	<u>18,259</u>
Total Revenues	36,785	46,284
Expenditures:		
Bank Charges	-	-
Total Expenditures	<u>-</u>	<u>-</u>
Excess Revenues over Expenditures	36,785	46,284
Fund Balance at Beginning of Year	<u>314,504</u>	<u>277,505</u>
Fund Balance at End of Year	<u>\$ 351,289</u>	<u>\$ 314,504</u>

The accompanying notes constitute an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

To account for fixed assets not used in proprietary fund operation.

City of Denham Springs

STATEMENTS OF GENERAL FIXED ASSETS

June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
General Fixed Assets, at Cost:		
Land	\$ 571,271	\$ 531,271
Land Improvements	34,417	34,417
Buildings	3,488,172	3,488,172
Equipment	2,048,178	2,223,581
Furniture and Fixtures	47,126	47,126
Construction in Progress	<u>58,850</u>	<u>88,000</u>
Total General Fixed Assets	<u>\$6,824,164</u>	<u>\$6,432,577</u>
Investments in General Fixed Assets From:		
General Fund Revenues	\$3,036,399	\$3,716,099
Federal Revenues and Federal Grants	429,535	414,457
Capital Improvement Funds:		
City's Share of cost:		
General Fund	2,303,807	3,267,817
Federal Revenue Sharing	201,482	201,482
Federal Grants	492,741	492,741
State Grants	<u>360,800</u>	<u>358,000</u>
Total Investment in General Fixed Assets	<u>\$6,824,164</u>	<u>\$6,432,577</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

STATEMENT OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

June 30, 1998

	<u>LAND</u>	<u>LAND IMPROVEMENTS</u>	<u>BUILDINGS</u>	<u>EQUIPMENT</u>
Function and Activity:				
General Government:				
General Government:				
Buildings	\$358,039	\$ 13,950	\$1,360,367	\$ -
Administration	-	-	-	173,931
Cemetery	3,000	11,600	10,313	21,454
Tax	-	-	-	20,950
Planning and Development	-	-	-	67,761
Public Service Workers	-	-	10,647	20,881
Total General Government	360,039	24,950	1,381,327	313,185
Public Safety:				
Animal Control	1,000	912	13,983	34,637
Fire	8,258	-	232,436	370,293
Police	281,482	8,953	1,473,465	806,488
Total Public Safety	290,232	9,465	1,720,774	1,439,397
Highways and Streets:				
Streets	-	-	6,274	711,260
Health:				
Council on Aging	-	-	350,887	-
Culture and Recreation:				
Main Street Program	-	-	-	536
Total General Fixed Assets Allocated to Functions	\$571,271	\$ 34,417	\$3,460,172	\$2,644,178
Construction in Progress				
Total General Fixed Assets				

The accompanying notes constitute an integral part of this statement.

FURNITURE AND FIXTURES	TOTALS	
	1996	1997
\$ 47,136	\$1,779,492	\$1,779,492
-	173,931	132,193
-	44,749	41,134
-	30,988	16,092
-	87,781	48,918
-	<u>32,640</u>	<u>12,412</u>
47,136	2,126,559	2,049,639
-	50,332	39,686
-	1,818,948	816,949
-	<u>2,492,320</u>	<u>2,464,742</u>
-	3,561,848	3,311,333
-	716,134	633,784
-	359,897	359,897
-	<u>536</u>	<u>-</u>
\$ 47,136	6,765,174	6,344,593
-	<u>59,330</u>	<u>69,336</u>
	<u>\$6,824,164</u>	<u>\$6,432,577</u>

City of Denham Springs

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS
BY FUNCTION AND ACTIVITY

For the Year Ended June 30, 1998

	GENERAL FIXED ASSETS 7/1/97	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 6/30/98
Function and Activities:				
General Government:				
General Government:				
Buildings	\$1,779,492	\$ -	\$ -	\$1,779,492
Administration	122,199	42,798	-	179,931
Cemetery	41,194	3,835	-	48,769
Tax	25,092	3,667	-	29,959
Planning and Development	48,318	19,451	-	67,761
Public Service Workers	<u>32,418</u>	<u>4,222</u>	<u>-</u>	<u>39,640</u>
Total General Government	2,449,493	74,900	-	2,324,593
Public Safety:				
Animal Control	29,848	28,908	-	59,953
Fire	816,248	282,019	-	1,018,969
Police	<u>2,464,282</u>	<u>85,863</u>	<u>(28,277)</u>	<u>2,492,328</u>
Total Public Safety	3,311,337	388,788	(28,277)	3,561,848
Highways and Streets:				
Streets	822,784	94,775	(2,148)	718,334
Health:				
Council on Aging	359,897	-	-	359,897
Culture and Recreation:				
Main Street Program	-	338	-	338
Construction in Progress				
	<u>58,222</u>	<u>133,338</u>	<u>(168,348)</u>	<u>58,222</u>
Total General Fixed Assets	<u>\$4,432,577</u>	<u>\$820,353</u>	<u>\$ (228,768)</u>	<u>\$4,824,162</u>

The accompanying notes constitute an integral part of this statement.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

To account for unsecured principal amounts on general long-term debt reported to be financed from governmental type funds. Payment of maturing obligations, including interest, are accounted for in the debt service funds. To also account for the accumulated unpaid vacation to be financed from the general fund.

