

GRANT RECEIPTS
OR REVENUES
RECOGNIZED

DISBURSEMENTS/
EXPENDITURES

7,350	7,350
778	778
4,410	4,410
4,558	4,558
12,230	12,230
2,788	2,788
7,842	7,842
<u>6,500</u>	<u>6,500</u>
46,456	46,456
1,215	1,215
<u>442</u>	<u>442</u>
1,657	1,657
<u>3,765</u>	<u>3,765</u>
<u>81,717</u>	<u>81,717</u>
<u>\$102,926</u>	<u>\$102,926</u>

GRANT RECEIPTS
OR REVENUES
RECOGNIZED

DISBURSEMENTS/
EXPENDITURES

\$ 9,594
5,592
15,186

\$ 9,594
5,592
15,186

4,723
4,723

4,723
4,723

1,300
1,300

1,300
1,300

20,635

20,635

9,204
29,839

9,204
29,839

HANNIS T. BOURGEOIS & CO., L.L.P.

RANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HUGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD L. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

August 29, 1996

The Mayor and Members of
the Board of Aldermen
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 29, 1996. These general purpose financial statements are the responsibility of the City of Denham Springs, Louisiana's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States and the provisions of Office of Management and Budget Circular A-128, Audits of State and Local Governments. Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements of the City of Denham Springs, Louisiana taken as a whole. The accompanying Schedule of Federal Financial Assistance is presented for purposes of additional analysis and is not a required part of the general purpose financial statements. The information in this schedule 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.

Respectfully submitted,

Hannis T. Bourgeois & Co., L.L.P.

INDEPENDENT AUDITOR'S REPORT
ON SCHEDULE OF FEDERAL
FINANCIAL ASSISTANCE

HANNIS T. BOURGEOIS & CO., L.L.P.

RANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HUGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD L. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

August 29, 1996

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

The Mayor and Members of
the Board of Aldermen
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 29, 1996.

In connection with our audit of the general purpose financial statements of the City of Denham Springs, Louisiana, and with our consideration of the City of Denham Springs, Louisiana's control structure used to administer federal financial assistance programs, as required by Office of Management and Budget Circular A-128, "Audits of State and Local Governments," we selected certain transactions applicable to certain nonmajor federal financial assistance programs for the year ended June 30, 1996. As required by OMB Circular A-128, we have performed auditing procedures to test compliance with the requirements governing types of services allowed or unallowed and eligibility that are applicable to those transactions. Our procedures were substantially less in scope than an audit, the objective of which is the expression of an opinion on the City of Denham Springs, Louisiana's compliance with these requirements. Accordingly, we do not express such an opinion.

With respect to the items tested, the results of those procedures disclosed no material instances of noncompliance with the requirements listed in the preceding paragraph. With respect to items not tested, nothing came to our attention that caused us to believe that the City of Denham Springs, Louisiana, had not complied, in all material respects, with those requirements. Also, the results of our procedures did not disclose any immaterial instances of noncompliance with those requirements.

This report is intended solely for the information of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

⁹ *Hannis T. Bourgeois & Co., L.L.P.*

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH SPECIFIC REQUIREMENTS APPLICABLE TO NONMAJOR
FEDERAL FINANCIAL ASSISTANCE PROGRAM TRANSACTIONS

This report is intended solely for the information of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Thomas A. Bourgeois & Co., L.L.P.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH THE GENERAL REQUIREMENTS APPLICABLE TO
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be material weaknesses under standards established by the American Institute of Certified Public Accountants. A material weakness is a reportable condition in which the design or operation of one or more of the internal control structure elements does not reduce to a relatively low level the risk that noncompliance with laws and regulations that would be material to a federal financial assistance program 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 structure and its operation that we consider to be material weaknesses as defined above.

