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**REPORT**

**CITY OF BOGALUSA, LOUISIANA  
BOGALUSA, LOUISIANA**

**DECEMBER 31, 1999**

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

Release Date 7-19-00

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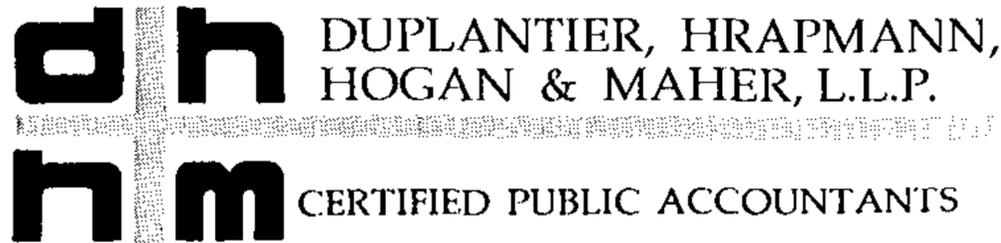
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## INDEPENDENT AUDITOR'S REPORT ON THE GENERAL PURPOSE FINANCIAL STATEMENTS

June 9, 2000

The Honorable J. M. "Mack" McGehee, Mayor  
and the Members of the City Council  
City of Bogalusa, Louisiana

We have audited the accompanying general purpose financial statements of the City of Bogalusa, Louisiana, as of and for the year ended December 31 1999. These general purpose financial statements are the responsibility of the City of Bogalusa's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the City Court of Bogalusa which represents 61 percent and 68 percent of the assets and revenues of the discretely presented component units. We did not audit the financial statements of the Choctaw Road Landfill which represents 0 percent and 4 percent of the assets and revenues of the special revenue funds. The City Court of Bogalusa and the Choctaw Road Landfill financial statements were audited by another auditor whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the discretely presented component units and the special revenue funds is based on the report of the other auditor.

We conducted our audit 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 the provisions of Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Nonprofit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit and the reports of the other auditor provide a reasonable basis for our opinion.

In our opinion, based on our audit and the reports of the other auditor, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Bogalusa, Louisiana, as of December 31, 1999, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of City of Bogalusa, Louisiana, taken as a whole. The accompanying supplemental information listed in the table of contents to the report is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Bogalusa, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

Our audit was made 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 U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*, and is not a required part of the general purpose financial statements. The information in that schedule has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2000 on our consideration of the City of Bogalusa's internal control over financial reporting and on its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

*Duplantier, Hepmann, Hogan & Mather LLP*

CITY OF BOGALUSA, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS  
 AND DISCRETELY PRESENTED COMPONENT UNITS  
 DECEMBER 31, 1999

	Governmental Fund Types				Fiduciary Fund			Account Groups			Total Memorandum		Discretely Presented Component Units
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds	Pension Funds	Type	General	Fixed Assets	Long-Term Debt	Only Primary Government		
<b>ASSETS AND OTHER DEBITS</b>													
<b>ASSETS:</b>													
Cash and equivalents	\$ 277,668	\$ 3,561,458	\$ 1,003,760	\$ 25,741	\$ 334,815	\$ 569,989	\$ -	\$ -	\$ -	\$ 5,773,431	\$ 113,143		
Investments	-	6,000	-	-	-	7,518,673	-	-	-	7,524,673	16,785		
Receivables	945,214	305,861	223,926	1,030	260,754	286,484	-	-	-	2,023,269	-		
Due from other funds	182,724	148,042	-	39,487	219,013	-	-	-	-	589,266	5,650		
Due from other governmental units	-	-	-	237,672	671,862	-	-	-	-	909,534	-		
Inventory of supplies, at cost	50,601	-	-	-	-	-	-	-	-	50,601	-		
Property, plant, and equipment, net	-	-	-	-	18,890,547	-	-	25,507,297	-	44,397,844	53,498		
Restricted assets:													
Cash	-	-	-	-	776,254	-	-	-	-	776,254	-		
<b>OTHER DEBITS:</b>													
Amount available for debt service funds	-	-	-	-	-	-	-	-	1,227,686	1,227,686	-		
Amount to be provided for retirement of general long-term debt	-	-	-	-	-	-	-	-	7,099,447	7,099,447	-		
<b>TOTAL ASSETS AND OTHER DEBITS</b>	<b>\$ 1,456,207</b>	<b>\$ 4,021,361</b>	<b>\$ 1,227,686</b>	<b>\$ 303,930</b>	<b>\$ 21,153,245</b>	<b>\$ 8,375,146</b>	<b>\$ 25,507,297</b>	<b>\$ 8,327,133</b>	<b>\$ 70,372,005</b>	<b>\$ 189,076</b>			
<b>LIABILITIES AND FUNDEQUITY</b>													
<b>LIABILITIES:</b>													
Accounts payable	\$ 367,727	\$ 26,655	\$ -	\$ 116,883	\$ 788,841	\$ -	\$ -	\$ -	\$ 1,300,111	\$ -			
Security deposit	-	200	-	-	-	-	-	-	200	-			
Bond deposits	-	-	-	-	-	-	-	-	-	10,404			
Workers' compensation claims payable	189,305	-	-	-	-	-	-	-	189,305	-			
Retainage payable	-	-	-	-	503,573	-	-	-	503,573	-			
Loan payable	-	-	-	-	-	-	-	-	-	988			
Due to other funds	-	202,253	-	121,912	265,101	-	-	-	589,266	5,650			
Other payables	-	-	-	-	-	-	-	-	-	38,459			
Payable from restricted assets:													
Bonds payable	-	-	-	-	4,648,002	-	-	-	4,648,002	-			
Certificate of indebtedness	-	-	-	-	210,000	-	-	-	210,000	-			
Accrued interest	-	-	-	-	43,979	-	-	-	43,979	-			

	Governmental Fund Types					Enterprise Funds	Fiduciary Fund Type	Account Groups			Total Memorandum Only Primary Government	Discretely Presented Component Units
	Special Revenue Funds		Debt Service Funds		Capital Projects Funds			General	Fixed Assets	Long-Term Debt		
	General Funds	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Enterprise Funds			Pension Funds	General	Fixed Assets		
<b>LIABILITIES AND FUND EQUITY</b>												
<b>LIABILITIES: (Continued)</b>												
General obligation bonds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of indebtedness	650,000	-	-	-	-	-	-	-	5,772,574	5,772,574	-	-
Compensated absences payable	-	-	-	-	-	68,994	-	-	-	650,000	-	-
Due to Firefighter's Retirement System	-	-	-	-	-	-	-	-	601,780	670,774	-	-
Capital leases payable	-	-	-	-	-	-	-	-	1,019,516	1,019,516	-	-
Landfill closure and post-closure care costs	-	-	-	-	-	-	-	-	284,236	284,236	-	-
Net pension obligation	-	-	-	-	-	-	-	-	304,261	304,261	-	-
Due to Joint Venture	-	-	-	-	-	-	-	-	344,766	344,766	-	-
Total liabilities	1,207,032	277,680	238,795	6,528,490	5	8,327,133	48,572	16,579,135	55,501			
<b>FUND EQUITY:</b>												
Contributed capital	-	-	-	-	-	-	-	-	-	-	-	-
Investment in general fixed assets	-	-	-	7,697,121	-	-	-	-	-	7,697,121	-	-
Retained earnings:												
Reserved	-	-	-	-	-	25,507,297	-	-	-	25,507,297	-	53,498
Unreserved	-	-	-	567,251	-	-	-	-	-	567,251	-	-
Fund balances: (deficit)	-	-	-	6,360,383	-	-	-	-	-	6,360,383	-	-
Reserved for inventory	50,601	-	-	-	-	-	-	-	-	50,601	-	-
Reserved for employee retirement	-	-	-	-	-	8,375,141	-	-	-	8,375,141	-	-
Reserved for debt service	-	-	-	-	-	-	-	-	-	-	-	-
Unreserved - undesignated	198,574	3,743,681	65,135	-	-	-	-	-	-	1,227,686	-	-
Total fund equity	249,175	3,743,681	65,135	14,624,755	8,375,141	25,507,297	80,077	53,792,870	133,575			
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	\$ 1,456,207	\$ 4,021,361	\$ 303,930	\$ 21,153,245	\$ 8,375,146	\$ 25,507,297	\$ 8,327,133	\$ 70,372,005	\$ 189,076			

See accompanying notes.

**CITY OF BOGALUSA, LOUISIANA**  
**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES**  
**AND DISCRETELY PRESENTED COMPONENT UNITS**  
**FOR THE YEAR ENDED DECEMBER 31, 1999**

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Memorandum Only Primary Government	Discretely Presented Component Units
<b>REVENUES:</b>						
Taxes	\$ 3,742,822	\$ 2,386,846	\$ 561,017	\$ --	\$ 6,690,685	\$ --
Licenses and permits	441,729	--	--	--	441,729	--
Joint Venture	--	111,979	--	--	111,979	--
Franchise fees	354,883	--	--	--	354,883	--
Intergovernmental	519,987	5,680	--	258,958	784,625	53,984
Service charges	12,110	--	--	--	12,110	--
Fines and penalties	50,899	--	--	--	50,899	71,134
Miscellaneous	51,184	255,263	35,531	7,574	349,552	46,587
Total revenues	<u>5,173,614</u>	<u>2,759,768</u>	<u>596,548</u>	<u>266,532</u>	<u>8,796,462</u>	<u>171,705</u>
<b>EXPENDITURES:</b>						
General government	1,846,263	132,262	--	193	1,978,718	200,876
Public safety	3,304,900	--	--	--	3,304,900	--
Public works	1,342,242	--	--	--	1,342,242	--
Highways, streets and sanitation	--	393,017	--	--	393,017	--
Culture and recreation	20,904	1,325	--	--	22,229	38,224
Economic development and assistance	--	155,746	--	--	155,746	--
Pension contributions	381,902	--	--	--	381,902	--
Capital outlay	89,148	464,467	--	602,064	1,155,679	1,071
Debt service:						
Principal	74,130	35,175	260,000	--	369,305	--
Interest and fiscal charges	70,311	5,580	160,786	--	236,677	192
Total expenditures	<u>7,129,800</u>	<u>1,187,572</u>	<u>420,786</u>	<u>602,257</u>	<u>9,340,415</u>	<u>240,363</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,956,186)</u>	<u>1,572,196</u>	<u>175,762</u>	<u>(335,725)</u>	<u>(543,953)</u>	<u>(68,658)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	2,064,036	63,700	570	3,892	2,132,198	10,000
Operating transfers out	(73,700)	(1,250,181)	--	--	(1,323,881)	--
Marshall and City Court transfers	(80,104)	--	--	--	(80,104)	80,104
Capital lease financing	--	276,092	--	--	276,092	--
Total other financing sources (uses)	<u>1,910,232</u>	<u>(910,389)</u>	<u>570</u>	<u>3,892</u>	<u>1,004,305</u>	<u>90,104</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>(45,954)</u>	<u>661,807</u>	<u>176,332</u>	<u>(331,833)</u>	<u>460,352</u>	<u>21,446</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	129,125	3,454,502	1,143,601	418,161	5,145,389	58,631
Prior period adjustment	166,004	26,724	--	--	192,728	--
<b>FUND BALANCE (RESTATED) - BEGINNING OF YEAR</b>	295,129	3,481,226	1,143,601	418,161	5,338,117	58,631
Residual Equity transfer	--	(399,352)	(92,247)	(21,193)	(512,792)	--
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 249,175</u>	<u>\$ 3,743,681</u>	<u>\$ 1,227,686</u>	<u>\$ 65,135</u>	<u>\$ 5,285,677</u>	<u>\$ 80,077</u>

See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
<b>REVENUES:</b>						
Taxes:						
Ad valorem	\$ 845,670	\$ 853,003	\$ 7,333	\$ 193,960	\$ 194,094	\$ 134
Sales	2,752,400	2,765,394	12,994	2,187,110	2,192,752	5,642
Other	122,000	124,425	2,425	--	--	--
Licenses and permits	448,430	441,729	(6,701)	--	--	--
Franchise fees	330,000	354,883	24,883	--	--	--
Joint Venture	--	--	--	--	111,979	111,979
Intergovernmental	554,620	519,987	(34,633)	--	5,680	5,680
Service charges	14,500	12,110	(2,390)	--	--	--
Fines and penalties	60,000	50,899	(9,101)	--	--	--
Miscellaneous	23,640	51,184	27,544	168,820	255,263	86,443
Total revenues	<u>5,151,260</u>	<u>5,173,614</u>	<u>22,354</u>	<u>2,549,890</u>	<u>2,759,768</u>	<u>209,878</u>
<b>EXPENDITURES:</b>						
General government	1,644,410	1,846,263	(201,853)	130,750	132,262	(1,512)
Public safety	3,415,900	3,304,900	111,000	--	--	--
Public works	1,302,250	1,342,242	(39,992)	--	--	--
Highways, streets and sanitation	--	--	--	988,280	393,017	595,263
Culture and recreation	14,910	20,904	(5,994)	5,200	1,325	3,875
Economic development and assistance	--	--	--	198,450	155,746	42,704
Pension contributions	366,951	381,902	(14,951)	--	--	--
Capital outlay	47,090	89,148	(42,058)	496,030	464,467	31,563
Debt service:						
Principal	76,562	74,130	2,432	19,310	35,175	(15,865)
Interest and fiscal charges	66,697	70,311	(3,614)	5,750	5,580	170
Total expenditures	<u>6,934,770</u>	<u>7,129,800</u>	<u>(195,030)</u>	<u>1,843,770</u>	<u>1,187,572</u>	<u>656,198</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>	<u>(1,783,510)</u>	<u>(1,956,186)</u>	<u>(172,676)</u>	<u>706,120</u>	<u>1,572,196</u>	<u>866,076</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Operating transfers in	1,841,160	2,064,036	222,876	43,260	63,700	20,440
Operating transfers out	(53,260)	(73,700)	(20,440)	(1,354,920)	(1,250,181)	104,739
Marshall and City Court transfers	(73,910)	(80,104)	(6,194)	--	--	--
Capital lease financing	--	--	--	276,700	276,092	(608)
Total other financing sources (uses)	<u>1,713,990</u>	<u>1,910,232</u>	<u>196,242</u>	<u>(1,034,960)</u>	<u>(910,389)</u>	<u>124,571</u>
<b>EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES</b>	<u>(69,520)</u>	<u>(45,954)</u>	<u>23,566</u>	<u>(328,840)</u>	<u>661,807</u>	<u>990,647</u>
<b>FUND BALANCE - BEGINNING OF YEAR</b>	71,140	129,125	57,985	3,005,664	3,454,502	448,838
Prior period adjustment	--	166,004	166,004	--	26,724	26,724
<b>FUND BALANCE (RESTATEMENT) - BEGINNING OF YEAR</b>	71,140	295,129	223,989	3,005,664	3,481,226	475,562
Residual equity transfer	--	--	--	--	(399,352)	(399,352)
<b>FUND BALANCE - END OF YEAR</b>	<u>\$ 1,620</u>	<u>\$ 249,175</u>	<u>\$ 247,555</u>	<u>\$ 2,676,824</u>	<u>\$ 3,743,681</u>	<u>\$ 1,066,857</u>

See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCES - BUDGET (GAAP BASIS) AND ACTUAL -  
 ALL GOVERNMENTAL FUND TYPES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Debt Service Funds			Capital Projects Funds		
	Budget	Actual	Variance Favorable (Unfavorable)	Budget	Actual	Variance Favorable (Unfavorable)
REVENUES:						
Taxes	\$ 560,540	\$ 561,017	\$ 477	\$ --	\$ --	\$ --
Intergovernmental	--	--	--	292,640	258,958	(33,682)
Miscellaneous	7,661	35,531	27,870	--	7,574	7,574
Total revenues	<u>568,201</u>	<u>596,548</u>	<u>28,347</u>	<u>292,640</u>	<u>266,532</u>	<u>(26,108)</u>
EXPENDITURES:						
General government	--	--	--	--	193	(193)
Capital outlay	--	--	--	689,610	602,064	87,546
Debt service:						
Principal	330,000	260,000	70,000	--	--	--
Interest and fiscal charges	398,179	160,786	237,393	--	--	--
Total expenditures	<u>728,179</u>	<u>420,786</u>	<u>307,393</u>	<u>689,610</u>	<u>602,257</u>	<u>87,353</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	<u>(159,978)</u>	<u>175,762</u>	<u>335,740</u>	<u>(396,970)</u>	<u>(335,725)</u>	<u>61,245</u>
OTHER FINANCING SOURCES (USES):						
Operating transfers in	193,030	570	(192,460)	--	3,892	3,892
Operating transfers out	--	--	--	--	--	--
Total other financing sources (uses)	<u>193,030</u>	<u>570</u>	<u>(192,460)</u>	<u>--</u>	<u>3,892</u>	<u>3,892</u>
EXCESS (DEFICIENCY) OF REVENUES AND AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER FINANCING USES	33,052	176,332	143,280	(396,970)	(331,833)	65,137
FUND BALANCE - BEGINNING OF YEAR	1,136,820	1,143,601	6,781	396,970	418,161	21,191
Residual equity transfer	--	(92,247)	(92,247)	--	(21,193)	(21,193)
FUND BALANCE - END OF YEAR	<u>\$ 1,169,872</u>	<u>\$ 1,227,686</u>	<u>\$ 57,814</u>	<u>\$ --</u>	<u>\$ 65,135</u>	<u>\$ 65,135</u>

See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
 ENTERPRISE FUND  
 COMBINED STATEMENT OF REVENUES AND EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

OPERATING REVENUE:	
User fees	\$ 2,199,339
Other operating income	35,977
Total operating income	<u>2,235,316</u>
OPERATING EXPENSES:	
Salaries and wages	512,731
Utilities	262,875
Contractual services	521,681
Supplies and materials	19,000
Insurance	67,878
Operating expenses	173,890
Repairs	4,720
Gas and oil	2,250
Depreciation	561,303
Pension contributions	56,434
Other	6,258
Bad debt expense	6,435
Total operating expenses	<u>2,195,455</u>
OPERATING INCOME	<u>39,861</u>
NONOPERATING REVENUE (EXPENSE):	
Ad valorem taxes for operations and maintenance	105,218
Sales tax	762,572
Interest income	31,017
Interest expense	(112,315)
Agent fees	(11,271)
Sales tax collection expense	(13,385)
Total nonoperating income	<u>761,836</u>
NET INCOME BEFORE TRANSFERS	801,697
OPERATING TRANSFERS OUT	<u>(818,317)</u>
DECREASE IN RETAINED EARNINGS	\$ <u>(16,620)</u>

See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
 ENTERPRISE FUND  
 COMBINED STATEMENT OF CHANGES IN RETAINED EARNINGS  
 AND CONTRIBUTED CAPITAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Retained Earnings</u>	<u>Contributed Capital</u>	<u>Total (Memorandum) Only</u>
BEGINNING BALANCE	\$ 507,120	\$ 10,640,520	\$ 11,147,640
Prior period Adjustment	<u>5,840,413</u>	<u>(6,373,986)</u>	<u>(533,573)</u>
BEGINNING BALANCE (RESTATED)	6,347,533	4,266,534	10,614,067
Net income (loss)	(16,620)	--	(16,620)
Federal government	--	3,514,516	3,514,516
Depreciation on contributed capital	83,929	(83,929)	--
Residual equity transfer	<u>512,792</u>	<u>--</u>	<u>512,792</u>
ENDING BALANCE	<u>\$ 6,927,634</u>	<u>\$ 7,697,121</u>	<u>\$ 14,624,755</u>

See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
ENTERPRISE FUND  
COMBINED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED DECEMBER 31, 1999

<b>CASH FLOWS FROM OPERATIONS:</b>	
Operating income	\$ 39,861
Adjustments to reconcile operating income to net cash provided by operating activities	
Depreciation	561,303
Bad debt expense	6,435
(Increase) decrease in:	
Accounts receivable	(25,427)
Due from other funds	(67,171)
Increase (decrease) in:	
Accounts payable	(28,469)
Compensated absences payable	(306)
Due to other funds	(224,296)
Net cash flow provided by operating activities	<u>261,930</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>	
Ad valorem taxes for operations and maintenance	116,904
Sales tax	773,354
Sales tax collection expense	(13,385)
Operating transfers in(out)	(818,317)
Net cash provided by noncapital financing activities	<u>58,556</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>	
Purchase of capital assets	(6,482,591)
Contributed capital	3,514,516
Principal paid on bonds	(85,000)
Interest paid on bonds	(68,337)
Agent fees paid on bonds	(11,271)
Proceeds from bonds	2,861,070
Net cash used by capital and related financing activities	<u>(271,613)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>	
Interest earned	31,017
Net cash provided by investing activities	<u>31,017</u>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>79,890</b>
Cash and cash equivalents at beginning of year	<u>1,031,179</u>
<b>CASH AND CASH EQUIVALENT AT END OF YEAR</b>	<b><u>\$ 1,111,069</u></b>

See accompanying notes.