City of Norman Springs

STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1998 and 1997

	<u>1998</u>	<u>1997</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Fund for the Payment of the 1993 Saving Certificates	\$ 46,307	\$ 48,273
Amount to be Provided from Special Assessments Receivables	28,208	26,653
Amount to be Provided for Accumulated Unpaid Vacation	<u>247,053</u>	<u>231,345</u>
	<u>\$321,568</u>	<u>\$291,271</u>
 GENERAL LONG-TERM DEBT PAYABLE		
1993 Saving Certificates	\$ 46,401	\$ 39,826
Accumulated Unpaid Vacation	<u>247,053</u>	<u>231,345</u>
	<u>\$313,454</u>	<u>\$291,271</u>

The accompanying notes constitute an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

City of Terham Springs

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

June 30, 1998

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
U. S. Fidelity and Guaranty Co.	Public Official Bonds Mayor:		
	James DeLoach	\$ 50,000	1/24/99
	Aldermen:		
	Ray Zachary	\$ 10,000	1/24/99
	Sterling Vincent	\$ 10,000	1/24/99
	John Wascom	\$ 10,000	1/21/99
	Jimmy Turbis	\$ 10,000	1/21/99
U. S. Fidelity and Guaranty Co.	Public Employees Blanket Bond		
	Performance Bond City Treasurer	\$ 50,000	2/21/99
Audubon Indemnity	Valuable Papers and Records - All Risk	\$ 2,500	7/21/98
Audubon Indemnity	Accounts Receivable - All Risk	\$ 75,000	7/21/98
Audubon Indemnity	Fire and Extended Coverage -		
	50% Co-Insurance:		
	Municipal Building Contents	\$1,481,890	
	341 Government Street	\$ 377,500	7/01/98
	Steel Water Tank and Tower	\$ 225,000	7/01/98
	110 Briarac Street		
	Council on Aging Building	\$ 440,000	7/01/98
	343 Government Street		
	Fire Station Building Contents	\$ 212,311	
	1280 Hatchell Lane	\$ 10,000	7/21/98

(CONTINUED)

City of DeSha Springs

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED) (CONTINUED)

June 30, 1998

INSURANCE	COVERAGE	AMOUNT	EXPIRATION DATE
Anderson Indemnity	Police Station and Jail Facility Contents 447 Lane Street	\$1,150,000 \$ 150,000	7/01/98
	Fire Station Building Contents 224 Government Street	\$ 270,004 \$ 12,000	7/01/98
	Youth Services Office Building 248 Government Street	\$ 225,000	7/01/98
	Utility Warehouse building Contents 112 Scrogger Street	\$ 80,000 \$ 30,000	7/01/98
	Motor Pool and Warehouse Building Contents 401 E. Railroad Ave.	\$ 228,000 \$ 75,000	7/01/98
	Louisiana Workers' Compensation Corporation	Workmen's Compensation Statutory	
LA Municipal Risk Management Agency	Self Insurance Pool Fund for Public Liability		
	General Liability Law Enforcement Liability	\$ 500,000 \$ 500,000	7/01/98 7/01/98
LA Municipal Risk Management Agency	Public Officials Liability Errors and Omissions	\$ 500,000	7/01/98
LA Municipal Risk Management Agency	Business Auto Liability	\$ 500,000	7/01/98

City of Berham Springs

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED) (CONTINUED)

June 30, 1998

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
National Flood Services	Flood Insurance		
	Fire Station Building 318 Government Street	\$ 200,000	5/15/99
	Youth Services Office Building 348 Government Street	\$ 200,000	5/15/99
	Municipal Building 243 Government Street	\$ 200,000	5/15/99
	Council on Aging Building 248 Government Street	\$ 200,000	5/15/99

City of Denham Springs

SCHEDULE OF COMPENSATION OF CITY COUNCIL MEMBERS

For the Years Ended June 30, 1998 and 1997

CITY COUNCIL TERMS EXPIRE DECEMBER 31, 1998

	<u>1998</u>	<u>1997</u>
James Pelouse, Mayor Route 5, Box 559 Denham Springs, Louisiana 70726 Telephone: 663-6134	\$17,181	\$16,538
James S. Durbin, Alderman 417 Castleville Street Denham Springs, Louisiana 70726 Telephone: 664-5802	\$ 3,500	\$ 3,300
Stanley Vincent, Alderman 181 Carroll Street Denham Springs, Louisiana 70726 Telephone: 665-2485	\$ 3,700	\$ 3,400
	Alderman	\$ 3,376
	Streets Commissioner	\$ 3,376
Roy Zachary, Alderman 306 North College Drive Denham Springs, Louisiana 70726 Telephone: 664-7285	\$ 2,800	\$ 2,300
Arthur Perkins 906 Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 664-6710	\$ 3,500	\$ 3,400
John Mascoe 522 Castleville Street Denham Springs, Louisiana 70726 Telephone: 663-7033	\$ 3,800	\$ 3,600



THIS SECTION WHICH IS COMPOSED OF ACCOUNTING
AND NONACCOUNTING DATA IS PRESENTED IN ORDER TO
PROVIDE THE READER WITH ADDITIONAL INFORMATION
AS AN AID TO UNDERSTANDING THE FINANCIAL ACTIVITIES
OF THE GOVERNMENTAL UNIT

City of Denham Springs

GENERAL FUND EXPENDITURES AND
OTHER USES BY FUNCTION

Last Ten Years

YEAR	TOTAL	GENERAL GOVERNMENT	CEMETERY	TAX	MARD COURT	PLANNING AND DEVELOPMENT	PUBLIC SERVICE WORKERS
1987	3,863,201	397,847	16,393	43,795	157,358	75,908	7,358
1988	3,481,288	504,352	13,285	43,408	164,358	83,865	6,185
1989	3,161,826	495,372	24,588	58,709	167,353	78,373	7,204
1990	3,130,963	434,807	31,123	93,394	163,619	114,238	9,988
1991	3,340,370	479,484	49,431	77,728	173,737	116,951	9,593
1992	4,817,679	512,930	53,839	88,704	93,256*	152,130	13,409
1993	4,542,641	460,534	51,963	98,698	93,185	136,569	31,647
1994	4,719,110	866,419	94,724	113,187	93,214	119,326	49,474
1995	5,884,763	567,761	65,158	105,258	52,823 ¹	118,413	36,735
1996	6,079,149	569,781	65,187	127,940	53,815	149,361	57,847

*In compliance with GASB-18 beginning in 1994 certain general fund expenditures made to reimburse the Court for operating expenditures of the Court are now shown as Other Uses - Transfers to Component Units.