This report is intended solely for the information of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Harris A. Bouyea & Co., L.L.P.

recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles, and that federal financial assistance programs are managed in compliance with applicable laws and regulations. Because of inherent limitations in any internal control structure, errors, irregularities, or instances of noncompliance may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures used in administering federal financial assistance programs in the following categories:

- Political Activity
- Civil Rights
- Cash Management
- Davis-Bacon Act
- Federal Financial Reports
- Drug-Free Workplace Act
- Types of services allowed
- Matching
- Reporting

For all of the internal control structure categories listed above, we obtained an understanding of the design of relevant policies and procedures and determined whether they have been placed in operation, and we assessed control risk.

During the year ended June 30, 1996, the City of Denham Springs, Louisiana, had no major federal financial assistance programs and expended 64% of its total federal financial assistance under the following nonmajor federal financial assistance programs:

- U.S. Department of Education - Summer Food Service
- U.S. Department of Interior - Culture, Recreation and Tourism
- U.S. Department of Justice - Commission on Law Enforcement

We performed tests of controls, as required by OMB Circular A-128, to evaluate the effectiveness of the design and operation of internal control structure policies and procedures that we have considered relevant to preventing or detecting material noncompliance with specific requirements, general requirements, and requirements governing claims for advances and reimbursements and amounts claimed or used for matching that are applicable to the aforementioned nonmajor programs. Our procedures were less in scope than would be necessary to render an opinion on these internal control structure policies and procedures. Accordingly, we do not express such an opinion.

HANNIS T. BOURGEOIS & CO., L.L.P.

RANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HIGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD L. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

August 29, 1996

The Mayor and Members of
the Board of Aldermen
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards; Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

In planning and performing our audit for the year ended June 30, 1996 we considered the internal control structure of the City of Denham Springs, Louisiana, in order to determine our auditing procedures for the purpose of expressing our opinion on the City of Denham Springs, Louisiana's general purpose financial statements and to report on the internal control structure in accordance with OMB Circular A-128. This report addresses our consideration of internal control structure policies and procedures relevant to compliance with requirements applicable to federal financial assistance programs. We have addressed internal control structure policies and procedures relevant to our audit of the general purpose financial statements in a separate report dated August 29, 1996.

The management of the City of Denham Springs, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL
CONTROL STRUCTURE USED IN ADMINISTERING
FEDERAL FINANCIAL ASSISTANCE PROGRAMS

HANNIS T. BOURGEOIS & CO., L.L.P.

RANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HUGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD T. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

August 29, 1996

The Mayor and Members of
the Board of Aldermen
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and the provisions of Office of Management and Budget Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the City of Denham Springs, Louisiana, is the responsibility of the City of Denham Springs, Louisiana's management. As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Denham Springs, Louisiana's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our audit of the general purpose financial statements was not to provide an opinion on overall compliance with such provisions. 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.

This report is intended solely for the information of management, the Census Bureau, and the Office of the Legislative Auditor, State of Louisiana, and should not be used for any other purpose. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

3

Hannis T. Bourgeois & Co., L.L.P.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
BASED ON AN AUDIT OF GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

In planning and performing our audit of the general purpose financial statements of the City of Denham Springs, Louisiana, for the year ended June 30, 1996, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure 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 of the internal control structure elements does not reduce to a relatively low level the risk that errors and irregularities 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 structure and its operation that we consider to be material weaknesses as defined above.

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

Respectfully submitted,

Harris A. Bourgeois & Co., L.L.P.

HANNIS T. BOURGEOIS & CO., L.L.P.

HANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HUGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD L. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT

MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS

2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

August 29, 1996

The Mayor and Members of
the Board of Aldermen
Denham Springs, Louisiana

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1996, and have issued our report thereon dated August 29, 1996.

We conducted our audit in accordance with generally accepted auditing standards, Government Auditing Standards, issued by the Comptroller General of the United States, and Office of Management and Budget (OMB) Circular A-128, "Audits of State and Local Governments." Those standards and OMB Circular A-128 require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement.