CITY OF BOGALUSA  
FIDUCIARY FUNDS  
COMBINED STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1999

## ADDITIONS:

## Contributions:

Ad valorem taxes	\$ 227,896
Court fines	12,994
Beer and liquor license	3,029
Fire insurance rebate	13,038
City of Bogalusa	192,877
Plan members	105,320
Total contributions	<u>555,154</u>

## Investment income:

Net appreciation in fair value of investment	205,405
Interest	373,196
Net investment income	<u>578,601</u>

Total additions	<u>1,133,755</u>
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## DEDUCTIONS:

Benefits	590,904
Refunds of contributions	15,231
Administrative expense	12,917
Drop withdrawals	2,050
Contractual services	1,800
Total deductions	<u>622,902</u>

NET INCREASE	510,853
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Fund balance reserved for employers' pension benefits:

Beginning of year	<u>7,864,288</u>
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END OF YEAR	<u>\$ 8,375,141</u>
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See accompanying notes.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

## INTRODUCTION

The City of Bogalusa, Louisiana (the City) was incorporated July 4, 1914, and is governed by the provisions of a home rule charter adopted October 22, 1977. The City operates under a "mayor-council" form of government which consists of an elected council representing the legislative branch of the government and an elected mayor heading the executive branch.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

#### Reporting Entity:

The City of Bogalusa City Council is the governing authority for City of Bogalusa. As the governing authority of the City, for reporting purposes, the City of Bogalusa City Government is the financial reporting entity for City of Bogalusa. The financial reporting entity consists of the primary government (City government), organizations for which the primary government is financially accountable, and other organizations for which 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 established criteria for determining which component units should be considered part of the City of Bogalusa City Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the City government to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City government.
2. Organizations for which the City government does not appoint a voting majority but which are fiscally dependent on the City government.
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.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

As required by generally accepted accounting principles, these financial statements present the City of Bogalusa (the primary government) and its component units. The component units discussed below are included in the City's reporting entity because of the significance of their operational or financial relationship with the City.

Blended Component Units

Bogalusa Parks and Recreation Commission (the Commission) – The Bogalusa Parks and Recreation Commission is governed by a seventeen-member board appointed by the Mayor with the approval of the Council. The Commission was established by Ordinance No. 824 dated March 6, 1973. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because the City maintains the accounting records, and is fiscally dependent upon the City.

City Employee's Retirement System, Firemen's Pension and Relief Fund, Policemen's Pension and Relief Fund (the Pension Plans) – The Pension Plans are legally separate organizations, but are fiscally dependent upon the City. They meet the definition of a component unit, but are not reported as component units because there is an exception to the rule for fiduciary pension plans. Therefore, the pension plans are blended into the general purpose financial statements in the Fiduciary Fund Type column.

Discretely Presented Component Units

City Court of Bogalusa (the Court) – The City of Bogalusa is a court of limited jurisdiction and serves Ward 4 of Washington Parish, Louisiana. Although the City Court Judge is an independently elected official, the Court is considered a component unit of the City because of fiscal dependence. The City provides the courtroom and office space for the Court. The City also pays salaries and retirement for the Court's secretaries.

Constable of City Court of Bogalusa (the Constable) – The office of Constable of City Court of Bogalusa was created by special legislative act R.S. 13:1952(5). The Constable is an elected official, and is responsible for executing the orders and mandates of the City Court of Bogalusa. The Constable is also fiscally dependent on the City and considered a component unit.

Christmas in the Park Commission (the Commission) – The Commission was created on November 1, 1995 by Ordinance No. 1588. The Commission is governed by an eleven-member board appointed by the Mayor, with approval of the City Council. The Commission advises the Mayor and the City Council, stimulates public interest and accepts donations to enhance holiday lighting and activities.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Bogalusa Community Arena Commission (the Commission) – The Bogalusa Community Arena Commission is governed by an eleven-member board appointed by the Mayor with approval of the Council. The Commission was established by Ordinance No. 1607 dated June 21, 1995 and amended on December 20, 1995 by Ordinance No. 1623. Although it is legally separate from the City, the Commission is reported as if it were part of the primary government because the City maintains the accounting records, and the financial statements of the Commission are not material to the financial statements of the City.

The following presents condensed financial statements for each of the four discretely presented component units. Complete financial statements of the individual component units can be obtained from their respective administrative offices.

Administrative Offices

City Court of Bogalusa  
 202 Arkansas Avenue  
 Bogalusa, LA 70427

Constable of City Court of Bogalusa  
 202 Arkansas Avenue  
 Bogalusa, LA 70427

Christmas in the Park Commission  
 c/o Mr. Jerry Bailey  
 Director of Administration  
 Post Office Box 1179  
 Bogalusa, LA 70429-1179

Bogalusa Community Arena Commission  
 c/o Mr. Jerry Bailey  
 Director of Administration  
 Post Office Box 1179  
 Bogalusa, LA 70429-1179

Combining Balance Sheet – Component Units

	<u>Bogalusa Community Arena Commission</u>	<u>Christmas in the Park Commission</u>	<u>City Court of Bogalusa</u>	<u>Constable of City Court of Bogalusa</u>	<u>Totals</u>
ASSETS:					
Cash	\$ 2,630	\$ 26,040	\$ 64,931	\$ 19,542	\$ 113,143
Investments	--	--	16,785	--	16,785
Due from other funds	--	--	5,650	--	5,650
Fixed assets	--	--	28,689	24,809	53,498
Amounts to be provided for retirement of general long-term debt	--	--	--	--	--
Total assets	<u>\$ 2,630</u>	<u>\$ 26,040</u>	<u>\$ 116,055</u>	<u>\$ 44,351</u>	<u>\$ 189,076</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Combining Balance Sheet – Component Units (Continued)

	Bogalusa Community Arena Commission	Christmas in the Park Commission	City Court of Bogalusa	Constable of City Court of Bogalusa	Totals
<b>LIABILITIES:</b>					
Bond deposits	\$ --	\$ --	\$ 10,404	\$ --	\$ 10,404
Other payables	--	55	38,404	--	38,459
Loan payable	--	--	--	988	988
Due to other funds	--	--	<u>5,650</u>	--	<u>5,650</u>
Total liabilities	<u>--</u>	<u>55</u>	<u>54,458</u>	<u>988</u>	<u>55,501</u>
<b>EQUITY:</b>					
Investment in general fixed assets	--	--	28,689	24,809	53,498
Fund balance	<u>2,630</u>	<u>25,985</u>	<u>32,908</u>	<u>18,554</u>	<u>80,077</u>
Total equity	<u>2,630</u>	<u>25,985</u>	<u>61,597</u>	<u>43,363</u>	<u>133,575</u>
Total liabilities and fund equities	<u>\$ 2,630</u>	<u>\$ 26,040</u>	<u>\$ 116,055</u>	<u>\$ 44,351</u>	<u>\$ 189,076</u>

Combining Statement of Revenues, Expenditures,  
and Changes in Fund Equity – Component Units

	Bogalusa Community Arena Commission	Christmas in the Park Commission	City Court of Bogalusa	Constable of City Court of Bogalusa	Totals
<b>REVENUES:</b>					
Donations	\$ 1,574	\$ 6,609	\$ --	\$ --	\$ 8,183
Court costs and fees	--	--	55,304	15,830	71,134
Judges supplemental compensation	--	--	5,312	--	5,312
Intergovernmental	--	--	51,651	2,333	53,984
Interest	--	723	3,206	--	3,929
Rent	3,600	--	--	--	3,600
Clerks expenses	--	--	1,565	--	1,565
Other	<u>6,148</u>	<u>17,730</u>	<u>120</u>	--	<u>23,998</u>
Total revenues	<u>11,322</u>	<u>25,062</u>	<u>117,158</u>	<u>18,163</u>	<u>171,705</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Combining Statement of Revenues, Expenditures,  
 and Changes in Fund Equity – Component Units (Continued)

	<u>Bogalusa Community Arena Commission</u>	<u>Christmas in the Park Commission</u>	<u>City Court of Bogalusa</u>	<u>Constable of City Court of Bogalusa</u>	<u>Totals</u>
<b>EXPENDITURES:</b>					
Current-					
General government	\$ --	\$ --	\$185,261	\$ 15,615	\$200,876
Culture and recreation	10,601	27,623	--	--	38,224
Interest	--	--	--	192	192
Capital outlay	--	--	--	1,071	1,071
Total expenditures	<u>10,601</u>	<u>27,623</u>	<u>185,261</u>	<u>16,878</u>	<u>240,363</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES</b>					
	<u>721</u>	<u>(2,561)</u>	<u>(68,103)</u>	<u>1,285</u>	<u>(68,658)</u>
<b>OTHER FINANCING SOURCES:</b>					
Operating transfers in	--	10,000	74,982	5,122	90,104
Total other financing sources	--	<u>10,000</u>	<u>74,982</u>	<u>5,122</u>	<u>90,104</u>
<b>EXCESS OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES</b>					
	721	7,439	6,879	6,407	21,446
FUND BALANCES, BEGINNING	<u>1,909</u>	<u>18,546</u>	<u>26,029</u>	<u>12,147</u>	<u>58,631</u>
FUND BALANCES, ENDING	<u>\$ 2,630</u>	<u>\$ 25,985</u>	<u>\$ 32,908</u>	<u>\$ 18,554</u>	<u>\$ 80,077</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Primary government officials may appoint some, or all, governing board members of organizations that are not included as component units in the primary government's reporting entity. These organizations are classified as (a) related organizations and (b) joint ventures, as follows:

Related Organizations

Housing Authority of Bogalusa – The Mayor, with confirmation of the City Council, appoints all five Commissioners of the Housing Authority of Bogalusa. However, no further contact or influence exists. Therefore, it is not included in the City's financial statements.

Washington Industrial Development Foundation, Inc. – The Mayor appoints one member and the City Council appoints two members of the thirty-member Board of Directors of Washington Industrial Development Foundation, Inc., which is a non-profit corporation exempt from federal income tax under Internal Revenue Code Section 501(c)(3). However, no further contact or influence exists. Therefore, it is not included in the City's financial statements.

Joint Venture

Choctaw Road Landfill (the Joint Venture) – The City is a participant with the Washington Parish Police Jury (the Police Jury) in a joint venture to construct and operate the Choctaw Road Landfill, a solid waste disposal landfill.

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 resources.

The fund categories, fund types and account groups presented in the financial statements are described as follows:

GOVERNMENTAL FUNDS:

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

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION: (Continued)

GOVERNMENTAL FUNDS: (Continued)

General Fund

The general fund is the principal fund of the City and is used to account for all financial resources, except those required to be accounted for in other funds.

Special Revenue Funds

The special revenue funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes.

Debt Service Funds

The debt service funds are used to account for transactions relating to resources retained and used for the payment of principal and interest on long-term obligations recorded in the general long-term obligations account group.

Capital Projects Funds

The capital project funds are used to account for financial resources received and used for the acquisition, construction or improvement of capital facilities not reported in the other government funds.

PROPRIETARY FUNDS:

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

Enterprise Funds

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

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF PRESENTATION: (Continued)

FIDUCIARY FUNDS:

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the City.

ACCOUNT GROUPS:

General Fixed Assets Account Group

This account group is established to account for the fixed assets of the City government and its component units, except those accounted for in the Proprietary Funds.

Public domain or infrastructures are not capitalized. No depreciation has been provided on the General Fixed Assets Account Group. All fixed assets are valued at historical cost where available. Historical cost was not available for a minor amount of fixed assets thus estimated historical cost was used.

General Long-Term Debt Account Group

This account group is established to account for all long-term obligations of the City government, except those accounted for in the Proprietary Funds.

BASIS OF ACCOUNTING:

GOVERNMENTAL FUNDS:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all government funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues

Revenues are recognized when they become measurable and available to finance expenditures of the current fiscal year. Sales taxes are recognized as revenue in the month in which sales taxes are paid by taxpayers. Ad valorem taxes are recognized as revenue in the year the taxes are assessed and available for use on current debt. Ad valorem taxes are assessed on a calendar year basis,

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

BASIS OF ACCOUNTING: (Continued)

Revenues (Continued)

become due on November 15 of each year and become delinquent on December 31. The taxes are generally collected in December of the current year and January through February of the ensuing year.

Federal and state aid and grants are recorded when the entity is entitled to the funds.

Interest income on investments is accrued through year end.

Substantially all other revenues are recorded when received.

Expenditures

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule are (1) principal and interest on general long-term debt is recognized when due and (2) accumulated sick pay, and other employee benefits which are not accrued.

Other Financing Sources (Uses)

Transfers between funds that are not expected to be repaid (and any other financing source/use) are accounted for as other financing sources (uses).

Advance To/From Other Funds

Nonconcurrent portions of long-term interfund loans on receivables are reported as advances.

Accounts Receivable

The City of Bogalusa government uses the direct write-off method to write off the majority of general uncollectible accounts receivable. This method approximates methods in accordance with generally accepted accounting principles.

Long-Term Obligations

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

BASIS OF ACCOUNTING: (Continued)

GOVERNMENTAL FUNDS: (Continued)

Short-Term Interfund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables or payables.

Inventory of Supplies

Inventories are stated at cost, using the first-in, first-out method.

BUDGETS:

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

1. The Mayor submits to the Council a proposed operating budget at least forty-five days prior to the beginning of each fiscal year. The operating budget includes proposed expenditures and total anticipated revenues.
2. At the meeting of the Council at which the operating budget is submitted, the Council orders a public hearing on it.
3. At least ten days prior to the date of such hearing the Council publishes in the official journal a general summary of the proposed budget.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is legally enacted through passage of an ordinance, no later than the twenty-seventh day of the last month of the fiscal year.
5. Budgetary amendments involving the transfer of funds from one department, office, or agency to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the adoption of an ordinance by the Council.
6. Every appropriation, except an appropriation for a capital expenditure, shall lapse at the close of the fiscal year to the extent that it has not been expended or encumbered.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

BUDGETS: (Continued)

7. Budgets for the General, Special Revenue, and Debt Service Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended from time to time by the City Council.

VACATION AND SICK LEAVE:

The cost of current leave privileges, computed in accordance with GASB Statement No. 16, is recognized as a current-year expenditure in the governmental funds when leave is actually taken. The cost of leave privileges, not requiring current resources, is recorded in the general long-term obligations account group.

Substantially all employees of the City government earn from 1 week to 6 weeks of annual leave each year depending on length of service. Each year any unused annual leave may be accumulated.

Substantially all employees of the City government accrue two days of sick leave for each month of continuous employment. Sick leave may be accumulated to a maximum of 260 working days. Upon termination an employee may sell back to the City one-half of unused sick leave up to a maximum of 20 days.

SALES AND USE TAX:

The City of Bogalusa has a three percent sales and use tax. The Washington Parish Sheriff is authorized to collect and remit this tax to the City for a stipulated fee. The City's sales tax ordinances provide that the proceeds can be used for the following: 1.45% is authorized to be used for general governmental operations of the City; .50% is authorized to be used to fund employee pay raises; .25% is authorized to be used for maintenance, operations and improvements of the Industrial Park; .15% is authorized to be used for general capital improvements of the City; .25% is authorized to be used for street improvements, .15% is authorized to be used for water and sewer maintenance; and .25% is authorized to be used for capital improvements and operations of the waste water treatment plant.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

GOVERNMENTAL FUNDS: (Continued)

FUND EQUITY:

Reserves

Reserves represent those portions of fund equity not appropriable for expenditures in the following year or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

Residual Equity Transfer

A residual equity transfer represents a nonrecurring or nonroutine transfer between funds. Because these transfers are not associated with the operations of the governmental funds they are recorded as adjustments to fund balance.

PROPRIETARY FUNDS:

ENTERPRISE FUNDS:

UTILITY FUND:

The Utility Fund was established to account for the provision of water and sewer services and garbage collection to residents of the City. 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.

BASIS OF ACCOUNTING:

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with Generally Accepted Accounting Principles (GAAP). The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The following practices were used.

In accordance with Statement No. 20 of the Government Accounting Standards Board (GASB), "Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting," it is the City's policy to apply all applicable GASB pronouncements as well as all Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

UTILITY FUND: (Continued)

BASIS OF ACCOUNTING: (Continued)

the Committee on Accounting Procedure issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. The City has not adopted any Financial Accounting Standards Board Statements or Interpretations, Accounting Principles Board Opinions or Accounting Research Bulletins of the Committee on Accounting Procedure issued after November 30, 1989.

Revenues

The City's customers are billed monthly and the accompanying statements provide for accrual of charges billed but not collected.

Ad valorem taxes are recorded in the year the taxes are due and payable. Ad valorem taxes are assessed on a calendar year basis, become due on November 15 of each year, and become delinquent on December 31. The taxes are generally collected in December and January and February of the following year.

Substantially all other revenues are recorded when earned.

Expenses

Substantially all expenses are recognized at the time the liability is incurred.

COMPENSATED ABSENCES:

Employees earn one to six weeks of paid vacation each year depending on length of service. Each year any unused vacation may accumulate. In addition, employees earn 2 days sick leave for each month of continuous employment which may accumulate to a maximum of 260 days. Upon termination an employee may "sell" back to the City one-half of unused sick leave up to a maximum of 20 days.

Leave privileges associated with employees of the proprietary funds are recorded as a fund liability and operating expense.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

UTILITY FUND: (Continued)

RESTRICTED ASSETS:

Certain proceeds of the City's revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

ALLOWANCE FOR DOUBTFUL ACCOUNTS:

The City of Bogalusa City government has established an allowance for doubtful accounts for write-off of delinquent accounts. The City's allowance is based on management's best estimate of uncollectible amounts. The allowance for doubtful accounts at December 31, 1999 is \$82,659.

CASH AND CASH EQUIVALENTS:

For the purpose of the Statement of Cash Flows cash includes amounts in petty cash, demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in certificates of deposit.