¹Beginning in fiscal year 1993, salaries for the public service supervisor was allocated to Public Service Workers instead of Mard Court.

SOURCE: Annual Audited General Purpose Financial Statements.

<u>SUMMER FOOD PROGRAM</u>	<u>ANIMAL CONTROL</u>	<u>FIRE</u>	<u>POLICE</u>	<u>STREETS AND LIGHTING</u>	<u>HEALTH</u>	<u>CULTURE AND RECREATION</u>	<u>OTHER USES</u>
\$ 8,828	\$98,399	\$441,153	\$ 648,496	\$365,364	\$ 2,251	-	\$ 644,478
12,805	27,385	479,766	655,280	524,524	9,844	-	676,391
18,854	29,208	491,801	370,728	483,027	13,506	-	346,485
18,653	28,676	663,885	996,520	517,797	11,263	-	330,800
12,507	31,459	618,281	361,820	753,302	18,285	-	247,243
12,373	21,103	691,675	1,157,293	812,859	19,334	-	1,216,323
12,638	27,304	741,441	1,258,322	844,274	18,877	-	769,255
18,485	39,963	763,637	1,450,948	752,513	19,806	-	327,232
11,692	32,541	917,392	1,553,437	881,121	18,723	17,883	766,466
12,909	34,346	938,801	1,677,296	782,805	24,492	48,462	1,504,274

City of Denham Springs

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>FINES AND FORFEITS</u>	<u>311 SERVICE FEES</u>
1989	\$2,755,783	\$2,111,181	\$509,501	\$155,055	\$
1990	3,413,342	3,451,512	331,809	233,258	-
1991	3,381,782	2,578,325	340,811	238,490	-
1992	3,850,284	3,774,433	352,892	218,804	-
1993	3,949,218	3,099,363	373,308	238,173	-
1994	4,454,331	3,287,098	419,813	238,130	50,894
1995	4,777,382	3,498,035	521,309	243,707	132,884
1996	5,234,269	3,871,898	528,431	189,498	131,889
1997	5,358,884	4,091,014	549,545	173,708	153,789
1998	5,822,484	4,188,298	543,228	193,913	265,334

City of Denham Springs

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL PROPERTY TAXES</u>	<u>ALCOHOLIC BEVERAGE & CANNED T.V.</u>	<u>CHAIR STORE TAX</u>	<u>ELECTRICAL FRANCHISE TAX</u>	<u>SALES TAX</u>
1989	\$2,311,181	\$ 99,599	\$ 28,279	\$ 10,125	\$392,771	\$1,450,436
1990	3,451,512	169,644	28,978	11,480	320,918	1,937,182
1991	2,578,325	187,272	38,866	10,127	310,658	2,048,492
1992	2,770,433	187,323	51,681	9,380	304,592	2,322,895
1993	3,099,363	187,432	58,192	18,910	345,788	2,440,788
1994	3,287,098	114,476	48,384	18,931	382,865	2,571,788
1995	3,498,035	123,816	48,918	19,995	354,770	2,749,728
1996	3,871,898	128,842	78,696	11,885	410,845	3,022,588
1997	4,091,014	131,255	78,439	12,270	377,344	3,182,993
1998	4,188,298	126,772	78,889	11,984	399,317	3,334,668

SOURCE: Annual Audited General Purpose Financial Statements.

Schedule J

<u>INTEREST</u>	<u>MISCELLANEOUS</u>	<u>OTHER FINANCING INCOME</u>
\$ -	\$180,056	\$ -
30,559	148,795	200,800
17,257	180,518	2,189
29,235	286,928	-
37,994	293,999	1,433
35,945	427,594	19,804
30,374	353,457	19,526
19,822	418,027	19,253
86,282	378,793	14,376
107,286	430,469	18,932

Schedule JA

<u>TOBACCO TAXES</u>	<u>WRECKER FRANCHISE TAX</u>	<u>VIDEO POWER FEES</u>
\$ 30,884	\$ 1,135	\$ -
42,422	430	-
42,084	725	-
44,737	215	-
44,655	880	-
42,298	1,740	76,334
42,282	2,260	186,427
42,578	1,820	161,494
42,944	1,870	173,888
42,571	2,180	169,962

City of Denham Springs

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN YEARS

YEAR	TOTAL TAX LEVY ¹	COLLECTIONS	PERCENT OF LEVY COLLECTED	PRIOE YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL COLLECTIONS TO TAX LEVY
1989	\$ 94,313	\$ 94,353	97.84%	\$ -	\$ 94,353	97.84%
1990	108,732	99,738	99.12%	-	99,738	99.81%
1991	103,053	102,859	99.84%	-	102,059	99.84%
1992	103,466	101,472	99.83%	-	101,472	99.83%
1993	108,303	106,516	99.44%	-	106,516	99.44%
1994	159,743	117,332*	97.88%	-	117,863	99.43%
1995	128,271	128,384	99.86%	1,742	128,644	99.74%
1996	129,743	128,320	99.78%	1,379	129,694	99.82%
1997	138,858	129,826	99.22%	1,493	131,319	100.36%
1998	128,904	124,877	96.88%	452	125,329	97.23%

*Total 1994 collections include \$0,167 of collections which were subsequently unaccounted for.

¹Total Tax Levy" represents the taxpayer portion of the original levy of the Assessor and is the amount to be paid by the taxpayer. The amounts to be paid by the taxpayer are ultimately collected in full except for adjustments due to assessment errors or delayed homestead exemptions.

SOURCE: City of Denham Springs Tax Office.

City of Danham Springs

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Years

YEAR	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE*</u>
1988	\$21,948,340	\$150,438,546	11%
1989	21,698,360	159,875,091	11
1991	22,402,820	203,442,099	11
1992	22,275,320	202,381,091	11
1993	21,961,880	189,854,455	11
1994	23,202,810	229,843,727	11
1995	24,609,380	243,728,909	11
1996	27,848,720	250,424,818	11
1997	31,514,520	290,132,098	11
1998	31,439,880	285,817,208	11

*Actual Valuation (Market Value) as Compared to Assessed Valuation

Residential properties are assessed at 10% of fair market value; commercial and industrial properties, including land, are assessed at 15%. The overall assessed value is estimated to be 11% of actual market value.