The management of the City of Denham Springs, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of general purpose financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL
STRUCTURE BASED ON AN AUDIT OF THE GENERAL PURPOSE
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS

CITY OF DENHAM SPRINGS, LOUISIANA

Single Audit Reports

TABLE OF CONTENTS

Independent Auditor's Report on the Internal Control Structure Based on an Audit of the General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	Page 1 - 2
Independent Auditor's Report on Compliance Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u>	3
Independent Auditor's Report on the Internal Control Structure Used in Administering Federal Financial Assistance Programs.....	4 - 6
Independent Auditor's Report on Compliance with the General Requirements Applicable to Federal Financial Assistance Programs.....	7 - 8
Independent Auditor's Report on Compliance with Specific Requirements Applicable to Nonmajor Federal Financial Assistance Program Transactions.....	9
Independent Auditor's Report on Schedule of Federal Financial Assistance.....	10
Schedule of Federal Financial Assistance.....	11 - 12

2167 23 980078
1/25

RECEIVED
LEGISLATIVE AUDITOR
96 DEC 20 AM 8:42

**OFFICIAL
FILE COPY**

DO NOT SEND OUT

(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)

CITY OF DENHAM SPRINGS, LOUISIANA
INTERNAL CONTROL STRUCTURE AND COMPLIANCE
REPORTS REQUIRED BY GOVERNMENT AUDITING
STANDARDS AND THE SINGLE AUDIT ACT OF 1984

YEAR ENDED JUNE 30, 1996

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

Release Date FEB 19 1997

City of Denham Springs

MISCELLANEOUS STATISTICS

June 30, 1996

Date of Incorporation	May 8, 1903
Form of Government	Mayor - Board of Alderman Lawrson Act
Area	City 6 square miles Parish 642 square miles
Fire Protection:	
Number of Stations	2
Number of Firefighters and Officers	20
Number of Volunteer Firemen	6
Police Protection:	
Number of Stations	1
Number of Police Officers	21
Number of Auxillary Policemen	14
Sewers:	
Number of Pumping Stations	27
Type of Treatment System	Rock Reed Filter
Employees:	
Number of Employees	128
Municipal Utilities:	
Number of Gas Customers	4,254
Number of Sewer Customers	4,798
Number of Water Customers	5,669
Number of Waste Disposal Customers	3,088
City Sales Tax Rate	1.5%

City of Denham Springs

PRINCIPAL SALES TAX PAYERS

June 30, 1996

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>
Wal-Mart Store	General Merchandise
Winn-Dixie Store	Retail Grocery
Delchamps, Inc. Store	Retail Grocery
K&B Louisiana Corp. Store	Retail Pharmacy
Walgreens Store	Retail Pharmacy
Smith Building Supply, Inc.	Retail Hardware
Autozone Store	Retail Auto Parts
Aqua Marine	Retail Boating
McDonald's (Florida Blvd.)	Retail Food
McDonald's (Rushing Road)	Retail Food

SOURCE: Livingston Parish School Board - Sales Tax Office.

City of Denham Springs

CONSTRUCTION

Last Ten Years

<u>RESIDENTIAL CONSTRUCTION</u>			<u>COMMERCIAL CONSTRUCTION</u>	
<u>YEAR</u>	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>
1987	31	\$1,371,415	8	\$ 585,500
1988	13	549,705	7	611,000
1989	11	521,660	6	673,000
1990	10	630,600	4	1,157,605
1991	5	331,000	1	1,273,900
1992	18	1,344,000	1	300,000
1993	35	2,336,500	10	5,324,500
1994	37	2,816,721	8	1,982,600
1995	42	3,261,150	9	7,233,000
1996	104	5,417,150	34	4,987,980

SOURCE: Denham Springs Office of Planning and Development.

City of Denham Springs

DEMOGRAPHICS STATISTICS

Last Ten Years

<u>YEAR</u>	<u>POPULATION¹</u>	<u>PER CAPITA INCOME²</u>	<u>PUBLIC SCHOOL ENROLLMENT⁴</u>	<u>UNEMPLOYMENT LIVINGSTON PARISH³</u>	<u>UNEMPLOYMENT LABOR MARKET AREA³</u>
1987	8,563	\$ 8,920	16,400	15.7%	10.8%
1988	9,290	9,017	16,400	14.3	8.1
1989	9,098	9,395	16,650	12.8	8.8
1990	9,155	9,902	16,350	9.4	5.8
1991	8,381	9,946	16,150	7.7	5.4
1992	8,784	13,302	16,600	9.1	6.2
1993	8,538	14,330	17,000	8.8	6.4
1994	8,655	14,737	17,400	9.5	6.6
1995	8,797	15,631	18,100	10.5	7.4
1996	8,902	N/A	18,177	8.5	6.1

¹Population of City of Denham Springs from State Treasurer's Office.