FUND EQUITY:

Contributed Capital

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the *depreciation recognized on that portion of the assets acquired or constructed from such resources.*

Reserves

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

Designated Fund Balances

Designated fund balances represent tentative plans for future use of financial resources.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

PROPRIETARY FUNDS: (Continued)

ENTERPRISE FUNDS: (Continued)

UTILITY FUND: (Continued)

FUND EQUITY: (Continued)

Residual Equity Transfer

A residual equity transfer represents nonrecurring or nonroutine transfer between funds. Because these transfers are not associated with the operations of the funds, they are recorded as adjustments to retained earnings.

USE OF ESTIMATES:

The City uses estimates and assumptions in preparing these financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, and the reported revenues and expenditures. Actual results could vary from the estimates that are used.

TOTAL COLUMNS ON COMBINED STATEMENTS – OVERVIEW:

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

FUND DESCRIPTIONS:

SPECIAL REVENUE FUNDS:

Industrial Complex Sales Tax Fund

The Industrial Complex Sales Tax Fund is used to account for the receipt of a ¼ cent sales tax dedicated to improving and/or maintaining the City’s Industrial Park. The tax expires February 1, 2023.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS: (Continued)

SPECIAL REVENUE FUNDS: (Continued)

Employee Pay Raise Sales Tax Fund

The Employee Pay Raise Sales Tax Fund is used to account for the receipt of a ½ cent sales and use tax. The proceeds are dedicated for the purpose of paying salaries and benefits of City employees. The tax is for an indefinite period.

Street Improvement Sales Tax Fund

The Street Improvement Sales Tax Fund is used to account for the receipt of 25% of a one cent sales and use tax. The proceeds are dedicated for street and drainage repair, maintenance, operation and additions. The tax expires June 1, 2002.

Capital Improvement Sales Tax Fund

The Capital Improvement Sales Tax Fund is used to account for the receipt of 15% of a one cent sales and use tax. The proceeds are dedicated for the acquisition, operation, and maintenance of land, buildings, and equipment. The tax expires June 1, 2002.

Industrial Park Rent Fund

The Industrial Park Rent Fund is used to account for the receipt of rent from the Industrial Park

Parks and Recreation Commission Fund

The Parks and Recreation Commission Fund is used to account for the receipt and expenditures of the City of Bogalusa Park and Recreation Commission's funds. The Commission is made up of seventeen people appointed by the Mayor with the approval of the Council. Expenditures are made with the approval of a majority of the Commission.

Airport Maintenance and Improvement Fund

The Airport Maintenance and Improvement fund was established by the Mayor to separately account for airport operations.

Landfill Fund

The Landfill Fund is used to account for the receipt of (1) a 5-mill ad valorem tax for the ten-year period beginning in 1992 and ending with the year 2001. The tax proceeds are dedicated to constructing, acquiring, improving, maintaining and/or operating landfill facilities for the City, including the acquisition of land therefore. This fund also accounts for the City's investment in operations of the Choctaw Road Landfill, a joint venture with the Washington Parish Police Jury.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS: (Continued)

DEBT SERVICE FUNDS:

General Obligation Bond Sinking Fund

The General Obligation Bond Sinking Fund is used to accumulate monies for payment principal and interest for the 1975 \$795,000 Public Improvement bonds, the 1992 \$1,000,000 Landfill Facilities Improvement bonds and the 1998 \$5,600,000 General Obligation Bond. The bonds' debt service is financed by the levy of a specific ad valorem tax.

CAPITAL PROJECTS FUNDS:

Landfill Improvement Fund

The Landfill Improvement Fund is used to account for the proceeds of a \$1,000,000 bond sale dedicated to construction and improvements of the City's landfill facilities.

Airport Expansion Fund

The Airport Expansion Fund is used to account for the receipt and expenditures of Federal Aviation Grants and State of Louisiana Matching Grants to expand the George R. Carr Municipal Airport apron, install perimeter fencing, and rehabilitate taxiway and existing apron and to improve runway drainage.

PROPRIETARY FUNDS:

UTILITY FUND:

The Utility Fund is comprised of the following funds:

Operating Fund

The Operating Fund is used to account for the provision of water and sewer services and garbage collection to residents of the City. 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.

Waste Water Improvement Fund

The Wastewater Improvement Fund is used to account for the receipts and expenditures of Sewer Revenue Bonds to be used by sewer improvements.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS: (Continued)

PROPRIETARY FUNDS: (Continued)

UTILITY FUND: (Continued)

Water and Sewer Sales Tax Fund

The Water and Sewer Sales Tax Fund is used to account for the receipt of 15% of a one cent sales and use tax. The proceeds are dedicated to water and sewer repair, maintenance, operation and additions. The tax expires June 1, 2002.

Utility Debt Service Fund

The Utility Debt Service Fund is used to accumulate monies for the payment of principal and interest on the sewer revenue bonds, sales tax bond and certificate of indebtedness.

Water System Improvement Fund

The Water System Improvement Fund is used to account for the receipt and expenditures of a ¼ cent sales tax. Funds are dedicated to constructing, acquiring and/or improving the wastewater system of the City. The sales tax expires February 1, 2023.

LCDBG Fund

The LCDBG Fund is used to account for the receipt and expenditures of a federal grant.

FIDUCIARY FUNDS:

Firemen's Pension and Relief Fund

The Firemen's Pension and Relief Fund is used to account for funds received from ad valorem tax revenue and from contributions from the general fund which are subsequently disbursed to beneficiaries of these pension funds. The contributions from the general fund are made in amounts necessary to fund current benefits payable only.

Policemen's Pension and Relief Fund

The Policemen's Pension and Relief Fund is used to account for funds received from ad valorem tax revenue and from contributions from the general fund which are subsequently disbursed to beneficiaries of these pension funds. The contributions from the general fund are made in amounts necessary to fund current benefits payable only.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

FUND DESCRIPTIONS: (Continued)

FIDUCIARY FUNDS: (Continued)

City Employees Retirement System Fund

The City Employees Retirement System Fund is used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future. Resources are contributed by employees at amounts fixed by law and by the City at amounts determined as a percentage of ad valorem tax revenues which are also fixed by law. Note: This fund is presented at its year end -- June 30, 1999.

2. 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 taxpayer 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 value determined by the tax assessor of Washington Parish. When the City receives the tax roll, a receivable is set up and revenue is recognized based on the assessed values.

For the year ended December 31, 1999 taxes of 49.83 mills were levied on property with assessed valuation totaling \$38,891,330 and were dedicated as follows:

<u>Fund</u>	<u>Purpose</u>	<u>Mills</u>	<u>Exp. Date</u>
General Fund	General Purpose	10.84	Indef.
General Fund	Maintenance, Equipment, Operations, and Salaries of Municipal Employees	2.71	1999
General Fund	Fire Department Maintenance	2.71	2007
General Fund	Maintenance and Operation of Municipal Services	3.62	2007
Debt Service Fund	Paying Bonds and Interest	14.45	Indef.
Utility Fund	Sewer and Water Works	2.71	2007
City Employees Retirement System	City Employees' Pension	1.92	2006

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

2. AD VALOREM TAXES: : (Continued)

<u>Fund</u>	<u>Purpose</u>	<u>Mills</u>	<u>Exp. Date</u>
Firemen's Pension and Relief Fund	Firemen's Pension	3.10	2002
Policemen's Pension and Relief Fund	Policemen's Pension	2.77	2006
Landfill	Landfill	<u>5.00</u>	2001
Total		<u>49.83</u>	

Total taxes levied were \$1,937,955. Taxes receivable at December 31, 1999 consisted of the following:

Taxes receivable current roll	\$ 752,040
Taxes receivable prior year	<u>20,510</u>
	<u>\$ 772,550</u>

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS:

CASH AND CASH EQUIVALENTS:

GOVERNMENTAL FUNDS:

Cash of the governmental funds consist of:

Petty cash	\$ 780
Demand deposits	<u>4,867,847</u>
Total	<u>\$ 4,868,627</u>

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Deposits of the City government are held by several financial institutions. At December 31, 1999, the City government had \$5,131,394, in deposits (bank balances) which were covered by FDIC insurance and pledged securities held by a second banking institution in joint custody.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

CASH AND CASH EQUIVALENTS: (Continued)

PROPRIETARY FUNDS:

Cash balances at year end consist of \$1,111,069 (book balances). Deposits of the Utility Fund in the amount of \$1,160,407 (bank balances) are held at several financial institution and are fully insured by FDIC insurance and pledged securities held by a second banking institution in joint custody.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of the following:

	<u>End of Year</u>	<u>Beginning of Year</u>
Non-restricted cash	\$ 334,815	\$ 464,231
Restricted cash	<u>776,254</u>	<u>566,948</u>
Total cash and cash equivalents	<u>\$1,111,069</u>	<u>\$ 1,031,179</u>

The City of Bogalusa paid interest during the year of \$175,483.

FIDUCIARY FUNDS:

City Employees' Retirement System (6/30/99)

City Employees' Retirement System had cash and cash equivalents (book balance) as follows:

Cash	\$ 24,105
Cash equivalents	<u>133,238</u>
Total	<u>\$157,343</u>

At June 30, 1999 the Retirement System had \$159,499 in deposits (bank balances) which were secured by FDIC insurance.

Firemen's Pension and Relief Fund

Firemen's Pension and Relief Fund had cash and cash equivalents (book balance) as follows:

Cash	\$120,810
Cash equivalents	<u>    --</u>
	<u>\$120,810</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

CASH AND CASH EQUIVALENTS: (Continued)

FIDUCIARY FUNDS: (Continued)

Firemen's Pension and Relief Fund (Continued)

At December 31, 1999 the Firemen's Pension and Relief Fund had \$109,772 (bank balance) which was fully secured by FDIC insurance.

Policemen's Pension and Relief Fund

Policemen's Pension and Relief Fund had cash and cash equivalents (book balances) as follows:

Cash	\$291,836
Cash equivalents	<u>          --</u>
	<u>\$291,836</u>

At December 31, 1999 the Pension and Relief Fund had \$291,836 (bank balance) which was fully secured by FDIC insurance and pledged securities held by a second banking institution in joint custody.

DISCRETELY PRESENTED COMPONENT UNITS:

At December 31, 1999, the discretely presented component units had \$141,440 in deposits (collected bank balances). These deposits are fully secured by FDIC insurance.

INVESTMENTS:

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

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

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

3. CASH AND CASH EQUIVALENTS AND INVESTMENTS: (Continued)

CASH AND CASH EQUIVALENTS: (Continued)

INVESTMENTS: (Continued)

	<u>Market Value</u>	<u>Category</u>
Governmental Fund:		
Certificate of deposit	\$ <u>6,000</u>	1
Fiduciary Funds:		
City Employees' Retirement System:		
Equity Mutual Fund	\$ 422,570	2
Common stock	1,345,117	2
U.S. Government obligations	4,513,372	3
U.S. Government obligations	<u>1,237,614</u>	2
	<u>\$ 7,518,673</u>	

Investments of the City Employees' Retirement System are reported at fair market value.

4. RECEIVABLES:

The following is a summary of receivables for December 31, 1999:

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Debt Service Funds</u>	<u>Capital Projects Funds</u>	<u>Pension Funds</u>	<u>Proprietary Funds</u>	<u>Total</u>
Taxes:							
Ad valorem	\$429,088	\$ 77,555	\$223,926	\$ --	\$ --	\$ 41,981	\$ 772,550
Sales and use	266,724	211,493	--	--	--	73,550	551,767
Franchise	165,199	--	--	--	--	--	165,199
Intergovernmental:							
Federal	27,808	--	--	--	--	--	27,808
State	24,222	4,201	--	--	--	--	28,423
Local	27,077	--	--	--	232,760	--	259,837
Utility bills (net)	--	--	--	--	--	145,223	145,223
Miscellaneous	<u>5,096</u>	<u>12,612</u>	--	<u>1,030</u>	<u>53,724</u>	--	<u>72,462</u>
Total	<u>\$945,214</u>	<u>\$305,861</u>	<u>\$223,926</u>	<u>\$1,030</u>	<u>\$286,484</u>	<u>\$260,754</u>	<u>\$2,023,269</u>

5. GENERAL FIXED ASSETS:

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized (reported) in the general fixed assets account group. Public domain or infrastructures are not capitalized. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical costs or estimated costs if historical cost is not available.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

5. GENERAL FIXED ASSETS: (Continued)

A summary of changes in general fixed assets follows--

	Balance 12-31-98	Prior Period Adjustment	Adjusted Balance 12-31-98	Additions	Completed Construction In Progress	Deletions	Balance 12-31-99
Land	\$ 699,681	\$ --	\$ 699,681	\$ --	\$ --	\$ --	\$ 699,681
Buildings	10,499,249	--	10,499,249	7,500	--	--	10,506,749
Improvements other than buildings	7,369,679	--	7,369,679	387,485	3,244,453	--	11,001,617
Equipment	2,699,612	19,441	2,719,053	397,450	--	92,649	3,023,854
Construction in progress	<u>3,122,605</u>	<u>34,000</u>	<u>3,156,605</u>	<u>363,244</u>	<u>(3,244,453)</u>	<u>--</u>	<u>275,396</u>
Total general fixed assets	<u>\$24,390,826</u>	<u>\$53,441</u>	<u>\$24,444,267</u>	<u>\$ 1,155,679</u>	<u>\$ --</u>	<u>\$ 92,649</u>	<u>\$ 25,507,297</u>

6. PROPERTY, PLANT AND EQUIPMENT:

Fixed assets used in the proprietary fund operations are included on the balance sheet of the fund, net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the straight-line method over a range of 5 to 40 years.

A summary of changes in Proprietary Fund Type property, plant, equipment and construction in progress for the year ended December 31, 1999 follows:

	Balance 12-31-98	Prior Period Adjustment	Adjusted Balance 12-31-98	Additions	Completed Construction in Progress	Balance 12-31-99
Water and Sewer Plant	\$ 3,484,117	\$ 4,685,815	\$ 8,169,932	\$ 650,215	\$ --	\$ 8,820,147
Sewer Treatment Plant	160,226	2,501,152	2,661,378	--	--	2,661,378
Water Well	13,632	191,118	204,750	309,564	--	514,314
Collection System	1,234,912	1,509,337	2,744,249	--	--	2,744,249
Sewer Pumping System	161,250	1,182,501	1,343,751	--	--	1,343,751
Water Line	2,479,580	1,739,226	4,218,806	--	--	4,218,806
Equipment and vehicles	<u>179,006</u>	<u>--</u>	<u>179,006</u>	<u>22,431</u>	<u>--</u>	<u>201,437</u>
Total	7,712,723	11,809,149	19,521,872	982,210	--	20,504,082
Construction in progress	<u>4,836,804</u>	<u>(197,828)</u>	<u>4,638,976</u>	<u>5,846,551</u>	<u>--</u>	<u>10,485,527</u>
	<u>\$12,549,527</u>	<u>\$11,611,321</u>	<u>\$24,160,848</u>	<u>\$6,828,761</u>	<u>\$ --</u>	<u>\$30,989,609</u>

	Life	Accumulated Depreciation 12-31-98	Prior Period Adjustment	Adjusted Balance 12-31-98	1999 Depreciation	Accumulated Depreciation 12-31-99
Water and Sewer Plant	25-40	\$ --	\$ 5,597,336	\$ 5,597,336	\$ 187,580	\$ 5,784,916
Sewer Treatment Plant	25	--	2,501,152	2,501,152	106,455	2,607,607
Water Well	20-40	--	204,750	204,750	645	205,395
Collection System	40	--	1,509,337	1,509,337	68,606	1,577,943
Sewer Pumping System	25	--	1,182,501	1,182,501	53,750	1,236,251
Water Line	40	--	539,701	539,701	105,470	645,171
Equipment and vehicles	5	2,982	--	2,982	38,797	41,779
Total		<u>\$ 2,982</u>	<u>\$11,534,777</u>	<u>\$11,537,759</u>	<u>\$ 561,303</u>	<u>\$12,099,062</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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7. RESTRICTED ASSETS:

At December 31, 1999 the City maintained restricted cash accounts required by bond covenants of the \$5,600,000 General Obligation Sewer Bonds 1998, \$1,730,000 Sewer Revenue Bonds 1998, \$3,170,000 Sales Tax Sewer Bonds 1998 and \$2,000,000 Sewer Revenue Bonds 1999 as follows:

Sewer Capital Additions and Contingencies Fund	\$ 50,718
Sewer Revenue Bond Sinking Fund	89,433
Sewer Revenue Bond Reserve Fund	55,213
Wastewater Improvement Fund	251,798
Sewer Sales Tax Bond Sinking Fund	263,242
Sales Tax Bond Reserve Fund	<u>65,850</u>
Total Restricted Assets	<u>\$ 776,254</u>

8. EMPLOYEE RETIREMENT SYSTEMS:

The City of Bogalusa City Government contributes to three City plans which consist of the City of Bogalusa Employees' Retirement System, City of Bogalusa Firemen's Pension Plan and City of Bogalusa Police Pension Plan. In addition, the City of Bogalusa City Government contributes to two statewide retirement plans, Municipal Police Employees' Retirement System and Firefighters Retirement System. The City's payroll for employees covered by the retirement systems for the year ending December 31, 1999 was \$4,636,995.

CITY OF BOGALUSA PENSION PLANS

The City of Bogalusa administers three defined benefit pension plans – City Employees' Retirement System (CERS), Policemen's Pension and Relief Fund (PPRF), and Firemen's Pension and Relief Fund (FPRF). Each plan's assets may be used only for the payment of benefits to the members of that plan, in accordance with the terms of the plan.

1. Summary of Significant Accounting Policies

Basis of Accounting

The City's retirement systems' financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contributions to each plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

CITY OF BOGALUSA PENSION PLANS: (Continued)

Method Used to Value Investments

Investments are reported at fair value. Short-term investments are reported at cost, which approximates fair value. Securities traded on a national exchange are valued at the last reported sales price at current exchange rates. Investments that do not have an established market are reported at estimated fair value.

2. Plan Descriptions and Contribution Information

Following is the membership of each plan at the date of the latest actuarial valuation:

	<u>CERS</u>	<u>PPRF</u>	<u>FPRF</u>
Date of actuarial valuation	<u>6/30/99</u>	<u>12/31/99</u>	<u>12/31/99</u>
Retirees & beneficiaries receiving benefits	63	9	22
Terminated plan members entitled to but not yet receiving benefits	2	--	--
Active plan members	<u>84</u>	<u>--</u>	<u>--</u>
Total	<u>149</u>	<u>9</u>	<u>22</u>

CITY EMPLOYEES' RETIREMENT SYSTEM:

Plan Description

CERS is a single-employer defined benefit pension plan that covers appointive officers and permanent employees of the City except police and fire departments. CERS provides retirement, disability, and death benefits to plan members and their beneficiaries. Cost-of-living adjustments (COLA) are provided with approval of the City Council.

Contributions

Plan members are required to contribute 6% of their annual covered salary. The City is required to contribute an actuarially determined rate. As of December 31, 1999 the City contributed \$192,877 in employer contributions or 10.92% of covered payroll. Contribution requirements of the plan members and the City are established and may be amended by state law.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

CITY EMPLOYEES' RETIREMENT SYSTEM: (Continued)

Annual Pension Cost and Net Pension Obligation

The City's annual pension cost and net pension obligation to the City Employees' Retirement System for the current year were as follows:

Annual required contribution	\$ 428,278
Interest on net pension obligation	14,997
Adjustment to annual required contribution	<u>(22,492)</u>
Annual pension cost	420,783
Contributions made	<u>(298,196)</u>
Increase (decrease) in net pension obligation	122,587
Net pension obligation beginning of year	<u>222,179</u>
Net pension obligation end of year	<u>\$ 344,766</u>

The annual required contribution for the current year was determined as part of the June 30, 1999 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 6.75% investment rate of return and (b) projected salary increases of 4.5% per year of employment. The assumptions did not include postretirement benefit increases, which are funded from investment earnings over 6.75% when granted. The actuarial value of assets was determined at market value. The unfunded actuarial accrued liability is being amortized as a level percentage of annual compensation. The remaining amortization period at June 30, 1999 was 14 years.