SOURCE: Livingston Parish Assessor's Grand Recapitalization of the Assessment Roll for the Parish of Livingston.

City of Denham Springs

PROPERTY TAX RATES AND TAX LEVIES
DIRECT AND OTHER-APPROXIMATE OCCASIONALLY

Last Ten Years

YEAR	CITY	PARISHWIDE ¹ Tax Rates	PARISH			
			SOURCE DISTRICT #1 (Mills Per Dollar)	DRAINAGE DISTRICT #2	RECREATION DISTRICT #3	
1989	4.69	56.73	24.34	5.72	18.33	
1990	4.69	56.89	23.99	5.52	18.33	
1991	4.69	55.82	22.80	5.52	18.33	
1992	4.69	56.35	24.34	5.00	18.88	
1993	4.75	51.42	22.70	7.52	20.88	
1994	4.75	59.24	22.47	7.52	24.88	
1995	4.71	58.24	18.74	7.52	28.89	
1996	4.71	68.70	41.72	7.52	15.00	
1997	4.50	67.45	43.29	7.43	28.00	
1998	4.50	67.45	43.87	6.83	28.00	

TAX LEVIES

1989	\$ 98,313	\$ 773,622	\$ 397,894	\$ 18,013	\$258,609
1990	108,732	781,294	331,607	18,898	255,324
1991	101,653	888,089	328,181	81,079	269,314
1992	143,444	815,439	353,859	72,484	279,484
1993	188,282	747,344	328,925	109,988	279,421
1994	119,743	838,215	355,869	118,783	282,413
1995	128,271	1,888,853	318,988	227,473	525,011
1996	128,745	1,393,129	1,871,988	130,244	248,698
1997	138,658	1,414,565	1,127,481	147,493	429,142
1998	228,984	1,359,568	843,260	101,388	493,134

The tax levies represent the original levy of the assessor less the homestead exemption amounts.

¹Parishwide - Includes all or some of the following: Parish/Local, Police Sinking, Courthouse Sinking, Road Equipment/Maintenance, Drainage Tax, Courthouse Maintenance, Health Unit, Library, Assessor, Law Enforcement, School Parishwide Constitutional Tax, School Parishwide Additional Support, School Parishwide District #5, School Parishwide Special Maintenance.

SOURCE: Livingston Parish Assessor's Grand Reapportionment of the Assessment Roll for the Parish of Livingston.

<u>LAW ENFORCEMENT</u>	<u>JUVENILE DETENTION</u>	
<u>DISTRICT</u>	<u>CENTER</u>	<u>TOTAL</u>
22.20	-	125.82
22.21	-	120.78
22.21	-	117.48
22.50	-	121.57
22.51	-	128.72
22.51	-	141.31
22.51	-	133.59
22.51	-	170.18
22.51	1.00	177.38
22.51	1.00	122.98
\$ 146,506	\$ -	\$1,722,393
178,073	-	1,717,924
179,331	-	1,760,943
183,209	-	1,788,144
183,822	-	2,858,928
198,127	-	2,283,147
213,622	-	2,318,738
217,368	-	3,882,803
282,388	62,916	3,784,888
232,168	68,470	3,148,286

City of DeSha Springs

SPECIAL ASSESSMENT COLLECTIONS

Last Ten Years

<u>YEAR</u>	<u>ASSESSMENTS BEGINNING OF YEAR</u>	<u>ADDITIONS AND ADJUSTMENTS</u>	<u>COLLECTIONS</u>	<u>ASSESSMENTS END OF YEAR</u>
1989	\$ -	\$ -	\$ -	\$ -
1990	-	-	-	-
1991	-	-	-	-
1992	-	-	-	-
1993	-	-	-	-
1994	-	199,310 ¹	29,635	169,675
1995	109,675 ²	-	29,869	80,815
1996	80,815	-	39,511	50,304
1997	50,304	-	14,112	44,192
1998	44,192	-	8,525	35,667

¹Lakeland Acres subdivision paving project.

SOURCE: Annual Audited General Purpose Financial Statements.

City of Derham Springs

STATEMENT OF LEGAL DEBT LIMITGeneral Bonded IndebtednessPOWER TO INCUR DEBT

Municipal corporations, parishes and school districts, roads, sewerage, waterworks and drainage districts, hospital service districts, fire protection districts, and gas utility districts may incur debt and issue negotiable bonds. (LRS 39:551)

LIMIT OF INDEBTEDNESS

No debt shall be incurred and bonds issued by any local government for any one of the purposes herein provided, which, including the existing bonded debt of such government, shall exceed in the aggregate ten percent of the assessed valuation of the taxable property. However, the governing authority of a municipality may incur debt and issue bonds therefore as provided in this Subsection, for the purpose set forth in Louisiana R.S. 39:553, which may exceed ten percent for any one of such purposes, provided that the aggregate for all of such purposes determined at the time of issuance of the bonds does not exceed thirty-five percent of the assessed valuation of the taxable property of the municipality. (LRS 39:562)

MUNICIPAL PURPOSES

The governing authorities of municipal corporations, including cities, towns and villages, may incur debt and issue bonds of the municipal corporations for the following purposes: opening, constructing, paving and improving streets, sidewalks, roads and alleys; constructing bridges; purchasing or constructing waterworks, sewers and sewage disposal works; drains, drainage canals, and pumping plants; waste disposal facilities; facilities for pollution control and abatement; light and power plants; gas plants; artificial ice and refrigerating plants; halls; courthouses; jails; public markets and abattoirs; fire department stations and equipment; hospitals; auditoriums; public parks; sanctuaries; libraries; school houses; teachers' homes; and other public buildings; docks, wharves, and river terminals; acquiring and/or improving lands for industrial parks, within or without the corporate limits of the municipality; and other works of public improvement as the legislature may expressly authorize. Debt may be incurred and bonds may be issued for the necessary equipment and furnishings for the works, buildings and improvements. (LRS 39:553)