²Parishwide Per Capita Income Per Capital Region Planning Commission.

³Per Capital Region Planning Commission.

⁴Livingston Parish School Board.

<u>DEBT SERVICE REQUIREMENTS</u>			
<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>
\$ 122,000	\$376,527	\$ 498,527	.64%
131,000	389,544	520,544	2.93
6,118,777	379,459	6,498,236	1.05
112,690	339,546	452,236	1.73
112,993	321,633	434,626	1.92
115,564	308,928	424,492	2.47
118,433	296,351	414,784	2.54
121,637	283,236	404,873	2.84
125,214	269,759	394,973	2.49
129,207	255,874	385,081	3.23

City of Denham Springs

SUMMARY OF REVENUE BOND COVERAGE

Last Ten Years

Utility Enterprise Fund

<u>YEAR</u>	<u>GROSS REVENUE¹</u>	<u>OTHER FINANCIAL SOURCES</u>	<u>EXPENSES²</u>	<u>OTHER USES³</u>	<u>AVAILABLE FOR DEBT SERVICE</u>
1987	\$3,672,996	\$ -	\$2,525,977	\$830,000	\$ 317,019
1988	3,730,946	-	2,204,335	-	1,526,611
1989	3,620,008	5,379,495 ⁴	2,116,558	70,000	6,812,945
1990	3,414,207	-	2,314,899	320,000	779,308
1991	3,159,926	-	2,245,740	82,189	831,997
1992	3,272,272	-	2,225,549	-	1,046,723
1993	3,453,844	-	2,403,230	-	1,050,614
1994	3,883,907	-	2,733,004	5,108	1,145,795
1995	3,561,853	-	2,576,764	-	985,089
1996	4,042,911	200,000 ⁵	2,998,298	-	1,244,613

¹Total Operating Revenues plus Non-Operating Revenues.

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

³Operating Transfers Out.

⁴Gain on 1963, 1976 and 1985 Bond Defeasance (\$1,716,619).
Certificate of Indebtedness (\$600,000).
Increase in Bonds and Certificates Issued (\$3,062,876).

⁵Operating Transfers In.

SOURCE: Annual Audited General Purpose Financial Statements.

City of Denham Springs

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 1996

	<u>GROSS DEBT OUTSTANDING</u>	<u>AMOUNTS IN DEBT SERVICE FUND FOR PRINCIPAL</u>	<u>NET DEBT OUTSTANDING</u>	<u>CITY OF DENHAM SPRINGS PERCENT</u>	<u>SHARE OF DEBT</u>
<u>GOVERNMENTAL UNIT</u>					
City of Denham Springs	\$ -	\$ -	\$ -	100%	\$ -
<u>OTHER GOVERNMENTAL AGENCIES</u>					
School District #1	\$11,266,608	\$ 526,174	\$10,740,434	45%	\$4,833,195
Courthouse & Sinking Fund	42,000	42,000	-	18%	-
Jail Bonds:	34,738	-	34,738	18%	6,253
	106,437	-	106,437	18%	19,159
	300,000	-	300,000	18%	54,000
Gravity Drainage District No. 1	240,000	177,909	62,091	51%	31,666
Recreation District No. 3	<u>2,810,000</u>	<u>632,964</u>	<u>2,177,036</u>	51%	<u>1,110,288</u>
Total Other Governmental Agencies	<u>\$14,799,783</u>	<u>\$1,379,047</u>	<u>\$13,420,736</u>		<u>\$6,054,561</u>
Total Direct and Over- lapping Debt	<u>\$14,799,783</u>	<u>\$1,379,047</u>	<u>\$13,420,736</u>		<u>\$6,054,561</u>
1995 City Population					<u>8,902</u>
Per Capita					<u>\$680</u>