Three-year Trend Information

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL) Entry Age</u>	<u>Unfunded Actuarial Accrued Liability (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL As A Percentage of Covered Payroll</u>
June 30, 1997	\$6,851,592	\$10,455,441	\$3,603,849	65.53%	\$1,740,253	207.09%
June 30, 1998	7,353,276	10,923,810	3,570,534	67.31%	1,626,218	219.56%
June 30, 1999	7,743,387	12,102,281	4,358,894	63.98%	1,766,555	246.75%

<u>Fiscal Year</u>	<u>Annual Required Contribution Employer</u>	<u>Percentage Contributed Employer</u>
June 30, 1997	\$344,861	86.85%
June 30, 1998	383,899	75.38%
June 30, 1999	428,278	69.64%

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

CITY EMPLOYEES' RETIREMENT SYSTEM: (Continued)

Deferred Retirement Option Plan

In July of 1997 the City of Bogalusa Retirement System was amended by the Louisiana Legislature to provide for a Deferred Retirement Option Plan (DROP). After completing the required years of creditable service and attaining the required age a member may elect to participate in the DROP plan.

Upon commencement of participation in the plan, employer and employee contributions to the System cease. The monthly retirement benefit that would have been payable is paid into the Deferred Retirement Option Plan account.

Upon termination of employment, a participant in the program shall receive, at his option, a lump sum payment from the account, or he may elect any other method of payment approved by the Board of Trustees.

If employment is not terminated at the end of three years, the participant resumes regular contributions in the System.

The DROP account at June 30, 1999 was \$177,812.

POLICEMEN'S PENSION AND RELIEF FUND:

Plan Description

PPRF is a single-employer defined benefit pension plan. On January 1, 1976 the City and the Board of Trustees of the PPRF merged the members of the PPRF who had not yet retired with the statewide system, Municipal Police Employees' Retirement System, under the authority of Resolution No. 882 of the City Council. At the time of the passage of the resolution and at the time of the merger, all of the members of the City police force, except for three individuals who brought suit against the City to be allowed to remain members of the PPRF, had previously voluntarily joined the statewide retirement system. The lawsuit involving the three individuals who wished to remain in the PPRF was settled by having the PPRF pay the three individuals the pension and retirement benefits that they would have been entitled to under the city system, if the system had not merged with the statewide police retirement system. The benefits will be paid from the time that the individuals reached 20 years of service with the Bogalusa Police Department until the time that they reach 50 years of age and are qualified to start receiving pension and retirement benefits from the Municipal Police Employees' Retirement System. Therefore, the PPRF only covers those policemen and their families who had retired prior to the merger except for the three policemen mentioned above who will be covered from retirement until they attain age 50.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

POLICEMEN'S PENSION AND RELIEF FUND: (Continued)

Contributions

There are no member contributions since all members of the system are retired or merged with the statewide system. The City contributes 25% of all court fines and 20% of money collected for licenses, privilege taxes, and permits for selling alcoholic beverages. The system is also funded by a 2.77 mills ad valorem tax.

FIREMEN'S PENSION AND RELIEF FUND:

Plan Description

FPRF is a single-employer defined pension plan. On February 3, 1981 the City and the Board of Trustees of the FPRF merged the members of the FPRF who had not yet retired with the statewide system, State of Louisiana Firefighters Retirement System, under the authority of Ordinance No. 1029 of the City Council. Employees covered by the transfer were all full-time employees who were not receiving retirement benefits or were not eligible for retirement benefits on the date of merger.

Contributions

There are no member contributions since all members of the system are retired or merged with the state system. This system is funded by a 3.10 mills ad valorem tax and one-half of a 2% fire insurance tax received from the State of Louisiana. The City supplements the fund whenever necessary.

STATEWIDE RETIREMENT SYSTEMS:

FIREFIGHTERS RETIREMENT SYSTEM:

Plan Description

The Firefighters Retirement System is a cost-sharing, multiple-employer defined benefit pension plan, which covers all active firemen and their families.

*Employer members as of June 30, 1999 are as follows:*

Cities	43
Parishes	9
Special districts	<u>28</u>
Total employer members	<u>80</u>

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

STATEWIDE RETIREMENT SYSTEMS: (Continued)

FIREFIGHTERS RETIREMENT SYSTEM: (Continued)

Plan Description (Continued)

Firefighter's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Firefighter's Retirement System, P. O. Box 94095, Capitol Station, Baton Rouge, LA 70804-9095, or by calling (225) 925-4060.

Contributions

Under the terms of the merger agreement, the City had to buy into the Firemen's Retirement System. The City agreed to pay 60% of the accrued pension liability for those employees transferred to the statewide system, which amounted to \$1,655,753. The City makes annual payments of \$127,069 including interest. The balance owed at December 31, 1999 was \$1,019,516.

Contributions made by employees are determined by state statute at 8% of earnable compensation. Employer contributions are actuarially determined through an actuarial valuation performed at June 30, 1999. The City is required to contribute the amounts necessary to pay benefits when due. The actuarially determined employer contribution requirement for the year ended June 30, 1999 was 9.0 percent of earnable compensation.

Benefits

Under the provisions of LRS 11:2251 – 11:2268 employees are eligible to retire at age 50 with twenty years of creditable service or at age 55 with twelve years of creditable service or at any age with 25 years of service. Employees must be a member of the FRS for one year in order to be eligible for a benefit.

Employees are entitled to annual pension benefits equal to three percent of their average final compensation based on the 36 consecutive months of highest pay multiplied by their total years of service not to exceed 100%. Employees may elect to receive their pension benefits in the form of a joint and survivor annuity. If employees terminate before rendering 12 years of service, they forfeit the right to receive the portion of their accumulated plan benefits attributable to their employer's contributions. Benefits are payable over the employees' lives in the form of a monthly annuity. Death and disability benefits are also payable in monthly annuities. After completing 20 years of service, a member may elect to participate in the Deferred Retirement Option Plan for up to 36 months.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)

STATEWIDE RETIREMENT SYSTEMS: (Continued)

FIREFIGHTERS RETIREMENT SYSTEM: (Continued)

The total actuarial required employer contributions and the percentage contributed for the Firefighters' Retirement System for the past three years is as follows:

<u>Fiscal Year</u>	<u>Actuarial Required Contribution Employer</u>	<u>Percentage Contributed Employer</u>
June 30, 1997	\$7,545,028	100.00%
June 30, 1998	6,784,748	100.00%
June 30, 1999	6,381,641	100.00%

MUNICIPAL POLICE EMPLOYEE'S RETIREMENT SYSTEM

Plan Description

The Municipal Police Employee's Retirement System is a cost-sharing multiple-employer defined benefit pension plan, which covers all active policemen, police department employees, and their families. There are 152 contributing municipalities.

The Municipal Police Employee's Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing to Municipal Police Employee's Retirement System of Louisiana, 8550 United Plaza Boulevard, Suite 501, Baton Rouge, LA 70809-0200, or by calling (225) 929-7411.

Contributions

Contributions made by employees are determined by state statute at 7.50% of earnable compensation. The contributions are deducted from the member's salary and remitted to the retirement system. Contributions for employers are established by state statute at 9% of the employee's earnable compensation excluding overtime but including state supplemental pay.

Benefits

Benefit provisions are authorized within Act 189 of 1973 and amended by Louisiana Revised Statute 11:2211 – 11:2233. Any member is eligible for normal retirement after he has been a member of the system for one year, if he has 25 years of creditable service and is age 55.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

8. EMPLOYEE RETIREMENT SYSTEMS: (Continued)STATEWIDE RETIREMENT SYSTEMS: (Continued)MUNICIPAL POLICE EMPLOYEE'S RETIREMENT SYSTEM: (Continued)Benefits (Continued)

Benefit rates are three and one third percent of average final compensation per number of years of creditable service not to exceed 100% of final salary. A member is eligible to receive disability benefits if he was an active contributing member of the system, or if he is no longer a member but has 20 years of creditable service established by the system and suffers a disability which has been certified by examination by a member of the Statewide Medical Disability Board. A service related disability requires no certain number of years of creditable service; however, a non-service connected disability requires five years of creditable service.

The total actuarial required employer contributions and the percentage contributed for the Municipal Police Employees' Retirement System for the past three years is as follows:

<u>Fiscal Year</u>	<u>Actuarial Required Contribution Employer</u>	<u>Percentage Contributed Employer</u>
June 30, 1997	\$ 9,547,753	108.84%
June 30, 1998	11,259,324	106.23%
June 30, 1999	10,401,344	125.28%

9. GENERAL LONG-TERM DEBT OBLIGATIONS:

The following is a summary of general long-term debt transactions of the City of Bogalusa for the year ended December 31, 1999:

	<u>Outstanding 12-31-98</u>	<u>Transfer</u>	<u>Prior Period Adjustment</u>	<u>Adjusted Outstanding 12-31-98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 12-31-99</u>
<b>GOVERNMENTAL FUNDS:</b>							
Bonds Payable	\$3,605,745	\$(437,472)	\$ --	\$3,168,273	\$2,864,301	\$260,000	\$ 5,772,574
Accumulated Vacation and Sick Pay	586,500	--	--	586,500	15,280	--	601,780
Due to Firefighters' Retirement System	1,009,241	--	70,647	1,079,888	--	60,372	1,019,516
Capital Lease Payable	57,077	--	--	57,077	276,092	48,933	284,236
Net Pension Obligation	222,179	--	--	222,179	122,587	--	344,766
Choctaw Road Landfill	169,118	--	--	169,118	114,643	--	283,761
Old Bogalusa Landfill	20,500	--	--	20,500	--	--	20,500
<b>TOTAL GOVERN- MENTAL FUNDS</b>	<u>5,670,360</u>	<u>(437,472)</u>	<u>70,647</u>	<u>5,303,535</u>	<u>3,392,903</u>	<u>369,305</u>	<u>8,327,133</u>
<b>PROPRIETARY FUNDS:</b>							
Bonds Payable	1,730,000	207,472	--	1,937,472	2,775,530	65,000	4,648,002
Certificate of Indebtedness	--	230,000	--	230,000	--	20,000	210,000
<b>TOTAL PROPRIETARY FUNDS</b>	<u>1,730,000</u>	<u>437,472</u>	<u>--</u>	<u>2,167,472</u>	<u>2,775,530</u>	<u>85,000</u>	<u>4,858,002</u>
<b>TOTAL</b>	<u>\$7,400,360</u>	<u>\$ --</u>	<u>\$70,647</u>	<u>\$7,471,007</u>	<u>\$6,168,433</u>	<u>\$454,305</u>	<u>\$13,185,135</u>

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

9. GENERAL LONG-TERM DEBT OBLIGATIONS: (Continued)

GOVERNMENTAL FUND TYPES:

BONDS PAYABLE:

The following is a summary of bond general long-term debt transactions of the City of Bogalusa for the year ended December 31, 1999:

	<u>General Long-Term Debt</u>
Outstanding at 12-31-98	\$ 3,605,745
Transfer	<u>(437,472)</u>
Adjusted outstanding at 12-31-98	3,168,273
Addition	2,864,301
Reduction	<u>(260,000)</u>
Outstanding at 12-31-99	<u>\$ 5,772,574</u>

Scheduled payments for each of the next five years are as follows:

2000	\$	270,000
2001		275,000
2002		285,000
2003		300,000
2004		310,000
Thereafter		<u>4,332,574</u>
		<u>\$ 5,772,574</u>

The City of Bogalusa has several bonds reported in general long-term debt. They include the following:

1. \$490,000 Public Improvement Bonds dated March 1975. The interest rate is 6% and the bonds mature March 1, 2000. The bonds are secured by ad valorem taxes. The bonds payable as of December 31, 1999 is \$5,000.
2. \$305,000 Public Improvement Bonds dated March 1, 1975. The interest rate is 6% and the bonds mature March 1, 2000. The bonds are secured by ad valorem taxes. The bonds payable as of December 31, 1999 is \$5,000.
3. \$1,000,000 General Obligation Bonds dated October 1, 1992. The interest rate ranges from 9% to 4.4%. The bonds mature April 1, 2007. The bonds were issued for the purpose of constructing, acquiring and/or improving landfill facilities. The bonds are secured by ad valorem taxes. The bonds payable as of December 31, 1999 is \$640,000.
4. \$5,600,000 General Obligation Bonds dated April 1, 1998. The interest rate is 3.95%. The bonds mature April 1, 2018. The bonds were issued for the purpose of constructing and improving sewers and sewerage treatment and disposal works. The bonds are secured by ad valorem taxes. The bonds payable at December 31, 1999 is \$5,122,574. (See Page 47 for further details on this issue.)

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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9. GENERAL LONG-TERM DEBT OBLIGATIONS: (Continued)

GOVERNMENTAL FUND TYPES: (Continued)

OTHER LONG-TERM OBLIGATIONS:

Accumulated Unpaid Vacation and Sick Pay

At December 31, 1999, employees of the City have accumulated and vested \$601,780 of leave benefits, which was computed in accordance with GASB and is recorded within the general long-term debt account group.

Due to Firefighters' Retirement System

On February 3, 1981 the City and the Board of Trustees of the Firemen's Pension and Relief Fund merged their members who had not retired with the State of Louisiana Firefighters' Retirement System. Under the terms of the merger, the City had to buy into the statewide system. The amount due as of December 31, 1999 is \$1,019,516. The interest rate on the amount due to is 6.4%.

Scheduled payments for each of the next five years and thereafter are as follows:

2000	\$ 64,598
2001	69,120
2002	73,958
2003	79,135
2004	84,675
Thereafter	<u>648,030</u>
	<u>\$1,019,516</u>

Capital Leases Payable

The City has a capital lease for several copying equipment and fire trucks and a freight liner. A copier for the Public Works Department cost \$7,073 and is payable in 36 monthly installments of \$226 including interest. This copier was fully paid off in 1999. A copier for the City Council cost \$9,876 and is payable in 36 monthly installments of \$338 including interest. A copier for the City Police cost \$9,876 and is payable in 36 monthly installments of \$338 including interest. A copier for the administration cost \$15,507 and is payable in 36 monthly installments of \$538 including interest. A fire truck cost \$276,092 and is payable in 60 monthly installments of \$5,221 including interest. A freightliner cost \$149,181 and is payable in 36

CITY OF BOGALUSA, LOUISIANA  
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9. GENERAL LONG-TERM DEBT OBLIGATIONS: (Continued)

GOVERNMENTAL FUND TYPES: (Continued)

OTHER LONG-TERM OBLIGATIONS: (Continued)

Capital Leases Payable (Continued)

monthly installments of \$3,311 including interest. The freightliner was fully paid off in 1999. The leased assets and related obligations are accounted for in the General Fixed Assets Account Group and the General Long-Term Debt Account Group, respectively. The following is a schedule of future minimum lease payments as of December 31, 1999:

<u>Year ending</u> <u>December 31,</u>	
2000	\$ 71,454
2001	66,420
2002	62,654
2003	62,654
2004	<u>57,433</u>
Total Minimum lease payments for capital leases	320,615
Less: amount representing interest	<u>36,379</u>
Present value of minimum lease payments	<u>\$ 284,236</u>

Net Pension Obligation

During 1996, the City implemented GASB Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*. The GASB required, among other things, that the liability balance of the Net Pension Obligation (NPO), be recognized in the general long-term debt account group. The NPO has been defined as the cumulative difference since 1986 between annual pension cost and the employer's contributions to the plan. Accordingly, the NPO has been computed to be \$344,766 as of December 31, 1999, and has been added in the general long-term debt account group.

Choctaw Road Landfill

State and federal laws and regulations require the Choctaw Road Landfill (a joint venture of the City of Bogalusa and the Washington Parish Police Jury) to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. A related liability is being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is

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9. GENERAL LONG-TERM DEBT: (Continued)GOVERNMENTAL FUND TYPES: (Continued)OTHER LONG-TERM OBLIGATIONS: (Continued)Choctaw Road Landfill (Continued)

based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs for the City's portion at December 31, 1999, determined by the landfill's engineer, was \$283,761 which is reported in general long-term debt account group. However, the actual cost of closure and postclosure care may be higher due to inflation, changes in technology, or changes in landfill laws and regulations.

Old Bogalusa Landfill

The City is under an order from the Louisiana Department of Environmental Quality to make certain postclosure improvements to the Old Bogalusa Landfill. The City's Engineer has estimated that the City will incur reclosure and postclosure care costs over the next three years at \$ 20,500.

PROPRIETARY FUND TYPES:

The following is a summary of long-term liabilities at December 31, 1999:

	\$3,170,000	\$1,730,000	\$2,000,000		
	Sales Tax	Sewer	Sewer	Bonds	Certificate of
	Sewer	Revenue	Revenue	Payable	Indebtedness
	<u>Bonds</u>	<u>Bonds</u>	<u>Bonds</u>	<u>Total</u>	
Outstanding at 12-31-98	\$ --	\$1,730,000	\$ --	\$1,730,000	\$ --
Transfer	<u>207,472</u>	--	--	<u>207,472</u>	<u>230,000</u>
Adjusted outstanding at 12-31-98	207,472	1,730,000	--	1,937,472	230,000
Additions	1,646,122	--	1,129,408	2,775,530	--
Reduction	--	<u>(65,000)</u>	--	<u>(65,000)</u>	<u>(20,000)</u>
Outstanding at 12-31-99	<u>\$1,853,594</u>	<u>\$1,665,000</u>	<u>\$1,129,408</u>	<u>\$4,648,002</u>	<u>\$ 210,000</u>

A schedule of annual debt service requirements for all bonds for each of the next five years and thereafter is as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2000	\$ 195,000	\$ 226,758	\$ 421,758
2001	275,000	218,982	493,982
2002	280,000	210,352	490,352
2003	295,000	200,115	495,115
2004	300,000	190,182	490,182
Thereafter	<u>3,513,002</u>	<u>1,502,249</u>	<u>5,015,251</u>
	<u>\$ 4,858,002</u>	<u>\$2,548,638</u>	<u>\$ 7,406,640</u>

CITY OF BOGALUSA, LOUISIANA  
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9. GENERAL LONG-TERM DEBT OBLIGATIONS: (Continued)

PROPRIETARY FUND TYPES: (Continued)

The State of Louisiana, with federal funds, has established a "State Revolving Fund" to be used to assist local governments to finance the construction of eligible wastewater treatment facilities. The City's application for such a loan was for \$12,500,000; the first installment of which was \$5,600,000 represented by a general obligation bond (included in the General Long Term Debt Account Group), the second installment of which was \$3,170,000 represented by sales tax sewer bonds, the third was \$1,730,000 represented by a utility revenue bond, and the fourth was \$2,000,000 represented by a utility revenue bond. The amounts borrowed on each series of bonds at December 31, 1999 follows:

\$5,600,000 General Obligation Sewer Bonds	\$ 5,312,574
\$3,170,000 Sales Tax Sewer Bonds	1,853,594
\$1,730,000 Sewer Revenue Bonds	1,730,000
\$2,000,000 Sewer Revenue Bonds	<u>1,129,408</u>
Total amount borrowed	<u>\$ 10,025,576</u>

The sales tax sewer bond and the revenue bonds are reported as bonds payable in the Utility Fund. The general obligation bond is reported in the general long-term debt account group. The \$3,170,000 sales tax sewer bond is financed through revenues of the Utility Fund and bears an interest rate of 3.45%. The \$2,000,000 sewer revenue bond is financed through revenues of the Utility Fund and bears an interest rate of 3.45%. The \$1,730,000 sewer revenue bond is financed through revenues of the Utility Fund and bears an interest rate of 2.45%.