MAXIMUM DURATION AND INTEREST LIMITATION

No bonds issued shall run for a period longer than forty (40) years, or bear a greater rate of interest than the rate set in the proposition approved at the election or be sold for less than par. (LRS 18:561, 19:1424)

ISSUING BONDS: VOTE BY TAXPAYERS

A majority of all qualified voters voting thereon must vote in favor of the proposition to incur debt and issue bonds. (LRS 19:561)

LEVY OF TAXES

The governing authority shall impose and collect annually in excess of all other taxes, a tax on the property subject to taxation sufficient to pay annual principal and interest on these bonds. (LRS 28:569)

Total Assessed Value of Taxable Property \$31,438,890

	<u>1% OF ASSESSED VALUATION</u>	<u>1% OF ASSESSED VALUATION</u>
Legal Debt Limitation	<u>\$3,143,889</u>	<u>\$31,033,902</u>

There are no outstanding bonds secured by ad valorem taxes of the City of Danham Springs as of June 30, 1998.

City of Durham Springs

RATIO OF NET GENERAL BONDDED DEBT TO ASSESSED VALUE
AND NET BONDDED DEBT PER CAPITA

LAST TEN YEARS

YEAR	POPULATION ¹	ASSESSED VALUE ²	GENERAL OBLIGATION BONDDED DEBT	LESS DEBT SERVICE FUNDS ³
1969	9,598	\$28,348,340	\$ -	\$ -
1970	9,355	21,898,260	-	-
1971	8,381	23,462,820	-	-
1972	8,764	22,375,120	-	-
1973	8,828	21,941,990	-	-
1974	8,855	23,282,820	-	-
1975	8,797	26,809,120	-	-
1976	8,963	27,348,730	-	-
1977	9,831	31,824,520	-	-
1978	9,571	31,439,990	-	-

SOURCE: ¹Estimates prepared by Capital Region Planning Commission.
²Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of Livingston.
³Amount available in Debt Service Fund for repayment of General Obligation Bonds. Annual Audited General Purpose Financial Statements.

<u>NET BONDED</u>	<u>RATIO OF NET</u>	<u>NET BONDED</u>
<u>DEBT</u>	<u>BONDED DEBT</u>	<u>DEBT PER</u>
<u>FACT</u>	<u>TO ASSESSED VALUE</u>	<u>CAPITA</u>
\$ -	- %	\$ -
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"
"	"	"

City of Danham Springs

**RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL PURPOSE DEBT TO TOTAL GENERAL
GOVERNMENTAL EXPENDITURES**

Last Ten Years

YEAR	PRINCIPAL	INTEREST ¹	TOTAL DEBT SERVICE ²	TOTAL GENERAL GOVERNMENTAL EXPENDITURES ³	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
1989	\$418,000	\$ 24,903	\$442,903	\$3,357,340	13.25%
1990	-	-	-	3,461,928	-
1991	-	-	-	3,360,860	-
1992	-	-	-	3,330,983	-
1993	-	-	-	3,540,970	-
1994	-	-	-	4,817,679	-
1995	-	-	-	4,543,641	-
1996	-	-	-	4,715,119	-
1997	-	-	-	5,884,783	-
1998	-	-	-	6,879,148	-

¹Excludes paying agent fees and other costs.²Total Debt Service includes general obligation bonds only. (Does not include Special Assessment Certificates of Indebtedness or Revenue Bonds issued by the Utility Enterprise Fund.)³Expenditures and Other Uses of the General, Special Revenue, and Debt Service Funds, excluding the expenditures of the Special Assessment Debt Service Fund and 1988 certificates of Indebtedness Debt Service Fund.

SOURCE: Annual Audited General Purpose Financial Statements.

City of Benham Springs

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 1998

	GROSS DEBT OUTSTANDING	AMOUNTS IN DEBT SERVICE FUNDS FOR		PERCENT	CITY OF
		PRINCIPAL	INTEREST		BENHAM SPRINGS
					SHARE OF DEBT
GOVERNMENTAL UNIT					
City of Benham Springs	\$ -	\$ -	\$ -	100%	\$ -
OTHER GOVERNMENTAL AGENCIES					
School District #1	\$ 3,816,888	\$1,120,489	\$ 8,696,319	43%	\$0,738,333
Wail Bonds:	28,826	-	28,826	17%	4,768
	82,804	-	82,804	17%	14,837
	563,800	-	563,800	17%	44,386
Gravity Drainage District No. 1	178,387	178,387	-	49%	-
Recreation District No. 1	<u>3,625,880</u>	<u>761,441</u>	<u>3,863,359</u>	49%	<u>311,164</u>
Total Other Governmental Agencies	<u>\$12,990,885</u>	<u>\$2,060,317</u>	<u>\$18,930,588</u>		<u>\$4,725,517</u>
Total Direct and Over- lapping Debt	<u>\$12,990,885</u>	<u>\$2,060,317</u>	<u>\$18,930,588</u>		<u>\$4,725,517</u>
1997 City Population					<u>9,178</u>
Per Capita					<u>\$514</u>

City of Bethel Springs

SUMMARY OF REVENUE AND EXPENSES

Last Ten Years

Utility Enterprise Fund

<u>YEAR</u>	<u>GROSS REVENUE¹</u>	<u>OTHER FINANCIAL SOURCES</u>	<u>EXPENSES²</u>	<u>OTHER USES³</u>	<u>AVAILABLE FOR DEBT SERVICE</u>
1989	\$3,420,400	\$3,379,495 ⁴	\$2,126,558	\$ 70,000	\$6,823,945
1990	3,414,267	-	2,316,899	120,000	777,368
1991	3,259,926	-	2,385,740	80,188	651,997
1992	3,272,272	-	2,323,549	-	1,048,723
1993	3,453,844	-	2,403,230	-	1,050,614
1994	3,883,987	-	2,720,804	9,108	1,145,795
1995	3,581,953	-	2,576,764	-	905,189
1996	4,842,931	300,000 ⁵	3,698,298	-	1,244,633
1997	3,860,487	200,000 ⁵	3,038,820	-	1,121,667
1998	4,261,083	-	3,176,490	-	1,084,593

¹Total Operating Revenues plus Non-Operating Revenues.