City of Denham Springs

RATIO OF ANNUAL DEBT SERVICE EXPENDITURES
FOR GENERAL BONDED DEBT TO TOTAL GENERAL
GOVERNMENTAL EXPENDITURES

Last Ten Years

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST¹</u>	<u>TOTAL DEBT SERVICE²</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES³</u>	<u>RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES</u>
1987	\$ 74,000	\$ 30,212	\$104,212	\$2,671,401	3.90%
1988	77,000	26,364	103,364	2,279,500	4.53
1989	430,000	24,903	454,903	3,357,340	13.55
1990	-	-	-	3,481,929	-
1991	-	-	-	3,162,660	-
1992	-	-	-	3,330,963	-
1993	-	-	-	3,540,970	-
1994	-	-	-	4,817,679	-
1995	-	-	-	4,542,641	-
1996	-	-	-	4,715,110	-

¹Excludes paying agent fees and other costs.

²Total Debt Service includes general obligation bonds only. (Does not include Special Assessment Certificates of Indebtedness or Revenue Bonds issued by the Utility Enterprise Fund.)

³Expenditures and Other Uses of the General, Special Revenue, and Debt Service Funds, excluding the expenditures of the Special Assessment Debt Service Fund and 1988 Certificates of Indebtedness Debt Service Fund.

SOURCE: Annual Audited General Purpose Financial Statements.

<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
\$316,938	1.53%	\$ 37
260,927	1.28	28
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

City of Denham Springs

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

Last Ten Years

<u>YEAR</u>	<u>POPULATION¹</u>	<u>ASSESSED VALUE²</u>	<u>GENERAL OBLIGATION BONDED DEBT</u>	<u>LESS DEBT SERVICE FUND³</u>
1987	8,563	\$20,778,500	\$507,000	\$190,062
1988	9,290	20,428,544	430,000	169,503
1989	9,098	20,948,240	-	-
1990	9,155	21,898,260	-	-
1991	8,381	22,402,820	-	-
1992	8,784	22,275,120	-	-
1993	8,538	21,961,990	-	-
1994	8,655	25,282,810	-	-
1995	8,797	26,809,190	-	-
1996	8,902	27,546,730	-	-

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

MAXIMUM DURATION AND INTEREST LIMITATION

No bonds issued shall run for a period longer than forty (40) years, or bear a greater rate of interest than the rate set in the proposition approved at the election or be sold for less than par. (LRS 39:563, 39:1424)

ISSUING BONDS: VOTE BY TAXPAYERS

A majority of all qualified voters voting thereon must vote in favor of the proposition to incur debt and issue bonds. (LRS 39:561)

LEVY OF TAXES

The governing authority shall impose and collect annually in excess of all other taxes, a tax on the property subject to taxation sufficient to pay annual principal and interest on these bonds. (LRS 39:569)

Total Assessed Value of Taxable Property \$27,546,730

	<u>10% OF</u> <u>ASSESSED VALUATION</u>	<u>35% OF</u> <u>ASSESSED VALUATION</u>
Legal Debt Limitation	\$2,754,673	\$9,641,356

There are no outstanding bonds secured by ad valorem taxes of the City of Denham Springs as of June 30, 1996.

City of Denham Springs

STATEMENT OF LEGAL DEBT LIMIT

General Bonded Indebtedness

POWER TO INCUR DEBT

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

LIMIT OF INDEBTEDNESS

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

MUNICIPAL PURPOSES

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

City of Denham Springs
SPECIAL ASSESSMENT COLLECTIONS
 Last Ten Years

<u>YEAR</u>	<u>ASSESSMENTS BEGINNING OF YEAR</u>	<u>ADDITIONS AND ADJUSTMENTS</u>	<u>COLLECTIONS</u>	<u>ASSESSMENTS END OF YEAR</u>
1987	\$ 12,328 ¹	\$ -	\$ 6,010	\$ 6,318
1988	6,318 ¹	-	6,318	-
1989	-	-	-	-
1990	-	-	-	-
1991	-	-	-	-
1992	-	-	-	-
1993	-	-	-	-
1994	-	133,210 ²	23,535	109,675
1995	109,675 ²	-	20,860	88,815
1996	88,815	-	30,511	58,304

¹Shelly Homesites Improvements Project.