The City obtained a \$250,000 certificate of indebtedness dated October 1997 to pay for emergency repairs to the water screw. Monies used to pay the certificates are generated from utility revenues. The interest rate on the certificates range from 4.75% to 5.3%. The certificates mature April 1, 2007. The balance of the certificates of indebtedness as of December 31, 1999 is \$210,000.

10. CERTIFICATES OF INDEBTEDNESS:

The City of Bogalusa obtained certificates of indebtedness ranging from \$100,000 to \$200,000 for a total of \$650,000. The certificates were used to fund current operations. The interest rate on all certificates is based on the New York Prime Floating rate less 1.5% per annum. All certificates are due March 1, 2000. Monies used to pay off the certificates will be generated from current revenues. As of December 31, 1999 the balance of the certificates of indebtedness is \$650,000.

11. RISK MANAGEMENT

The City of Bogalusa participates in a public entity risk pool for workers' compensation. Per the contract with the public entity risk pool, the City of Bogalusa transfers all risk to the public entity risk pool. The City is only responsible for the payment of premiums and deductible on claims. The public entity risk pool is responsible for the payment of claims excluding the deductible. The total amount due to the public entity risk pool for deductibles as of December 31, 1999 is \$189,305.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

12. INTERFUND RECEIVABLES AND PAYABLES:

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. The following balances represents the interfund receivables and payables at December 31, 1999:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General Fund	\$ 182,724	\$ --
Special Revenue Funds	148,042	202,253
Capital Projects Funds	39,487	121,912
Enterprise Fund	<u>219,013</u>	<u>265,101</u>
	<u>\$ 589,266</u>	<u>\$ 589,266</u>

13. LEASES:

The City of Bogalusa has operating leases for various buildings, land and improvements. The lease term's range from five years to fifteen years. The following is a schedule of future minimum lease commitments for the next five years:

<u>Year</u>	<u>Amount</u>
2000	\$196,932
2001	196,932
2002	203,908
2003	212,141
2004	165,715

Operating lease income for December 31, 1999 was \$122,011.

14. EXPENDITURES -- BUDGET AND ACTUAL:

In the following individual funds, actual expenditures exceeded budgeted expenditures for the year ended December 31, 1999:

	<u>Expenditures</u>		<u>Unfavorable Variance</u>
	<u>Budget</u>	<u>Actual</u>	
Airport Maintenance & Improvement	\$44,470	\$69,560	\$25,090

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

15. PRIOR PERIOD ADJUSTMENT:

GOVERNMENTAL FUNDS:

In the period ending December 31, 1998, the City did not report in the general fund franchise fees and beer tax in the amount of \$110,343 and over reported workmen's compensation insurance in the amount of \$55,661. As a result the fund balance as of January 1, 1999 was restated. The effect of the restatement is to increase assets by \$110,343, decrease liabilities by \$55,661 and increase fund balance by \$166,004.

In the period ending December 31, 1998, the City over reported expenses in the special revenue fund monies in the amount of \$26,724. As a result the fund balance as of January 1, 1999 was restated. The effect of the restatement is to increase assets by \$26,724 and increase fund balance by \$26,724.

GENERAL LONG-TERM DEBT ACCOUNT GROUP:

In the period ending December 31, 1998 the City under reported the liability due to the Firefighters' Retirement System. As a result the amount to be provided for retirement of long-term debt as of January 1, 1999 was restated. The effect of the restatement was to increase due to Firefighters' Retirement System and amount to be provided for retirement of long-term debt in the amount of \$70,647.

GENERAL FIXED ASSET ACCOUNT GROUP:

In the period ending December 31, 1998 the City under reported fixed assets. As a result the investment in fixed assets as of January 1, 1999 was restated. The effect of the restatement was to increase fixed assets and investment in fixed assets by \$53,441.

PROPRIETARY FUND:

In the period ending December 31, 1998, the City did not report federal funds in the amount of \$22,472, reported bonds payable and certificates of indebtedness in the amount of \$437,472 in the General Long-Term Debt account group, reported excess contributed capital in the amount of \$6,373,986 and over reported construction in progress and fixed assets in the amount of \$118,573. As a result the equity as of January 1, 1999 was restated. The effect of the restatement is to decrease assets by \$96,101, increase liabilities by \$437,472, decrease contributed capital by \$6,373,986, and increase retained earnings by \$5,840,413. The net decrease in total equity is \$533,573.

16. RESERVED FUND BALANCES/RETAINED EARNINGS:

Use of the term "reserve" in describing fund balances/retained earnings indicates that a portion of the fund balances/retained earnings is not available for expenditure in the next period or is legally restricted for a specified future use. The nature and purpose of these reserves are explained below.

CITY OF BOGALUSA, LOUISIANA  
 NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

16. RESERVED FUND BALANCES/RETAINED EARNINGS: (Continued)

GOVERNMENTAL FUNDS:

RESERVED FUND BALANCES:

Reserve for Debt Service

A summary of the changes in the reserve fund balance follows:

Reserve 1998	\$1,143,601
Payments 1999	420,786
Collections 1999	<u>504,871</u>
Reserves 1999	<u>\$1,227,686</u>

Reserve for Inventory

The City has reserved \$50,601 for inventory as of December 31, 1999.

PROPRIETARY FUNDS:

RESERVED RETAINED EARNINGS

The Utility Fund has established three reserves as reflected on the balance sheet.

Reserve for Incomplete Projects

The City government reserved \$85,491 for incomplete projects as of December 31, 1999.

Reserve for Capital Renewal and Replacement

The reserve for capital renewal and replacement accumulates monies to care for extensions, additions, improvements, renewals, and replacements necessary to properly operate the sewerage system. Such monies will also be available to pay the principal and interest on outstanding bonds in the event funds are not sufficient in the debt service and debt service reserve accounts. (Minimum deposits are made monthly to the reserve account from revenues in an amount equal to five percent of the prior month's net operating income.) The reserved retained earnings are \$50,718 at December 31, 1999.

Reserve for Debt Service

The reserve for debt service consists of two accounts. 1) The debt service accounts accumulates money from various sources for the payment of interest and principal on the bonds. 2) The debt service reserve account accumulates funds until the total transfer of funds plus interest earnings equal the higher year's principal and interest payments on the bonds. As of December 31, 1999, the reserved retained earnings are \$431,042.

CITY OF BOGALUSA, LOUISIANA  
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AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

17. JOINT VENTURE -- GOVERNMENTAL FUNDS:

During 1985, the Washington Parish Police Jury (the Police Jury) and the City of Bogalusa (the City) entered into a verbal agreement for the construction and operation of the Choctaw Road Landfill (the joint venture). The landfill was opened in July of 1989. The agreed upon percentages for sharing of construction costs, revenues, and operating costs were 58.1% for the Police Jury and 41.9% for the City. The Police Jury maintains the records for the joint venture and controls actual receipts and expenditures.

The landfill operates on a "cell basis", that is, only a portion or "cell" of the landfill is used at a time. Certain materials and equipment used to contain the waste and monitor the environmental effect of landfill operations, such as liners and leachate collection systems, are installed before the cell is ready to receive waste in accordance with federal and state requirements. Final cover is applied to each cell once it is filled to capacity. The first and second cells have been covered, and the third cell was completed in 1999.

The City's portion of assets, liabilities, revenues, expenses and general long-term debt is included in these financial statements. Separate financial statements of the Choctaw Road Landfill can be obtained through the Washington Parish Police Jury.

18. RESIDUAL EQUITY TRANSFER:

A residual equity transfer represents a nonrecurring or nonroutine transfer between funds. Because these transfers are not associated with the operations of the City, they are recorded as adjustments to fund balance or retained earnings. The following funds had residual equity transfers for the year ended December 31, 1999:

<u>Governmental Fund Types:</u>	
Special Revenue Funds:	
Water Sewer Sales Tax	\$ (59,333)
Water System Improvements	(340,019)
Debt Service Funds:	
General Obligation Bond Sinking	(85,467)
Certificate of Indebtedness Sinking	(6,780)
Capital Project Funds:	
Waste Water Improvement	<u>(21,193)</u>
Total	<u><u>\$(512,792)</u></u>

CITY OF BOGALUSA, LOUISIANA  
NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 1999

18. RESIDUAL EQUITY TRANSFER: (Continued)

Proprietary Fund Types:

Enterprise Fund:

Waste Water Improvement	\$ 21,193
Water Sewer Sales Tax	59,333
Water System Improvements	340,019
Debt Service	<u>92,247</u>
Total	<u>\$ 512,792</u>

The above residual equity transfers were recorded to report funds related to the operation, improvements and financing of the Utility Fund in the Enterprise Fund.

CITY OF BOGALUSA, LOUISIANA  
 GENERAL FUND  
 BALANCE SHEET  
DECEMBER 31, 1999

ASSETS

Cash	\$ 277,668
Receivables	945,214
Due from other funds	182,724
Inventory of supplies, at cost	<u>50,601</u>
 TOTAL ASSETS	 \$ <u><u>1,456,207</u></u>

LIABILITIES AND FUND BALANCE

LIABILITIES:

Accounts payable	367,727
Workers' compensation claims payable	189,305
Certificates of indebtedness	650,000
Total liabilities	<u>1,207,032</u>

FUND BALANCE:

Reserved for:	
Inventory of supplies	50,601
Unreserved fund balance	198,574
Total fund balance	<u>249,175</u>

TOTAL LIABILITIES AND FUND BALANCE	\$ <u><u>1,456,207</u></u>
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CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
REVENUES:			
Taxes			
Ad valorem	\$ 845,670	\$ 846,403	\$ 733
Sales	2,742,400	2,736,821	(5,579)
Sales - penalty and interest	10,000	28,573	18,573
Ad valorem taxes-penalty and interest	--	6,600	6,600
Beer	32,000	29,615	(2,385)
Tobacco	70,000	69,611	(389)
Bogalusa Housing Authority	20,000	25,199	5,199
Licenses and permits:			
General occupational	410,000	390,256	(19,744)
Chain store licenses	8,930	10,457	1,527
Building permits	8,000	9,895	1,895
Electric wiring permits	15,000	9,048	(5,952)
Plumbing permits	5,000	4,495	(505)
Heating and air permits	1,500	512	(988)
Beer & liquor licenses	--	15,145	15,145
Miscellaneous permits	--	1,921	1,921
Franchise Fees:			
L P & L 2% electrical	165,000	197,094	32,094
Entex	110,000	99,043	(10,957)
Charter Communications Cablevision	55,000	58,746	3,746
Intergovernmental:			
State of LA supplemental pay	266,030	265,460	(570)
Ballpark Grant	20,000	20,000	--
Downtown Development Grant	--	25,000	25,000
In Home Detention Grant	6,500	53	(6,447)
G.R.A.N.D. Grant	--	2,000	2,000
Safe and Sober Grant	--	845	845
Cops Fast Grant	57,000	51,800	(5,200)
Housing Authority Police Grant	48,850	--	(48,850)
Video poker	33,700	36,429	2,729
Problem solving	--	10,401	10,401
Cops More-equipment	26,720	--	(26,720)
Avenue B Ballpark	--	7,000	7,000
Local Law Enforcement Block Grant	34,290	34,292	2
Governor's Safe & Drug Free Schools	8,000	17,100	9,100
Violence Against Women	11,530	12,253	723
ICAP Grant	4,500	11,292	6,792
Louisiana Commission on Law Enforcement Grant	1,500	8,520	7,020
Other Miscellaneous	36,000	17,542	(18,458)
Service charges:			
Zoning changes	1,500	2,750	1,250
Cemetery plot sales	13,000	9,360	(3,640)
Fines and penalties	60,000	50,899	(9,101)
Sale of equipment	--	19,000	19,000
Miscellaneous:			
2% fire insurance	23,640	26,076	2,436
Interest	--	6,108	6,108
Total revenues	<u>5,151,260</u>	<u>5,173,614</u>	<u>22,354</u>

(Continued)

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
<b>EXPENDITURES:</b>			
General Government:			
Legislative:			
Council salaries	51,000	51,000	--
Secretary salary	22,590	23,105	(515)
Supplies	4,950	6,996	(2,046)
Group Insurance	3,050	3,161	(111)
Travel	13,000	11,681	1,319
Auditing fee	42,770	23,350	19,420
Publications	5,500	2,158	3,342
Miscellaneous	130	--	130
Total legislative	<u>142,990</u>	<u>121,451</u>	<u>21,539</u>
Judicial:			
City Attorney	45,000	43,704	1,296
City Prosecutor	12,000	12,000	--
Prosecutor office allowance	7,200	7,200	--
Total judicial	<u>64,200</u>	<u>62,904</u>	<u>1,296</u>
Executive:			
Mayor's salary	42,050	42,383	(333)
Secretary salary	19,590	19,970	(380)
Secretary overtime	--	261	(261)
Supplies	5,850	5,571	279
Gas and oil	1,300	998	302
Group insurance	6,100	6,585	(485)
Travel	6,300	6,105	195
Publications	810	620	190
Miscellaneous	270	309	(39)
Dues/subscriptions	5,500	6,870	(1,370)
Total executive	<u>87,770</u>	<u>89,672</u>	<u>(1,902)</u>
Personnel:			
Director	27,230	27,277	(47)
Secretary salary	18,970	19,209	(239)
Group insurance	6,100	5,664	436
Supplies	2,700	1,853	847
Employee training materials	2,700	1,860	840
Gas and oil	1,300	257	1,043
Travel	900	--	900
Education and training	630	--	630
Dues/subscriptions	450	--	450
Publications	450	14	436
Total personnel	<u>61,430</u>	<u>56,134</u>	<u>5,296</u>

(Continued)

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
EXPENDITURES: (Continued)			
General Government: (Continued)			
Administration:			
Director's salary	38,980	38,681	299
Office salaries	180,780	173,923	6,857
Overtime	5,000	7,906	(2,906)
Supplies	22,500	25,740	(3,240)
Group insurance	30,480	30,207	273
Travel	2,700	2,406	294
Gas and oil	1,300	737	563
Contract labor	6,900	6,300	600
Computer maintenance	5,000	3,131	1,869
Computer education and training	2,700	2,950	(250)
Miscellaneous	670	860	(190)
Purchasing:			
Salary and wages	72,880	74,859	(1,979)
Overtime	100	389	(289)
Group insurance	9,140	10,831	(1,691)
Supplies	2,700	5,171	(2,471)
Travel	270	33	237
Gas and oil	2,000	2,578	(578)
Total administration	<u>384,100</u>	<u>386,702</u>	<u>(2,602)</u>
General and administrative:			
FICA and Medicare Expense	--	56,126	(56,126)
Maintenance of municipal buildings	27,000	27,697	(697)
Interest	52,000	32,679	19,321
Insurance	560,390	493,578	66,812
Recreation program	8,100	212	7,888
Utilities	130,000	385,979	(255,979)
Assessor's salary	7,300	6,000	1,300
Sales tax expense	40,700	48,539	(7,839)
Coroner's expense	5,000	7,244	(2,244)
V.A. service office	4,730	4,728	2
Downtown Development expense	--	7,500	(7,500)
City Court supplies and expense	4,500	6,324	(1,824)
Civil Service	2,000	3,952	(1,952)
National Guard	1,200	--	1,200
Christmas in the Park	--	3,986	(3,986)
Council on Aging	3,000	3,000	--
Miscellaneous	55,000	36,413	18,587
Planning and zoning	--	2,443	(2,443)
Washington Parish Youth Service	3,000	3,000	--
Total general and administrative	<u>903,920</u>	<u>1,129,400</u>	<u>(225,480)</u>
Total general government	<u>1,644,410</u>	<u>1,846,263</u>	<u>(201,853)</u>

(Continued)

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
EXPENDITURES: (Continued)			
Public safety:			
Police:			
Police Chief salary	39,500	40,426	(926)
Salaries and wages	1,059,350	1,077,560	(18,210)
Shift differential	11,000	9,943	1,057
Contract overtime	117,710	115,079	2,631
Regular overtime	74,300	123,357	(49,057)
Holiday pay	67,000	65,636	1,364
State supplemental pay	151,360	148,140	3,220
LCLE training	--	8,785	(8,785)
Copsfast Grant salaries	95,000	51,800	43,200
Housing Authority Grant salaries	48,850	--	48,850
Problem solving partnership	--	10,401	(10,401)
Cops More Grant	35,630	--	35,630
In-home detention	6,500	53	6,447
ICAP grant	6,000	11,292	(5,292)
Governor's Safe & Drug Free grant	8,000	17,100	(9,100)
G. R. A. N. D. Program	2,000	2,092	(92)
Violence Against Women	15,370	12,447	2,923
LCLE Equipment Grant	2,000	--	2,000
LLEBG - equipment purchase	38,100	34,292	3,808
Other grants	--	845	(845)
Gas and oil	50,000	49,833	167
Group insurance	164,590	165,638	(1,048)
Supplies	50,000	42,653	7,347
School patrol	25,000	24,390	610
Prepaid uniform allowance	12,000	12,010	(10)
Care of prisoners	2,000	107	1,893
Repairs to equipment and radios	12,000	12,939	(939)
Travel	4,500	3,668	832
Special investigations	2,000	2,973	(973)
Narcotics investigations	5,000	731	4,269
Education	13,500	10,695	2,805
Computer maintenance	8,470	4,236	4,234
Operation and maintenance of jail	45,000	2,816	42,184
Total police	<u>2,171,730</u>	<u>2,061,937</u>	<u>109,793</u>
Fire:			
Fire Chief salary	36,570	36,670	(100)
Salaries and wages	805,510	799,669	5,841
Holiday pay	44,880	46,274	(1,394)
Shift differential	6,000	5,961	39
Contract overtime	67,640	72,351	(4,711)
Overtime	15,300	11,071	4,229
State supplemental pay	114,670	117,320	(2,650)
Group insurance	109,730	112,804	(3,074)

(Continued)