²Total operating Expenses plus Non-Operating Expenses less Depreciation and Debt Service Interest on Revenue Bonds.

³Operating Transfers Out.

⁴Gain on 1983, 1976 and 1985 Bond Refinance (\$1,718,619).
Certificate of Indebtedness (\$680,000).
Increase in Bonds and Certificates Issued (\$83,662,876).

⁵Operating Transfers In.

SOURCE: Annual Audited General Purpose Financial Statements.

DEBT SERVICE REQUIREMENTS			
PRINCIPAL	INTEREST	TOTAL	COVERAGE
88,118,777	\$373,459	\$8,478,238	1.05%
112,690	328,546	452,236	1.13
112,993	321,633	434,626	1.93
115,564	328,928	434,492	2.47
118,433	298,351	414,784	2.34
121,637	283,258	404,893	2.84
125,314	268,759	394,073	2.49
129,307	258,874	388,181	3.23
133,374	243,686	376,060	3.63
137,739	227,441	365,174	3.81

City of Denham Springs

DEMOGRAPHIC STATISTICS

Last Ten Years

YEAR	POPULATION ¹	PER CAPITA INCOME ²	PUBLIC SCHOOL ENROLLMENT ³	UNEMPLOYMENT LIVINGSTON PARISH ⁴	UNEMPLOYMENT LABOR MARKET AREA ⁵
1989	9,098	\$ 9,398	18,850	12.8%	8.8%
1990	9,153	9,902	18,350	9.4	5.8
1991	9,191	9,948	18,350	7.7	5.4
1992	9,194	11,302	18,400	9.1	6.2
1993	9,538	14,899	17,800	8.8	6.4
1994	9,858	14,737	17,400	9.5	6.8
1995	9,797	15,631	18,380	10.5	7.4
1996	9,902	17,091 ⁶	18,277	8.5	6.1
1997	9,811	17,959	18,522	8.4	5.5
1998	9,171	N/A	18,851	6.4	5.6

¹Population of City of Denham Springs from State Treasurer's Office.²Parishwide Per Capita Income Per Capital Region Planning Commission.³Per Capital Region Planning Commission.⁴Livingston Parish School Board.⁵Louisiana Department of Commerce.

City of Denham Springs

CONSTRUCTION

Last Ten Years

RESIDENTIAL CONSTRUCTION			COMMERCIAL CONSTRUCTION		
YEAR	NUMBER OF PERMITS	VALUE	YEAR	NUMBER OF PERMITS	VALUE
1988	11	\$ 521,800	8	8	\$ 673,000
1989	18	638,400	4	4	1,157,000
1990	5	301,800	1	1	1,273,800
1991	18	1,344,800	1	1	308,000
1992	35	3,394,800	18	18	8,324,800
1993	37	3,818,721	8	8	3,982,800
1994	42	3,261,350	9	9	7,353,800
1995	104	5,417,350	34	34	4,987,800
1997	72	3,471,900	58	58	13,121,900
1998	85	3,448,471	62	62	8,759,416

SOURCE: Denham Springs office of Planning and Development.

City of Denham Springs

PRINCIPAL SALES TAX PAYERS

June 30, 1994

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>
Wal-Mart Store	General Merchandise
Winn-Dixie Store	Retail Grocery
Belchamps, Inc. Store	Retail Grocery
Woods's	Retail Grocery
Smith Building Supply, Inc.	Retail Hardware
Autosone Store	Retail Auto Parts
Walgreens Store	Retail Pharmacy
Kite-Aid (Formerly K&B Drug Store)	Retail Pharmacy
Foodville	Retail Food
James Drug Store	Retail Pharmacy

SOURCE: Livingston Parish School Board - Sales Tax Office.

City of Benton Springs
MISCELLANEOUS STATISTICS
 June 30, 1968

Date of Incorporation	May 8, 1903
Form of Government	Mayor - City Council Lawson Act
Area	City 6 square miles Parish 642 square miles
Fire Protection:	
Number of Stations	3
Number of Firefighters and Officers	20
Number of Volunteer Firemen	8
Police Protection:	
Number of Stations	1
Number of Police Officers	23
Water:	
Number of Pumping Stations	23
Type of Treatment System	Rock Bed Filter
Employees:	
Number of Employees	128
Municipal Utilities:	
Number of Gas Customers	4,388
Number of Sewer Customers	4,884
Number of Meter Customers	8,903
Number of Waste Disposal Customers	3,100
City Sales Tax Rate	1.5%

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH INTERNET AUDITING STANDARDS



Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

Scott J. Bourgeois, CPA
Joseph E. Boudreaux, J.D., CPA
Bryan S. Bourgeois, CPA
Francis J. Givens, III, CPA
Stephen M. Hennessey, CPA
Alexander J. Jones, CPA
Donald L. Leger, CPA
Douglas J. Nelson, CPA
Robert D. Nelson, CPA
Lance T. Moore, CPA

1111 S. Range Avenue, Suite 104
Denham Springs, LA 70126

Phone: (504) 685-8297
Fax: (504) 682-3813

Members American Institute of
Certified Public Accountants

2022 Perimeter Center, Suite 200
Atlanta, Georgia, U.S.A. 30329

18 Additional Accounting Employees

October 15, 1998

The Mayor and Members of
the City Council
City of Denham Springs
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated October 15, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

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

In which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Denham Springs in a separate letter dated October 15, 1999.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Arnold L. Bergeron, L.L.P.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133



Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

Frank J. Rousseau, CPA
Joseph B. Pollock, Jr., CPA
William J. Sargent, CPA
Richard P. Gandy, CPA
Stephen M. Boyer, CPA
Michael J. Smith, CPA
Wanda L. Gagnier, CPA
Stephanie B. Pollock, L.L.M.
Catherine B. Taylor, CPA
Laurie M. Williams, CPA

1101 S. Burgin Avenue, Suite 100
Denham Springs, LA 70526
Phone: (504) 865-8287
Fax: (504) 867-0813

Members of the American Institute of
Certified Public Accountants
2411 Louisiana Street, Suite 200
Baton Rouge, LA 70802

Member of the American Institute of Certified Public Accountants

October 15, 1998

The Mayor and Members of
the City Council
City of Denham Springs
Denham Springs, Louisiana

Compliance

We have audited the compliance of the City of Denham Springs, Louisiana with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to the City's major federal program for the year ended June 30, 1998. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Denham Springs, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1988.