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
EXPENDITURES: (Continued)			
Public safety: (Continued)			
Fire: (Continued)			
Prepaid uniform allowance	7,600	7,400	200
Supplies	20,350	19,043	1,307
Gas and oil	6,000	6,094	(94)
Repairs to equipment	3,800	3,469	331
Education	5,400	4,096	1,304
Travel	720	741	(21)
Total fire	<u>1,244,170</u>	<u>1,242,963</u>	<u>1,207</u>
Total public safety	<u>3,415,900</u>	<u>3,304,900</u>	<u>111,000</u>
Public works:			
Central service:			
Director's salary	38,980	38,589	391
Supervisors' salaries	43,860	50,043	(6,183)
Office salaries	39,840	39,826	14
Building inspector	28,050	42,328	(14,278)
Overtime	20,000	44,551	(24,551)
Temporary	25,000	27,323	(2,323)
Cleaning paved streets salaries	19,930	20,277	(347)
Cassidy Park salaries	17,510	16,321	1,189
Street maintenance salaries	355,670	288,037	67,633
Ground maintenance operator	36,020	19,413	16,607
Drainage and ditch salaries	231,080	180,121	50,959
Group insurance	124,970	114,515	10,455
Allowance - rainsuits	2,590	2,240	350
Supplies	15,840	40,919	(25,079)
Travel	1,800	1,316	484
Gas and oil	12,000	12,945	(945)
Repairs to equipment	9,000	10,684	(1,684)
Pest control materials	4,000	5,949	(1,949)
Cassidy Park expenses	3,150	4,799	(1,649)
Maintenance of ballparks	4,500	4,197	303
Uniform expense	20,000	24,819	(4,819)
Cemetery maintenance materials	2,700	7,364	(4,664)
Total central service	<u>1,056,490</u>	<u>996,576</u>	<u>59,914</u>
Motor pool:			
Shop supervisor	--	9,890	(9,890)
Salaries and wages	98,580	99,571	(991)
Overtime	1,000	8,959	(7,959)
Vehicle Maintenance:			
General	6,000	3,959	2,041
Administration	3,000	3,380	(380)

(Continued)

CITY OF BOGALUSA, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

(Continued)	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
EXPENDITURES: (Continued)			
Public works: (Continued)			
Motor pool: (Continued)			
Police	17,000	41,902	(24,902)
Fire	3,000	7,022	(4,022)
Public works	25,000	51,212	(26,212)
Group insurance	18,290	14,258	4,032
Tools and equipment	1,350	2,173	(823)
Supplies	2,250	18,874	(16,624)
Gas and oil	6,000	10,361	(4,361)
Allowance rainsuits	420	350	70
Licenses	150	174	(24)
Total motor pool	<u>182,040</u>	<u>272,085</u>	<u>(90,045)</u>
Electrical:			
Chief Electrician	28,400	27,857	543
Salaries and wages	27,020	36,922	(9,902)
Overtime	1,000	1,022	(22)
Group insurance	6,100	6,353	(253)
Tools and equipment	270	51	219
Supplies	450	1,116	(666)
Clothing allowance	390	260	130
Miscellaneous	90	--	90
Total electrical	<u>63,720</u>	<u>73,581</u>	<u>(9,861)</u>
Total public works	<u>1,302,250</u>	<u>1,342,242</u>	<u>(39,992)</u>
Pension contributions:			
City Employees Retirement System	135,300	138,691	(3,391)
Fire Pension - 2% insurance	11,820	13,038	(1,218)
Police Pension - fines and licenses	19,000	16,023	2,977
State Firemen's Pension	86,401	98,210	(11,809)
State Policemen's Pension	109,800	111,949	(2,149)
Mayor's State Retirement	4,630	4,546	84
Miscellaneous	--	(555)	555
Total pension contributions	<u>366,951</u>	<u>381,902</u>	<u>(14,951)</u>
Recreation:			
Director salary	10,410	10,415	(5)
Summer recreation salaries	--	7,200	(7,200)
Supplies	4,500	3,289	1,211
Total recreation	<u>14,910</u>	<u>20,904</u>	<u>(5,994)</u>
Capital outlay	<u>47,090</u>	<u>89,148</u>	<u>(42,058)</u>

(Continued)

CITY OF BOGALUSA, LOUISIANA  
 GENERAL FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
EXPENDITURES: (Continued)			
Debt service:			
Principal	76,562	74,130	2,432
Interest and fiscal charges	66,697	70,311	(3,614)
Total debt service	143,259	144,441	(1,182)
Total expenditures	6,934,770	7,129,800	(195,030)
Excess (deficiency) of revenues over expenditures	(1,783,510)	(1,956,186)	(172,676)
Other financing sources (uses):			
Operating transfers in	1,841,160	2,064,036	222,876
Operating transfers out	(53,260)	(73,700)	(20,440)
Fourth Ward Marshall	(5,120)	(5,122)	(2)
City Court salary and fringe benefits	(68,790)	(74,982)	(6,192)
Total other financing sources (uses)	1,713,990	1,910,232	196,242
Excess (deficiency) of revenues and other sources over expenditures and other uses	(69,520)	(45,954)	23,566
Fund balance, beginning	71,140	129,125	57,985
Prior period adjustment	--	166,004	166,004
Fund balance (restated) , beginning	71,140	295,129	223,989
FUND BALANCE, ENDING	\$ 1,620	\$ 249,175	\$ 247,555



Capital Improvement Sales Tax	Industrial Park Rent	Parks and Recreation Commission	Airport Maintenance And Improvement	Water System Improvement	Landfill	Total
\$ 82,774	\$ 98,181	\$ 8,142	\$ 690	\$ --	\$309,852	\$ 3,561,458
--	--	6,000	--	--	--	6,000
27,588	12,612	--	4,201	--	77,555	305,861
--	120,433	--	1,479	--	26,130	148,042
<u>\$ 110,362</u>	<u>\$ 231,226</u>	<u>\$ 14,142</u>	<u>\$ 6,370</u>	<u>\$ --</u>	<u>\$413,537</u>	<u>\$ 4,021,361</u>
\$ 19,420	\$ 3,270	\$ --	\$ 1,125	\$ --	\$ --	\$ 26,655
--	--	200	--	--	--	200
--	--	--	--	--	48,572	48,572
57,177	--	--	--	--	39,487	202,253
<u>76,597</u>	<u>3,270</u>	<u>200</u>	<u>1,125</u>	<u>--</u>	<u>88,059</u>	<u>277,680</u>
<u>33,765</u>	<u>227,956</u>	<u>13,942</u>	<u>5,245</u>	<u>--</u>	<u>325,478</u>	<u>3,743,681</u>
<u>33,765</u>	<u>227,956</u>	<u>13,942</u>	<u>5,245</u>	<u>--</u>	<u>325,478</u>	<u>3,743,681</u>
<u>\$ 110,362</u>	<u>\$ 231,226</u>	<u>\$ 14,142</u>	<u>\$ 6,370</u>	<u>\$ --</u>	<u>\$413,537</u>	<u>\$ 4,021,361</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Industrial Complex Sales Tax	Employee Pay Raise Sales Tax	Street Improvement Sales Tax	Water & Sewer Sales Tax
<b>REVENUES:</b>				
Taxes:				
Ad valorem	\$ --	\$ --	\$ --	\$ --
Sales taxes	476,536	953,644	476,536	--
Other State funds	--	--	--	--
Joint Venture income	--	--	--	--
Other revenues:				
Interest	109,863	3,941	6,564	--
Rent	--	--	--	--
Total revenues	<u>586,399</u>	<u>957,585</u>	<u>483,100</u>	<u>--</u>
<b>EXPENDITURES:</b>				
General government:	8,364	16,739	8,364	--
Economic development:	55,865	--	--	--
Highways, streets, and sanitation	--	--	123,262	--
Culture and recreation	--	--	--	--
Capital outlay	64,751	--	42,300	--
Debt service:				
Principal retirement	--	--	--	--
Interest and service charges	--	--	--	--
Total expenditures	<u>128,980</u>	<u>16,739</u>	<u>173,926</u>	<u>--</u>
Excess (deficiency) of revenues over expenditures	<u>457,419</u>	<u>940,846</u>	<u>309,174</u>	<u>--</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Capital lease financing proceeds	--	--	--	--
Operating transfers in	--	--	--	--
Operating transfers (out)	--	(945,964)	(183,794)	--
Total other financing sources (uses)	<u>--</u>	<u>(945,964)</u>	<u>(183,794)</u>	<u>--</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>457,419</u>	<u>(5,118)</u>	<u>125,380</u>	<u>--</u>
Fund balance, beginning	2,328,494	48,144	182,976	59,333
Prior period adjustment	--	--	--	--
Fund balance (restated), beginning	2,328,494	48,144	182,976	59,333
Residual equity transfer	--	--	--	(59,333)
<b>FUND BALANCE, ENDING</b>	<u>\$ 2,785,913</u>	<u>\$ 43,026</u>	<u>\$ 308,356</u>	<u>\$ --</u>

Capital Improvement Sales Tax	Industrial Park Rent	Parks and Recreation Commission	Airport Maintenance And Improvement	Water System Improvement	Landfill	Total
\$ --	\$ --	\$ --	\$ --	\$ --	\$194,094	\$ 194,094
286,036	--	--	--	--	--	2,192,752
--	--	--	5,680	--	--	5,680
--	--	--	--	--	111,979	111,979
1,457	2,868	497	99	--	7,963	133,252
--	117,726	3,250	1,035	--	--	122,011
<u>287,493</u>	<u>120,594</u>	<u>3,747</u>	<u>6,814</u>	<u>--</u>	<u>314,036</u>	<u>2,759,768</u>
33,079	--	--	65,716	--	--	132,262
--	99,881	--	--	--	--	155,746
--	--	--	--	--	269,755	393,017
--	--	1,325	--	--	--	1,325
353,572	--	--	3,844	--	--	464,467
35,175	--	--	--	--	--	35,175
5,580	--	--	--	--	--	5,580
<u>427,406</u>	<u>99,881</u>	<u>1,325</u>	<u>69,560</u>	<u>--</u>	<u>269,755</u>	<u>1,187,572</u>
<u>(139,913)</u>	<u>20,713</u>	<u>2,422</u>	<u>(62,746)</u>	<u>--</u>	<u>44,281</u>	<u>1,572,196</u>
276,092	--	--	--	--	--	276,092
--	--	--	63,700	--	--	63,700
<u>(106,531)</u>	<u>(13,892)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>(1,250,181)</u>
<u>169,561</u>	<u>(13,892)</u>	<u>--</u>	<u>63,700</u>	<u>--</u>	<u>--</u>	<u>(910,389)</u>
29,648	6,821	2,422	954	--	44,281	661,807
4,117	194,411	11,520	4,291	340,019	281,197	3,454,502
--	26,724	--	--	--	--	26,724
4,117	221,135	11,520	4,291	340,019	281,197	3,481,226
--	--	--	--	(340,019)	--	(399,352)
<u>\$ 33,765</u>	<u>\$ 227,956</u>	<u>\$ 13,942</u>	<u>\$ 5,245</u>	<u>\$ --</u>	<u>\$325,478</u>	<u>\$ 3,743,681</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
INDUSTRIAL COMPLEX SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Taxes:			
Sales taxes	\$ 479,030	\$ 476,536	\$ (2,494)
Other revenues:			
Interest	47,210	109,863	62,653
Total revenues	<u>526,240</u>	<u>586,399</u>	<u>60,159</u>
EXPENDITURES:			
General government	7,190	8,364	(1,174)
Economic development	82,000	55,865	26,135
Capital outlay	--	64,751	(64,751)
Total expenditures	<u>89,190</u>	<u>128,980</u>	<u>(39,790)</u>
Excess (deficiency) of revenues over expenditures	<u>437,050</u>	<u>457,419</u>	<u>20,369</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers out	(250,000)	--	250,000
Total other financing sources (uses)	<u>(250,000)</u>	<u>--</u>	<u>250,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	187,050	457,419	270,369
Fund balance, beginning	<u>2,328,494</u>	<u>2,328,494</u>	<u>--</u>
FUND BALANCE, ENDING	<u>\$ 2,515,544</u>	<u>\$ 2,785,913</u>	<u>\$ 270,369</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
EMPLOYEE PAY RAISE SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Taxes:			
Sales taxes	\$ 941,520	\$ 953,644	\$ 12,124
Other revenues:			
Interest	5,770	3,941	(1,829)
Total revenues	<u>947,290</u>	<u>957,585</u>	<u>10,295</u>
EXPENDITURES:			
General government	13,600	16,739	(3,139)
Total expenditures	<u>13,600</u>	<u>16,739</u>	<u>(3,139)</u>
Excess (deficiency) of revenues over expenditures	<u>933,690</u>	<u>940,846</u>	<u>7,156</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers out	(944,920)	(945,964)	(1,044)
Total other financing sources (uses)	<u>(944,920)</u>	<u>(945,964)</u>	<u>(1,044)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(11,230)	(5,118)	6,112
Fund balance, beginning	<u>36,230</u>	<u>48,144</u>	<u>11,914</u>
FUND BALANCE, ENDING	<u>\$ 25,000</u>	<u>\$ 43,026</u>	<u>\$ 18,026</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
STREET IMPROVEMENT SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
<b>REVENUES:</b>			
Taxes:			
Sales taxes	\$ 479,030	\$ 476,536	\$ (2,494)
Other revenues:			
Interest	6,290	6,564	274
Total revenues	<u>485,320</u>	<u>483,100</u>	<u>(2,220)</u>
<b>EXPENDITURES:</b>			
General government	7,180	8,364	(1,184)
Highways, streets, and sanitation	661,120	123,262	537,858
Capital outlay	--	42,300	(42,300)
Total expenditures	<u>668,300</u>	<u>173,926</u>	<u>494,374</u>
Excess (deficiency) of revenues over expenditures	<u>(182,980)</u>	<u>309,174</u>	<u>492,154</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Operating transfers out	--	(183,794)	(183,794)
Total other financing sources (uses)	<u>--</u>	<u>(183,794)</u>	<u>(183,794)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(182,980)	125,380	308,360
Fund balance, beginning	<u>182,980</u>	<u>182,976</u>	<u>(4)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ --</u>	<u>\$ 308,356</u>	<u>\$ 308,356</u>

CITY OF BOGALUSA, LOUISIANA  
 SPECIAL REVENUE FUND  
 WATER AND SEWER SALES TAX  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
FUND BALANCE, BEGINNING	\$ --	\$ 59,333	\$ 59,333
Residual equity transfer	<u>          --</u>	<u>      (59,333)</u>	<u>      (59,333)</u>
FUND BALANCE, ENDING	<u>          --</u>	<u>          --</u>	<u>          --</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
CAPITAL IMPROVEMENT SALES TAX  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
<b>REVENUES:</b>			
Taxes:			
Sales taxes	\$ 287,530	\$ 286,036	\$ (1,494)
Other revenues:			
Interest	11,050	1,457	(9,593)
Total revenues	<u>298,580</u>	<u>287,493</u>	<u>(11,087)</u>
<b>EXPENDITURES:</b>			
General government	58,310	33,079	25,231
Capital outlay	496,030	353,572	142,458
Debt service:			--
Principal retirement	19,310	35,175	(15,865)
Interest and service charges	5,750	5,580	170
Total expenditures	<u>579,400</u>	<u>427,406</u>	<u>151,994</u>
Excess (deficiency) of revenues over expenditures	<u>(280,820)</u>	<u>(139,913)</u>	<u>140,907</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Capital lease financing proceeds	276,700	276,092	(608)
Operating transfers out	--	(106,531)	(106,531)
Total other financing sources (uses)	<u>276,700</u>	<u>169,561</u>	<u>(107,139)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	(4,120)	29,648	33,768
Fund balance, beginning	<u>4,120</u>	<u>4,117</u>	<u>(3)</u>
<b>FUND BALANCE, ENDING</b>	<u>\$ --</u>	<u>\$ 33,765</u>	<u>\$ 33,765</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
INDUSTRIAL PARK RENT/LEASE  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Rent	\$ 89,000	\$ 117,726	\$ 28,726
Interest	--	2,868	2,868
Total revenues	<u>89,000</u>	<u>120,594</u>	<u>31,594</u>
EXPENDITURES:			
Economic development	<u>116,450</u>	<u>99,881</u>	<u>16,569</u>
Total expenditures	<u>116,450</u>	<u>99,881</u>	<u>16,569</u>
Excess (deficiency) of revenues over expenditures	<u>(27,450)</u>	<u>20,713</u>	<u>48,163</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers out	<u>(10,000)</u>	<u>(13,892)</u>	<u>(3,892)</u>
Total other financing sources (uses)	<u>(10,000)</u>	<u>(13,892)</u>	<u>(3,892)</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(37,450)</u>	<u>6,821</u>	<u>44,271</u>
Fund balance, beginning	162,500	194,411	31,911
Prior period adjustment	<u>--</u>	<u>26,724</u>	<u>26,724</u>
Fund balance (restated), beginning	<u>162,500</u>	<u>221,135</u>	<u>58,635</u>
FUND BALANCE, ENDING	<u>\$ 125,050</u>	<u>\$ 227,956</u>	<u>\$ 102,906</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
PARKS AND RECREATION COMMISSION  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
Rent	\$ 5,000	\$ 3,250	\$ (1,750)
Interest	200	497	297
Total revenues	<u>5,200</u>	<u>3,747</u>	<u>(1,453)</u>
EXPENDITURES:			
Culture and recreation	<u>5,200</u>	<u>1,325</u>	<u>3,875</u>
Total expenditures	<u>5,200</u>	<u>1,325</u>	<u>3,875</u>
Excess (deficiency) of revenues over expenditures	--	2,422	2,422
Fund balance, beginning	<u>11,230</u>	<u>11,520</u>	<u>290</u>
FUND BALANCE, ENDING	<u>\$ 11,230</u>	<u>\$ 13,942</u>	<u>\$ 2,712</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
AIRPORT MAINTENANCE AND IMPROVEMENT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
State funds	\$ --	\$ 5,680	\$ 5,680
Other revenues:			
Interest	--	99	99
Rent	2,300	1,035	(1,265)
Total revenues	<u>2,300</u>	<u>6,814</u>	<u>(1,166)</u>
EXPENDITURES:			
General government	44,470	65,716	(21,246)
Capital outlay	--	3,844	(3,844)
Total expenditures	<u>44,470</u>	<u>69,560</u>	<u>(25,090)</u>
Excess (deficiency) of revenues over expenditures	<u>(42,170)</u>	<u>(62,746)</u>	<u>(20,576)</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers in	43,260	63,700	20,440
Total other financing sources (uses)	<u>43,260</u>	<u>63,700</u>	<u>20,440</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	1,090	954	(136)
Fund balance, beginning	<u>(1,090)</u>	<u>4,291</u>	<u>5,381</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ 5,245</u>	<u>\$ 5,245</u>

CITY OF BOGALUSA, LOUISIANA  
 SPECIAL REVENUE FUND  
 WATER SYSTEM IMPROVEMENT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
FUND BALANCE, BEGINNING	\$ --	\$ 340,019	\$ 340,019
Residual equity transfer	<u>          --</u>	<u>     (340,019)</u>	<u>     (340,019)</u>
FUND BALANCE, ENDING	<u>          --</u>	<u>                  --</u>	<u>                  --</u>

CITY OF BOGALUSA, LOUISIANA  
SPECIAL REVENUE FUND  
LANDFILL  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
Taxes:			
Ad valorem	\$ 193,960	\$ 194,094	\$ 134
Joint Venture income	--	111,979	111,979
Other revenues:			
Interest	2,000	7,963	5,963
Total revenues	<u>195,960</u>	<u>314,036</u>	<u>118,076</u>
EXPENDITURES:			
Highways, streets, and sanitation	<u>327,160</u>	<u>269,755</u>	<u>57,405</u>
Total expenditures	<u>327,160</u>	<u>269,755</u>	<u>57,405</u>
Excess (deficiency) of revenues over expenditures	<u>(131,200)</u>	<u>44,281</u>	<u>175,481</u>
OTHER FINANCING SOURCES (USES):			
Operating transfers out	<u>(150,000)</u>	<u>--</u>	<u>150,000</u>
Total other financing sources (uses)	<u>(150,000)</u>	<u>--</u>	<u>150,000</u>
Excess (deficiency) of revenues and other financing sources over expenditures and other uses	<u>(281,200)</u>	<u>44,281</u>	<u>325,481</u>
Fund balance, beginning	<u>281,200</u>	<u>281,197</u>	<u>(3)</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ 325,478</u>	<u>\$ 325,478</u>