Internal Control Over Compliance

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana as of and for the year ended June 30, 1988, and have issued our report thereon dated October 15, 1988. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas J. Bourgeois, C.P.A.

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1980

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
U.S. Department of Agriculture			
Passed Through Louisiana			
Department of Education:			
Summer Food Service Program			
FY - 77	10.550	970PSP4	\$ 8,000
Summer Food Service Program			
FY - 78	10.550	980PSP4	2,571
Total U.S. Department of Agriculture			10,571
U.S. Department of Interior			
Passed Through State of Louisiana			
Department of Culture, Recreation, and Tourism - Office of Cultural Development			
Main Street Grant	15.944	22-97-12001	11,500
Total U.S. Department of Interior			11,500
U.S. Department of Education			
Passed Through Louisiana			
Department of Education:			
Governor's Safe and Drug-Free Schools and Communities	84.188	28-98-7890-D	3,250
Total U.S. Department of Education			3,250
U.S. Department of Justice			
Office of Community Oriented Policing Services	16.710	950P001657	20,640
Office of Community Oriented Policing Services	16.710	960P001340	22,180
			55,820

CONTINUED

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1998

<u>FEDERAL GRANTOR/PASS-THROUGH AGENCY/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Justice (Cont'd)</u>			
Passed Through Louisiana			
Commission on Law Enforcement and Administration of Criminal Justice:			
Intelligence Unit	18.579	96-85-B.87-0038	4,788
Intelligence Unit	18.579	97-85-B.87-0080	4,282
Electronic Equipment Grant	18.579	998-5-017	1,400
Violence Prevention	18.579	96-85-M.83-0445	3,483
Community Policing	18.579	96-85-B.84-0041	2,671
Community Policing	18.579	97-85-B.84-0084	13,529
Criminal Patrols	18.579	97-85-B.87-0043	8,214
Gang, Firearms & Street Sales Enforcement	18.579	96-85-B.87-0038	<u>2,421</u>
Total Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			48,787
Passed Through Livingston Parish			
President Council, Livingston, Louisiana:			
Law Enforcement Grant	16.092	96-48-VZ-3572	<u>3,852</u>
Total U.S. Department of Justice			100,887
<u>U.S. Department of Transportation</u>			
Passed Through Louisiana			
Highway Safety Commission:			
State and Community Highway Safety	20.098		<u>1,282</u>
Total U.S. Department of Transportation			1,282

(CONTINUED)

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1998

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Environmental Protection Agency</u>			
Passed Through State of Louisiana Department of Environmental Quality: Wastewater Treatment Facility Project			
	66.618	C-232601-04	182,212
Total Expenditures of Federal Awards			<u>\$111,270</u>

The above schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

City of Denham Springs

SCHEDULE OF FINDINGS AND QUESTIONED COST

Year Ended June 30, 1988

A. Summary of Audit Results -

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Denham Springs, Louisiana.
2. No material weaknesses relating to the audit of the general purpose financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Its Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion.
6. The audit disclosed no findings which are required to be reported under section 501(c)3 of OMB Circular A-133.
7. The following program was tested as a Type "A" major program:

FEDERAL GRANTOR/
PASSTHROUGH GRANTOR/
PROGRAM NAME

TYPE
NUMBER

E.E. Environmental Protection Agency

Passed through State of
Louisiana Department of
Environmental Quality -
Wastewater Treatment
Facilities Project

86.418

City of Benham Springs

SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)

Year Ended June 30, 1998

8. The threshold for distinguishing Types A and B programs was \$100,000.
9. The City was not determined to be a low-risk auditee.
- B. Findings - Financial Statements Audit
None
- C. Findings and Questioned Costs - Major Federal Award Program Audit
None

City of Broken Springs

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 1998

There are no prior audit findings relative to federal award programs.

CITY OF DENHAM SPRINGS, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 1998



Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

Scott E. Beaumont, CMA
Joseph E. Beaud, C. CPA
Scott L. Dumas, CPA
Forrestal Lewis, CPA
Stephen J. McGuire, CPA
Thomas J. Xeno, CPA
Donald A. Goyens, CPA
Frederick J. Wilson, CPA
1704 St. Louis Drive,
Lafayette, Louisiana, 70503
713-285-2222 ext. 200

1111 S. Range Avenue, Suite 301
Denham Springs, LA, 70126
Phone: (504) 885-8297
Fax: (504) 887-3515

Member of the American Institute of
Certified Public Accountants
2002 Denham Drive, Suite 301
Denham Springs, LA, 70126

October 15, 1998

The Mayor and Members of
the City Council
City of Denham Springs
Denham Springs, Louisiana

In planning and performing our audit of the general purpose financial statements of the City of Denham Springs, Louisiana, for the year ended June 30, 1998, we considered its internal control 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 internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated October 15, 1998, on the general purpose financial statements of the City of Denham Springs, Louisiana.

PRIOR YEAR FINDINGS

FINDING:

During prior year audit work on the Enterprise Fund, it was noted that the Utility billing department was not following the City's Ordinance relating to past due accounts. Although the City Ordinance stated that the "delinquent payment amount, shown on the current bill, must be paid within eight working days of the delinquency date to avoid interruption of service," it was noted that the Utility billing department had not been sending out servicemen for disconnection of service until after the second month of non-payment. By the time a serviceman was sent out for disconnection, approximately three months of service had been provided without any payments for service.