CITY OF BOGALUSA, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING BALANCE SHEET  
DECEMBER 31, 1999

	General Obligation Bond Sinking Fund	Certificate of Indebtedness Sinking Fund	Total
ASSETS:			
Cash	\$ 1,003,760	\$ --	\$ 1,003,760
Receivables	<u>223,926</u>	<u>--</u>	<u>223,926</u>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,227,686</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 1,227,686</u></b>
FUND BALANCES:			
Unreserved	\$ --	\$ --	\$ --
Reserved for debt service	<u>1,227,686</u>	<u>--</u>	<u>1,227,686</u>
<b>TOTAL FUND BALANCE</b>	<b><u>\$ 1,227,686</u></b>	<b><u>\$ --</u></b>	<b><u>\$ 1,227,686</u></b>

CITY OF BOGALUSA, LOUISIANA  
DEBT SERVICE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	General Obligation Bond Sinking Fund	Certificate of Indebtedness Sinking Fund	Total
REVENUES:			
Taxes - ad valorem	\$ 561,017	\$ --	\$ 561,017
Interest	35,531	--	35,531
Total revenues	<u>596,548</u>	<u>--</u>	<u>596,548</u>
EXPENDITURES:			
Principal retirement	260,000	--	260,000
Interest	143,069	--	143,069
Agent fees	17,717	--	17,717
Total expenditures	<u>420,786</u>	<u>--</u>	<u>420,786</u>
Excess of revenues over expenditures	<u>175,762</u>	<u>--</u>	<u>175,762</u>
OTHER FINANCING SOURCES:			
Operating transfers in	570	--	570
Total other financing sources	<u>570</u>	<u>--</u>	<u>570</u>
Excess of revenues over expenditures and other sources	176,332	--	176,332
Fund balance, beginning	1,136,821	6,780	1,143,601
Residual equity transfer	<u>(85,467)</u>	<u>(6,780)</u>	<u>(92,247)</u>
FUND BALANCE, ENDING	<u>\$ 1,227,686</u>	<u>\$ --</u>	<u>\$ 1,227,686</u>

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING BALANCE SHEET  
DECEMBER 31, 1999

	<u>Wastewater Improvement</u>	<u>Landfill Improvement</u>	<u>Airport Expansion</u>	<u>Total</u>
<b>ASSETS:</b>				
Cash	\$ --	\$ 25,648	\$ 93	\$ 25,741
Accounts receivable	--	--	1,030	1,030
Due from other funds	--	39,487	--	39,487
Due from other governmental units	<u>--</u>	<u>--</u>	<u>237,672</u>	<u>237,672</u>
<b>TOTAL ASSETS</b>	<u>\$ --</u>	<u>\$ 65,135</u>	<u>\$238,795</u>	<u>\$ 303,930</u>
<b>LIABILITIES AND FUND EQUITY:</b>				
<b>Liabilities:</b>				
Accounts payable	\$ --	\$ --	\$116,883	\$ 116,883
Due to other funds	<u>--</u>	<u>--</u>	<u>121,912</u>	<u>121,912</u>
<b>Total liabilities</b>	<u>--</u>	<u>--</u>	<u>238,795</u>	<u>238,795</u>
Unreserved fund balance	<u>--</u>	<u>65,135</u>	<u>--</u>	<u>65,135</u>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<u>\$ --</u>	<u>\$ 65,135</u>	<u>\$238,795</u>	<u>\$ 303,930</u>

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Wastewater Improvement	Landfill Improvement	Airport Expansion	Total
REVENUES:				
Federal grant	\$    --	\$    --	\$233,062	\$ 233,062
Other State funds	--	--	25,896	25,896
Interest	--	7,574	--	7,574
Total revenues	<u>          --</u>	<u>      7,574</u>	<u>  258,958</u>	<u>  266,532</u>
EXPENDITURES:				
General government	--	--	193	193
Capital outlay	--	339,407	262,657	602,064
Total expenditures	<u>          --</u>	<u>  339,407</u>	<u>  262,850</u>	<u>  602,257</u>
Excess (deficiency) of revenues over expenditures	<u>          --</u>	<u>  (331,833)</u>	<u>    (3,892)</u>	<u>  (335,725)</u>
OTHER FINANCING SOURCES				
Operating transfers in	--	--	3,892	3,892
Total other financing sources	<u>          --</u>	<u>          --</u>	<u>      3,892</u>	<u>      3,892</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>          --</u>	<u>  (331,833)</u>	<u>          --</u>	<u>  (331,833)</u>
Fund balance, beginning	21,193	396,968	--	418,161
Residual equity transfer	<u>  (21,193)</u>	<u>          --</u>	<u>          --</u>	<u>  (21,193)</u>
FUND BALANCE, ENDING	<u>          --</u>	<u>   65,135</u>	<u>          --</u>	<u>   65,135</u>

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 WASTEWATER IMPROVEMENT FUND  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable <u>(Unfavorable)</u>
FUND BALANCE, BEGINNING	\$ --	\$ 21,193	\$ 21,193
Residual equity transfer	<u>    --</u>	<u>(21,193)</u>	<u>(21,193)</u>
FUND BALANCE, ENDING	<u>\$    --</u>	<u>\$    --</u>	<u>\$    --</u>

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 LANDFILL IMPROVEMENT  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Budget	Actual	Variance- Favorable (Unfavorable)
REVENUES:			
Interest	\$ --	\$ 7,574	\$ 7,574
Total revenues	<u>    --</u>	<u>7,574</u>	<u>7,574</u>
EXPENDITURES:			
Capital outlay	396,970	339,407	57,563
Total expenditures	<u>396,970</u>	<u>339,407</u>	<u>57,563</u>
Excess (deficiency) of revenues over expenditures	(396,970)	(331,833)	65,137
Fund balance, beginning	<u>396,970</u>	<u>396,968</u>	<u>(2)</u>
FUND BALANCE, ENDING	<u>\$ --</u>	<u>\$ 65,135</u>	<u>\$ 65,135</u>

CITY OF BOGALUSA, LOUISIANA  
 CAPITAL PROJECTS FUND  
 AIRPORT EXPANSION  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	<u>Budget</u>	<u>Actual</u>	<u>Variance- Favorable (Unfavorable)</u>
REVENUES:			
Federal grant	\$ 263,370	\$233,062	\$ (30,308)
Other State funds	29,270	25,896	(3,374)
Total revenues	<u>292,640</u>	<u>258,958</u>	<u>(33,682)</u>
EXPENDITURES:			
General government	--	193	(193)
Capital outlay	292,640	262,657	29,983
Total expenditures	<u>292,640</u>	<u>262,850</u>	<u>29,790</u>
Excess (deficiency) of revenues over expenditures	<u>          --</u>	<u>     (3,892)</u>	<u>     (3,892)</u>
OTHER FINANCING SOURCES:			
Operating transfers in	--	3,892	3,892
Total other financing sources	<u>          --</u>	<u>     3,892</u>	<u>     3,892</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>          --</u>	<u>          --</u>	<u>          --</u>
Fund balance, beginning	<u>          --</u>	<u>          --</u>	<u>          --</u>
FUND BALANCE, ENDING	<u>\$          --</u>	<u>\$          --</u>	<u>\$          --</u>

CITY OF BOGALUSA, LOUISIANA  
 ENTERPRISE FUND  
 COMBINED BALANCE SHEET  
 DECEMBER 31, 1999

	Operating Fund	Waste Water Improvement	Water & Sewer Sales Tax	Utility Debt Service	Water System Improvement	LCDBG	Total
Cash	\$ 11,837	\$ 198,397	\$ 19,015	\$ 48,832	\$ 56,734	\$ -	\$ 334,815
Accounts receivable - net	233,166	-	27,588	-	-	-	260,754
Due from other funds	192,883	-	-	26,130	-	-	219,013
Due from other governmental units	-	662,162	-	-	-	9,700	671,862
Restricted assets:							
Cash	251,798	-	-	524,456	-	-	776,254
Property, plant, and equipment, net	18,890,547	-	-	-	-	-	18,890,547
<b>TOTAL ASSETS</b>	<b>\$ 19,580,231</b>	<b>\$ 860,559</b>	<b>\$ 46,603</b>	<b>\$ 599,418</b>	<b>\$ 56,734</b>	<b>\$ 9,700</b>	<b>\$ 21,153,245</b>

<b>LIABILITIES AND FUND EQUITY</b>							
<b>LIABILITIES:</b>							
Accounts payable	\$ 83,915	\$ 669,445	\$ 1,781	\$ -	\$ 24,000	\$ 9,700	\$ 788,841
Retainage payable	503,573	-	-	-	-	-	503,573
Compensated absences payable	68,994	-	-	-	-	-	68,994
Due to other funds	26,179	145,334	19,909	73,679	-	-	265,101
Payable from restricted assets:							
Bonds payable	4,648,002	-	-	-	-	-	4,648,002
Certificate of indebtedness	210,000	-	-	-	-	-	210,000
Accrued interest	-	-	-	43,979	-	-	43,979
<b>Total liabilities</b>	<b>\$ 5,540,663</b>	<b>\$ 814,779</b>	<b>\$ 21,690</b>	<b>\$ 117,658</b>	<b>\$ 24,000</b>	<b>\$ 9,700</b>	<b>\$ 6,528,490</b>
<b>FUND EQUITY:</b>							
Contributed capital	7,697,121	-	-	-	-	-	7,697,121
Retained earnings:							
Reserved	85,491	-	-	481,760	-	-	567,251
Unreserved	6,256,956	45,780	24,913	-	32,734	-	6,360,383
<b>Total retained earnings</b>	<b>\$ 6,342,447</b>	<b>\$ 45,780</b>	<b>\$ 24,913</b>	<b>\$ 481,760</b>	<b>\$ 32,734</b>	<b>\$ -</b>	<b>\$ 6,927,634</b>
<b>Total fund equity</b>	<b>\$ 14,039,568</b>	<b>\$ 45,780</b>	<b>\$ 24,913</b>	<b>\$ 481,760</b>	<b>\$ 32,734</b>	<b>\$ -</b>	<b>\$ 14,624,755</b>
<b>TOTAL LIABILITIES AND FUND EQUITY</b>	<b>\$ 19,580,231</b>	<b>\$ 860,559</b>	<b>\$ 46,603</b>	<b>\$ 599,418</b>	<b>\$ 56,734</b>	<b>\$ 9,700</b>	<b>\$ 21,153,245</b>

TOTAL LIABILITIES AND FUND EQUITY

CITY OF BOGALUSA, LOUISIANA  
 ENTERPRISE FUND  
 COMBINED STATEMENT OF REVENUE AND EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 1999

	Operating Fund	Waste Water Improvement	Water & Sewer Sales Tax	Utility Debt Service	Water System Improvement	LCDBG	Total
<b>OPERATING INCOME</b>							
User fees	\$ 2,199,339	\$ --	\$ --	\$ --	\$ --	\$ --	\$ 2,199,339
Other operating income	35,977	--	--	--	--	--	35,977
Total operating income	<u>2,235,316</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,235,316</u>
<b>OPERATING EXPENSES:</b>							
Salaries and wages	512,731	--	--	--	--	--	512,731
Utilities	262,875	--	--	--	--	--	262,875
Contractual services	521,681	--	--	--	--	--	521,681
Supplies and materials	19,000	--	--	--	--	--	19,000
Insurance	67,878	--	--	--	--	--	67,878
Operating expenses	10,584	--	163,306	--	--	--	173,890
Repairs	4,720	--	--	--	--	--	4,720
Gas and oil	2,250	--	--	--	--	--	2,250
Depreciation	561,303	--	--	--	--	--	561,303
Pension contributions	56,434	--	--	--	--	--	56,434
Other	6,258	--	--	--	--	--	6,258
Bad debt expense	6,435	--	--	--	--	--	6,435
Total operating expenses	<u>2,032,149</u>	<u>--</u>	<u>163,306</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,195,455</u>
<b>OPERATING INCOME (LOSS)</b>	<u>203,167</u>	<u>--</u>	<u>(163,306)</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>39,861</u>
<b>NONOPERATING REVENUE (EXPENSE):</b>							
Ad valorem taxes for operations and maintenance	105,218	--	--	--	--	--	105,218
Sales tax	476,536	--	286,036	--	--	--	762,572
Interest income	17,723	--	1,107	3,972	8,215	--	31,017
Interest expense	--	--	--	(112,315)	--	--	(112,315)
Agent fees on bonds	--	--	--	(11,271)	--	--	(11,271)
Sales tax collection expense	(8,364)	--	(5,021)	--	--	--	(13,385)
Total nonoperating income	<u>591,113</u>	<u>--</u>	<u>282,122</u>	<u>(119,614)</u>	<u>8,215</u>	<u>--</u>	<u>761,836</u>

	Operating Fund	Waste Water Improvement	Water & Sewer Sales Tax	Utility Debt Service	Water System Improvement	LCDBG	Total
NET INCOME (LOSS) BEFORE TRANSFERS	794,280	--	118,816	(119,614)	8,215	--	801,697
OPERATING TRANSFERS IN (OUT)	<u>(1,122,996)</u>	<u>264,288</u>	<u>(153,236)</u>	<u>509,127</u>	<u>(315,500)</u>	--	<u>(818,317)</u>
NET INCOME (LOSS)	(328,716)	264,288	(34,420)	389,513	(307,285)	--	(16,620)
Add depreciation on property, plant, and equipment acquired by capital contributions that reduces contributed capital	<u>83,929</u>	--	--	--	--	--	<u>83,929</u>
INCREASE (DECREASE) IN RETAINED EARNINGS	<u>(244,787)</u>	<u>264,288</u>	<u>(34,420)</u>	<u>389,513</u>	<u>(307,285)</u>	--	<u>67,309</u>
RETAINED EARNINGS, BEGINNING	507,120	--	--	--	--	--	507,120
Prior period adjustment	<u>6,080,114</u>	<u>(239,701)</u>	--	--	--	--	<u>5,840,413</u>
RETAINED EARNINGS (RESTATED), BEGINNING	6,587,234	(239,701)	--	--	--	--	6,347,533
Residual equity transfer	--	<u>21,193</u>	<u>59,333</u>	<u>92,247</u>	<u>340,019</u>	--	<u>512,792</u>
RETAINED EARNINGS, ENDING	<u>\$ 6,342,447</u>	<u>\$ 45,780</u>	<u>\$ 24,913</u>	<u>\$ 481,760</u>	<u>\$ 32,734</u>	<u>\$ --</u>	<u>\$ 6,927,634</u>

CITY OF BOGALUSA, LOUISIANA  
FIDUCIARY FUNDS  
STATEMENT OF PLAN NET ASSETS  
DECEMBER 31, 1999

	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	City Employees' Retirement System	Total
<b>ASSETS:</b>				
Cash and cash equivalents	\$ 120,810	\$ 291,836	\$ 157,343	\$ 569,989
Receivables:				
Employer	115,331	103,782	13,647	232,760
Interest	--	--	53,724	53,724
Total receivables	<u>115,331</u>	<u>103,782</u>	<u>67,371</u>	<u>286,484</u>
Investments, at fair market value:				
Equity mutual fund	--	--	422,570	422,570
U.S. Government obligations	--	--	5,750,986	5,750,986
Common stock	--	--	1,345,117	1,345,117
Total investments	<u>--</u>	<u>--</u>	<u>7,518,673</u>	<u>7,518,673</u>
<b>TOTAL ASSETS</b>	<u>\$ 236,141</u>	<u>\$ 395,618</u>	<u>\$ 7,743,387</u>	<u>\$ 8,375,146</u>
<b>LIABILITIES:</b>				
Accounts payable	\$ 5	\$ --	\$ --	5
Total liabilities	<u>5</u>	<u>--</u>	<u>--</u>	<u>5</u>
<b>FUND BALANCE:</b>				
Reserved for employees' pension benefits	236,136	395,618	7,743,387	8,375,141
Total fund balance	<u>236,136</u>	<u>395,618</u>	<u>7,743,387</u>	<u>8,375,141</u>
<b>TOTAL LIABILITIES AND     FUND BALANCE</b>	<u>\$ 236,141</u>	<u>\$ 395,618</u>	<u>\$ 7,743,387</u>	<u>\$ 8,375,146</u>

CITY OF BOGALUSA, LOUISIANA  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN PLAN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 1999

	Firemen's Pension and Relief Fund	Policemen's Pension and Relief Fund	City Employees' Retirement System	Total
<b>ADDITIONS:</b>				
Contributions:				
Ad valorem taxes	\$ 120,354	\$ 107,542	\$ --	\$ 227,896
Court fines	--	12,994	--	12,994
Beer and liquor license	--	3,029	--	3,029
Fire insurance rebate	13,038	--	--	13,038
City of Bogalusa	--	--	192,877	192,877
Plan members	--	--	105,320	105,320
Total contributions	<u>133,392</u>	<u>123,565</u>	<u>298,197</u>	<u>555,154</u>
Investment income:				
Net appreciation in fair value of investment	--	--	205,405	205,405
Interest	5,111	9,785	358,300	373,196
Net investment income	<u>5,111</u>	<u>9,785</u>	<u>563,705</u>	<u>578,601</u>
Total additions	<u>138,503</u>	<u>133,350</u>	<u>861,902</u>	<u>1,133,755</u>
<b>DEDUCTIONS:</b>				
Benefits	97,855	51,456	441,593	590,904
Refunds of contributions	--	--	15,231	15,231
Administrative expense	--	--	12,917	12,917
Drop withdrawals	--	--	2,050	2,050
Contractual service	1,800	--	--	1,800
Total deductions	<u>99,655</u>	<u>51,456</u>	<u>471,791</u>	<u>622,902</u>
NET INCREASE	38,848	81,894	390,111	510,853
Net assets held in trust for pension benefits:				
Beginning of year	<u>197,288</u>	<u>313,724</u>	<u>7,353,276</u>	<u>7,864,288</u>
END OF YEAR	<u>\$ 236,136</u>	<u>\$ 395,618</u>	<u>\$ 7,743,387</u>	<u>\$ 8,375,141</u>

CITY OF BOGALUSA, LOUISIANA  
 SUPPLEMENTARY INFORMATION  
 COMPENSATION PAID CITY COUNCIL MEMBERS  
FOR THE YEAR ENDED DECEMBER 31, 1999

<u>Name</u>	<u>Title</u>	<u>Amount</u>
Wilton R. Dunaway	City Council – At Large	\$ 7,200
Michael Herring	City Council – At Large	7,200
Barry W. Bolton	City Council – District A	7,200
McClurie Sampson	City Council – District B	7,200
Reubin Sumrall	City Council – District C	7,759
Johnnie Holcomb	City Council – District D	7,241
Daniel D. Stogner	City Council – District E	<u>7,200</u>
		<u>\$ 51,000</u>

COMPENSATION PAID CITY COUNCIL MEMBERS

The schedule of compensation paid to City Council members was prepared in compliance with the Bogalusa City Charter, Section 2-04 Compensation which was further amended by ordinances. According to the latest ordinance, the compensation for Council members shall be \$600 per month. The president of the City Council shall receive \$650 per month. The salary of the Mayor of the City shall be \$40,000 per annum.

CITY OF BOGALUSA, LOUISIANA  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN  
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH *GOVERNMENT AUDITING STANDARDS*  
FOR THE YEAR ENDED DECEMBER 31, 1999

June 9, 2000

The Honorable J. M. "Mack" McGehee, Mayor  
and the Members of the City Council  
City of Bogalusa, Louisiana

We have audited the general purpose financial statements of City of Bogalusa, Louisiana as of and for the year ended December 31 1999, and have issued our report thereon dated June 9, 2000. We did not audit the financial statements of the City Court of Bogalusa which represents 61 percent and 68 percent of the assets and revenues of the discretely presented component units. We did not audit the financial statements of the Choctaw Road Landfill which represents 0 percent and 4 percent of the assets and revenues of the special revenue funds. The City Court of Bogalusa and the Choctaw Road Landfill financial statements were audited by another auditor whose report has been furnished to us, and our report, insofar as it relates to compliance to laws and regulations and internal control in the discretely presented component units and the special revenue funds is based on the report of the other auditor. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Bogalusa, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances on noncompliance that we have reported to management of the City of Bogalusa, Louisiana, in a separate letter dated June 9, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Bogalusa, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. 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 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.

This report is intended solely for the information and use of the Mayor, members of the City Council, management of the City of Bogalusa, the Legislative Auditor of the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Duplantier, Hapmann, Hogan & Maher LLP*

CITY OF BOGALUSA, LOUISIANA  
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
FOR THE YEAR ENDED DECEMBER 31, 1999

June 9, 2000

The Honorable J. M. "Mack" McGehee, Mayor  
and the Members of the City Council  
City of Bogalusa, Louisiana

Compliance

We have audited the compliance of City of Bogalusa with the types of compliance requirements described in the U.S. *Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 1999. The City of Bogalusa's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Bogalusa's management. Our responsibility is to express an opinion on the City of Bogalusa'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 of Bogalusa'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 of Bogalusa's compliance with those requirements.

In our opinion, the City of Bogalusa complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 1999.

Internal Control Over Compliance

The management of the City of Bogalusa 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 of Bogalusa'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.

This report is intended for the information and use of the Mayor, members of the City Council, management of the City of Bogalusa, the Legislative Auditor for the State of Louisiana and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

*Dunlantic, Heppmann, Hoza & Mabe LLP*

CITY OF BOGALUSA, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

MAJOR FEDERAL AWARDS

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Passed through Louisiana Division of Administration</u>		
LA Community Development Block Grant	14.219	\$ <u>642,715</u>
Total Division of Administration		<u>642,715</u>
<u>Passed through Louisiana Department of Environmental Quality</u>		
Environmental Protection Agency - Revolving Loan Fund	66.458	<u>5,846,479</u>
Total Department of Environmental Quality		<u>5,846,479</u>
<b>TOTAL MAJOR PROGRAM EXPEDITURES</b>		<u><b>6,489,194</b></u>

NONMAJOR FEDERAL AWARDS

<u>Passed through Louisiana Department of Education</u>		
Governor's Safe & Drug Free Schools	84.186 A	<u>17,100</u>
Total Department of Education		<u>17,100</u>
<u>Passed through Louisiana Department of Transportation</u>		
Airport Improvement	20.106	<u>233,062</u>
Total Department of Transportation		<u>233,062</u>

(Continued)

CITY OF BOGALUSA, LOUISIANA  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

NONMAJOR FEDERAL AWARDS (Continued)

	<u>Federal CFDA Number</u>	<u>Expenditures</u>
<u>Department of Justice</u>		
<u>Direct Programs</u>		
COPS Problem Solving	16.710	\$ 10,401
COPS Fast	16.710	51,800
Local Law Enforcement Block Grant	16.592	<u>34,292</u>
Total Direct Programs		<u>96,493</u>
<u>Passed through Louisiana Capital District</u>		
LCLE	16.710	8,520
Integrated Criminal Apprehension Program	16.579	11,292
Home Detention Program	16.540	53
Violence Against Women	16.588	12,253
Governor's Safe and Sober Grant	20.601	<u>845</u>
Total Department of Justice		<u>32,963</u>
<u>Passed through Louisiana Department of Culture, Recreation &amp; Tourism</u>		
National Park Service - Bogalusa Avenue B Ballpark	15.916	<u>20,000</u>
Total Department of Culture, Recreation & Tourism		<u>20,000</u>
TOTAL NONMAJOR PROGRAM EXPEDITURES		<u>399,618</u>
TOTAL PROGRAM EXPEDITURES		<u>\$ 6,888,812</u>

See accompanying notes to schedule of expenditures of federal awards.

CITY OF BOGALUSA, LOUISIANA  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

The Schedule of Expenditures of Federal Awards of the City Of Bogalusa has been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. Expenditures are recognized when incurred.

2. DETERMINATION OF TYPE A AND B PROGRAMS:

Federal awards programs are classified as either Type A or Type B programs. For the period ending December 31, 1999, Type A programs consist of the federal programs that expended over \$300,000 and Type B programs are the programs that expended under \$300,000.

CITY OF BOGALUSA, LOUISIANA  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE YEAR ENDED DECEMBER 31, 1999

SUMMARY OF AUDITOR'S RESULTS:

1. The opinion issued on the general purpose financial statements of the City of Bogalusa for the year ended December 31, 1999 was unqualified.
2. The audit disclosed no instances of noncompliance which were material to the general purpose financial statements of the City of Bogalusa.
3. An unqualified opinion was issued on compliance for major programs of the City of Bogalusa for the year ended December 31, 1999.
4. The audit disclosed no findings which are required to be reported by OMB Circular A-133.
5. City of Bogalusa had two major programs as follows:

	<u>Expenditures</u>
Louisiana Community Development Block Grant	\$ 642,715
Environmental Protection Agency	<u>5,846,479</u>
	<u>\$ 6,489,194</u>

6. Type A programs are those programs with Federal awards expended during the year ended December 31, 1999 exceeding \$300,000.
7. City of Bogalusa did not qualify as a low-risk auditee.

Findings Required To Be Reported Under Generally Accepted Governmental Auditing Standards:

NONE

Findings and Questioned Costs For Federal Awards

NONE

CITY OF BOGALUSA, LOUISIANA  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE YEAR ENDED DECEMBER 31, 1999

Findings Required To Be Reported Under Generally Accepted Governmental Auditing Standards:

FIXED ASSETS: (98-1)

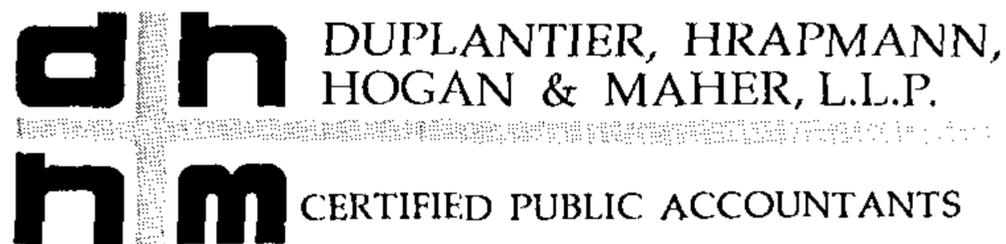
In the prior year the City of Bogalusa's General Fund had actual expenditures exceeding budgeted expenditures by more than 5%. The prior auditor recommended that the City amend their budget when actual expenditures exceeded budgeted amounts by more than 5%. The General Fund did not have actual expenditures in excess of budgeted expenditures by more than 5% in the current year audit.

PURCHASE ORDERS: (98-2)

In the prior year it was noted that many purchase orders were being prepared subsequent to the purchase of the item. The prior auditor recommended that the City review and amend their purchasing policy to eliminate the preparation of a purchase order subsequent to the purchase of the item. We did not encounter any purchase orders that were being prepared prior to the purchase of the item during the current year audit.

Findings and Questioned Costs For Federal Awards

NONE



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HOGAN & MAHER, L.L.P.

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CITY OF BOGALUSA, LOUISIANA  
SCHEDULE OF FINDINGS  
DECEMBER 31, 1999

Legislative Auditor  
State of Louisiana  
Baton Rouge, Louisiana

We have audited the general purpose financial statements of the City of Bogalusa as of and for the year ended December 31, 1999, and have issued our report thereon dated June 9, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the provisions of the Office of Management and Budget Circular A-133, *Audits of States, Local Government and Nonprofit Organizations*. Our audit of the financial statements as of December 31, 1999 resulted in an unqualified opinion.

Section I Summary of Auditor's Reports

a. Report on Internal Control and Compliance Material to the Financial Statements

Internal Control

Material Weaknesses  Yes  No Reportable Conditions  Yes  No

Compliance

Compliance Material to Financial Statements  Yes  No

**Section II Financial Statement Findings**

**COMPLIANCE WITH LAWS AND REGULATIONS:**

The following noncompliance with laws and regulations comments will be reported in the management letter.

**99-1 Bond Indenture Requirements**

The City of Bogalusa has several bond issues that require sinking fund payments. Per the bond indentures the City is required to transfer 5% or prior month's net income to a "contingency fund" to be used for any capital renewal and replacement. Once the contingency fund reaches \$200,000 the City is no longer required to transfer monies to this fund. The City is no longer required to transfer monies to this fund. The required transfer was in effect January 1999. However, the City did not establish and transfer monies into a "contingency fund" until August 1999. In August 1999, the City transferred \$50,000 into a "contingency fund" to cover the 5% of prior month's net income. Not establishing a contingency fund and transferring monies into the fund prior to August 1999 resulted in noncompliance with their bond indenture from January 1999 – July 1999. Since the contingency fund has been established, the City has been in compliance with the bond indenture with respect to payments into the "contingency fund".

Response:

*The City is currently in compliance with the bond indenture requirements.*

**99-2** The City of Bogalusa has several bond issues that require sinking fund payments. Per the bond indentures the City is required to transfer a set dollar amount monthly into a sinking fund and reserve fund for the payment of interest and principal on the outstanding bonds. The City did not transfer monies into the sinking funds on a monthly basis from January 1999 to August 1999. Beginning in September 1999 the City began transferring monies into the sinking and reserve funds monthly. Not transferring the monies into the sinking and reserve funds on a monthly basis results in noncompliance with the bond indenture. We recommend that the City transfer monies into the sinking and reserve funds as set forth in the bond indentures. It is our understanding that the City has begun transferring monies into the sinking and reserve funds on a monthly basis and is in compliance with the bond indenture.

Response:

*The City is currently in compliance with the bond indenture requirements.*

99-3 Public Bid Law:

LRS 38:2212 requires that purchases of materials and supplies of \$15,000 or greater be advertised for bids. During our testing of the public bid law it was discovered that the City purchased banners which exceeded limits that require one to advertise and let to the lowest bidder meeting specs. Not bidding material and supplies greater than \$15,000 is in violation of the law. We recommend that the City follow the provisions of the public bid law in the future.

**RESPONSE:**

The original bid for the banners was under \$15,000. A shipping charge on the banners was included, bringing the amount to slightly over \$15,000. The purchaser was unaware of the shipping charge. He has been admonished to take care that all costs are considered in future bids.

- 99-4 LRS 38:2212 requires that purchases of materials and supplies of \$15,000 or greater be advertised for bids. Contracts for materials and supplies or equipment which will be needed in partial deliveries throughout the year and are estimated to exceed the bid limits of \$15,000 must be purchased through a bid contract. It is our understanding that the City is not using a bid contract to purchase such items. Not using a contract that has been bid for purchases that collectively exceed the bid limits is in violation of the public bid law. We recommend that the City follow the provisions of the public bid law. This can be accomplished by using state contracts for purchases of materials and supplies or the City could bid items jointly with other governmental entities.

**Response:**

The Purchasing Agent has been advised to review materials and supplies purchases in accordance with the Auditor's recommendation and determine those purchases required to comply with state bid law.

99-5 Louisiana Budget Act:

As a result of the testing performed on compliance with the Louisiana Budget Act, it was discovered that the City did not comply with the act in the following areas:

1. The City did not document that the budget was available for public inspection.
2. A summary of the budget was not published 10 days prior to the date of the first public hearing.
3. The budget was not amended when actual expenditures exceeded budgeted expenditures by more than 5% for the Airport Maintenance Fund.
4. The budget was not amended when actual revenues fell below budgeted revenues by more than 5% for the Park and Recreation Commission Fund and the Airport Expansion Fund.

99-5 Louisiana Budget Act: (Continued)

According to the Budget Act the City is required to document that the budget was made available for public inspection, a summary of the budget must be published 10 days prior to the date of the first public hearing and the budget should be amended when actual expenditures exceed budgeted amounts by 5% or when actual revenues fall below budgeted amounts by 5%. Not documenting that the budget was available for public inspection and publishing a summary budget within a specified time period or amending the budget when required results in a violation of the Budget Act. We recommend that the City comply with all aspects of the Louisiana Budget Act.

Response:

1. The City's Council Secretary was out on extended sick leave during the time period in question. The Acting Secretary was unaware of these requirements. The City Council will be instructed to develop a written policy on documents required to be published so that this does not occur in the future.
2. The City's Council Secretary was out on extended sick leave during the time period in question. The Acting Secretary was unaware of these requirements. The City Council will be instructed to develop a written policy on documents required to be published so that this does not occur in the future.
3. In 1999, the finance department implemented a new computerized accounting system. Some difficulties have been experienced that have caused untimely issuance of accounting reports. Additionally, it is our understanding that the Auditors have made some year end closing adjustments to several funds that the administration was not aware. The finance department is currently working to ensure that more timely accounting reports are issued so that the administration can more adequately assess the need to comply with the State Budget Act.
4. In 1999, the finance department implemented a new computerized accounting system. Some difficulties have been experienced that have caused untimely issuance of accounting reports. Additionally, it is our understanding that the Auditors have made some year end closing adjustments to several funds that the administration was not aware. The finance department is currently working to ensure that more timely accounting reports are issued so that the administration can more adequately assess the need to comply with the State Budget Act.

99-6 Minutes, Ordinances, Resolutions – Publication

LRS 43:143-144 and A.G. 82-383 requires that all minutes, ordinances, resolutions, budgets and official proceedings of the City be published in the official journal. The City did not publish the Council meeting minutes. Not publishing the meeting minutes is in violation of the law. We recommend that the meeting minutes be published as set forth in the law. It is our understanding that the City is currently publishing the Council meeting minutes in the official journal.

Response:

The City Council has been made aware of this noncompliance and is currently publishing the minutes of the meeting.

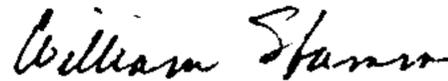
### Section III Schedule of Prior Year Findings

The following is a summary of prior year audit findings:

- 98-1 In the prior year it was noted that the budget was not amended when actual expenditures exceeded budgeted amounts by more than 5% as required by the Louisiana Budget Act. This comment was repeated through comment number 3.
- 98-2 In the prior year it was noted that the City's purchasing policy was too restrictive thus, resulting in noncompliance with the policy. This was not a problem during the current year audit.

Sincerely,

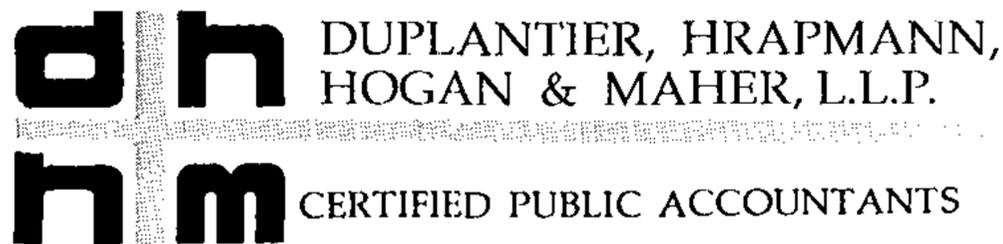
DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



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William G. Stamm, CPA  
Partner

WGS\ckr



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June 9, 2000

To the Honorable J. M. "Mack" McGehee, Mayor  
and the Members of the City Council  
City of Bogalusa, Louisiana

In planning and performing our audit of the general purpose financial statements of City of Bogalusa for the year ended December 31, 1999, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control.

Our consideration of the internal control would not necessarily disclose all matters in the internal control that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a condition in which the design or operation of one or more internal control components does not reduce to a relatively low level the risk that errors or fraud 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. We noted no matters involving the internal control and its operations that we consider to be material weaknesses as defined above.

We noted no matters involving the internal control over financial reporting during the course of the audit which are considered material weaknesses; however, we noted the following immaterial instances of noncompliance with laws and regulations:

Bond Indenture Requirements:

The City of Bogalusa has several bond issues that require sinking fund payments. Per the bond indentures, the City is required to transfer 5% of prior month's net income to a "contingency fund" to be used for any capital renewal and replacement. Once the contingency fund reaches \$200,000, the City is no longer required to transfer monies to this fund. The City is no longer required to transfer monies to this fund. The required transfer was in effect January 1999. However, the City did not establish and transfer monies into a "contingency fund" until August 1999. In August 1999, the City transferred \$50,000 into a "contingency fund" to cover the 5% of prior month's net income. Not establishing a contingency fund and transferring monies into the fund prior to August 1999 resulted in noncompliance with their bond indenture from January 1999 – July 1999. Since the contingency fund has been established, the City has been in compliance with the bond indenture with respect to payments into the contingency fund.

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Public Bid Law:

LRS 38:2212 requires that purchases of materials and supplies of \$15,000 or greater be advertised for bids. During our testing of the public bid law it was discovered that the City purchased banners which exceeded limits that require one to advertise and let to the lowest bidder meeting specs. Not bidding material and supplies greater than \$15,000 is in violation of the law. We recommend that the City follow the provisions of the public bid law in the future.

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Louisiana Budget Act:

As a result of the testing performed on compliance with the Louisiana Budget Act, it was discovered that the City did not comply with the act in the following areas:

1. The City did not document that the budget was available for public inspection.
2. A summary of the budget was not published 10 days prior to the date of the first public hearing.
3. The budget was not amended when actual expenditures exceeded budgeted expenditures by more than 5% for the Airport Maintenance Fund.
4. The budget was not amended when actual revenues fell below budgeted revenues by more than 5% for the Park and Recreation Commission Fund and the Airport Expansion Fund.

To the Honorable J. M. "Mack" McGehee, Mayor  
and the Members of the City Council  
City of Bogalusa

-3-

June 9, 2000

According to the Budget Act, the City is required to document that the budget was made available for public inspection, a summary of the budget must be published 10 days prior to the date of the first public hearing and the budget should be amended when actual expenditures exceed budgeted amounts by 5% or when actual revenues fall below budgeted amounts by 5%. Not documenting that the budget was available for public inspection, publishing a summary budget within a specified time period or amending the budget when required results in a violation of the Budget Act. We recommend that the City comply with all aspects of the Louisiana Budget Act.

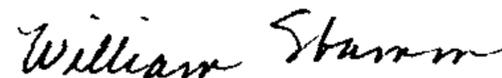
Minutes, Ordinances, Resolutions – Publication

LRS 43:143-144 and A.G. 82-383 requires that all minutes, ordinances, resolutions, budgets and official proceedings of the City be published in the official journal. The City did not publish the council meeting minutes. Not publishing the meeting minutes is in violation of the law. We recommend that the meeting minutes be published as set forth in the law. It is our understanding that the City is currently publishing the council meeting minutes in the official journal.

This report is intended solely for the information of the City of Bogalusa's Mayor, City Council and management and the Legislative Auditor and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

DUPLANTIER, HRAPMANN, HOGAN & MAHER, LLP



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William G. Stamm, CPA  
Partner

WGS/fk