RECOMMENDATION:

We recommended that the Utility billing department begin following the City's Ordinance relating to past due accounts. By following the City's Ordinance, it could help reduce the dollar amount of uncollectible accounts receivable.

CORRECTIVE ACTION TAKEN:

During our current year audit work, it was noted that the City changed its Ordinance and collections procedures relating to past due accounts. The amended Ordinance includes a provision for a 24-hour notice tag to be left for all one month utility services that have not been paid within eight working days past the delinquency date. Also, the amended Ordinance includes a provision that if service has been disconnected and "the total amount owed is in excess of \$15.00, such customer will be notified that his account will be turned over to the credit bureau 15 working days from the date of such notification, if not paid." Based on the audit work performed on accounts receivable, it appears the City is following the new ordinance.

MANAGEMENT'S RESPONSE:

None required.

FINDING:

Also during our current year and prior year audit work on the Enterprise Fund, it was noted that the customers' accounts receivable balance per the general ledger was not fully reconciled to the Aged Accounts Receivable Subsidiary listing. Therefore, at June 30, 1998, there is an unreconciled difference of \$2,345.65.

RECOMMENDATION:

We recommend that the general ledger be reconciled to the Aged Accounts Receivable listing on a monthly basis. By reconciling on a monthly basis, differences can be reconciled in a timely manner.

MANAGEMENT'S RESPONSE:

Management recognizes the importance of reconciling customers' accounts receivable subsidiary ledger to the general ledger on a regular basis. Management states that this reconciliation will be performed on a monthly basis.

FINDING:

During prior year audit work on accounts receivable in the Enterprise Fund, it was noted that once a customer's account had been finalized and service had been disconnected, the Utility department had not been performing additional procedures to try and collect the final accounts receivable. The Utility department's billing system sent out three inactive bills after the account had been finalized and no additional collection efforts were made.

RECOMMENDATION:

We recommended that the Utility Department continue collection efforts even after an account had been finalized for non-payment. Through discussions with the citizens, it was noted that the Utility Department intends to start submitting uncollectible accounts receivable that have been finalized to a collection agency. We recommend that the Utility Department continue its efforts in using an outside collection agency to help in collections.

CORRECTIVE ACTION TAKEN:

As noted previously, the City changed its Ordinance and collection procedures relating to past due accounts. The amended procedures provide that after an account has been finalized and the amount due is in excess of \$10.00, the customer is notified that his account will be turned over to the credit bureau fifteen working days from the date of such notification. On the sixteenth day, the City turns the delinquent account over to the credit bureau for collection.

MANAGEMENT'S RESPONSE:

None required.

CURRENT YEAR FINDINGS

FINDING:

During our current year audit work, it was noted that the Tax Department was not making deposits in a timely manner. In July 1988, a suspicious transaction was brought to our attention by city management. Upon completion of detailed testing of the various collections made in the Tax Department, it was determined that proper controls were in place and that the suspicious transaction would have been questioned in the normal course of the internal control process of the City.

RECOMMENDATION:

We recommend that all money collected be deposited daily when possible as required by the City's control procedures.

MANAGEMENT'S RESPONSE:

Management recognizes the importance of making daily deposits. All departments are now depositing all receipts on a daily basis.

FINDING:

YEAR 2000 ISSUE

The year 2000 issue results from a computer's inability to process year-date data accurately beyond the year 1999. Except in recently introduced year 2000 compliant programs, computer programmers consistently have abbreviated dates by eliminating the first two digits of the year, with the assumption that these two digits would always be 19. Thus January 1, 1999, became 01/01/99. Unless corrected, this shortcut is expected to create widespread problems when the clock strikes 12:00:01 a.m. on January 1, 2000. On that date, some computer programs may recognize the date as January 1, 1900, and process data incorrectly or stop processing altogether.

The Year 2000 issue is likely to affect computer applications before January 1, 2000, when systems currently attempt to perform calculations into the year 2000. Furthermore, some software programs use several dates in the year 1999 to mean something other than the date. Examples of such dates are 01/01/99, 08/09/98, and 12/31/99. As systems process information using these dates, they may produce erratic results or stop functioning.

The year 2000 issue presents another challenge --- the algorithm used in some computers for calculating leap years is unable to detect that the year 2000 is a leap year. Therefore, systems that are not year 2000 compliant may not register that additional day, and date calculations may be incorrect.

Management has represented that they are in the process of upgrading their existing software so that it will be year 2000 compliant. Also, management believes that the year 2000 will not present any operational problems for the City.

RECOMMENDATION:

We recommend that the City take the necessary action to immediately begin to identify, modify, and test all systems that may be negatively affected by the Year 2000 issue, especially the Utility and Tax departments.

The City should also implement additional verification procedures to test the accuracy of information received from its vendors, service providers, bankers, customers, and other third-party organizations with whom it exchanges date-dependent information, because these organizations also must become year 2000 compliant. The City also should notify itself that vendors, service providers, bankers, customers, and other third-party organizations will not experience problems relating to the Year 2000 issue that could affect the City's operations or cash flows.

MANAGEMENT'S RESPONSE:

The City has ordered new software and hardware that is year 2000 compliant for the general ledger, payroll, purchasing and utility billing systems. These new systems should be operational prior to June 30, 1999. All other departments are presently evaluating any potential year 2000 problems and will be submitting reports in January 1999. The supplier of natural gas has also been requested to provide assurances that there will not be interruption of supplies resulting from problems related to the year 2000 issue.

A material weakness is a reportable condition in which the design or operation of one or more of the internal control elements does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, none of the conditions described above is believed to be a material weakness.

We will review the status of these comments during our next audit engagement. We have already discussed these comments and suggestions with the Treasurer, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This report is intended for the use of management, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas C. Bourgeois, S.P.