²Lakeland Acres Subdivision Paving Project.

SOURCE: Annual Audited General Purpose Financial Statements.

<u>LAW ENFORCEMENT</u> <u>DISTRICT</u>	<u>TOTAL</u>
12.19	117.42
12.19	126.14
12.21	123.82
12.21	120.70
12.21	117.48
12.50	121.57
12.51	138.72
12.51	141.31
12.51	133.59
12.51	170.14
\$ 166,965	\$1,640,720
167,930	1,768,176
166,536	1,722,393
170,077	1,717,924
179,331	1,760,943
181,209	1,798,146
181,822	2,055,920
198,127	2,283,147
212,622	2,316,736
217,264	3,002,805

City of Denham Springs

PROPERTY TAX RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

<u>YEAR</u>	<u>CITY</u>	<u>PARISHWIDE¹</u> Tax Rates	<u>SCHOOL</u> <u>DISTRICT #1</u> (Mills Per Dollar)	<u>PARISH</u>	
				<u>DRAINAGE</u> <u>DISTRICT #1</u>	<u>RECREATION</u> <u>DISTRICT #3</u>
1987	4.58	56.33	20.40	5.70	18.22
1988	4.58	56.24	29.21	5.70	18.22
1989	4.60	56.72	26.24	5.72	18.33
1990	4.60	56.09	23.95	5.52	18.33
1991	4.60	55.02	21.80	5.52	18.33
1992	4.60	56.25	24.34	5.00	18.88
1993	4.71	51.42	22.70	7.50	39.88
1994	4.71	59.24	22.47	7.50	34.88
1995	4.71	59.24	18.74	7.50	30.89
1996	4.71	68.70	61.72	7.50	15.00

TAX LEVIES

1987	\$ 95,166	\$ 771,544	\$ 279,416	\$ 78,072	\$249,557
1988	93,563	774,763	402,398	78,523	250,999
1989	96,313	773,622	357,896	78,017	250,009
1990	100,732	781,294	333,607	76,890	255,324
1991	103,053	808,089	320,181	81,073	269,216
1992	102,466	815,439	352,850	72,484	273,698
1993	108,202	747,344	329,925	109,006	579,621
1994	119,742	938,215	355,869	118,781	552,413
1995	126,271	1,006,853	318,508	127,471	525,011
1996	129,745	1,193,129	1,071,905	130,254	260,508

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

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

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

City of Denham Springs

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Years

<u>YEAR</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE*</u>
1987	\$20,778,500	\$188,895,455	11%
1988	20,428,544	185,714,036	11
1989	20,948,240	190,438,546	11
1990	21,898,260	199,075,091	11
1991	22,402,820	203,662,000	11
1992	22,275,120	202,501,091	11
1993	21,961,990	199,654,455	11
1994	25,282,810	229,843,727	11
1995	26,809,190	243,719,909	11
1996	27,546,730	250,424,818	11

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

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

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

City of Denham Springs

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

<u>YEAR</u>	<u>TOTAL TAX LEVY¹</u>	<u>COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>PRIOR YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>RATIO OF TOTAL COLLECTIONS TO TAX LEVY</u>
1987	\$ 95,166	\$ 92,668	97.38%	\$1,205	\$ 93,873	98.64%
1988	93,563	92,335	98.69%	-	92,335	98.69%
1989	96,313	94,352	97.96%	-	94,352	97.96%
1990	100,732	99,738	99.01%	-	99,738	99.01%
1991	103,053	102,059	99.04%	-	102,059	99.04%
1992	102,466	101,472	99.03%	-	101,472	99.03%
1993	108,202	106,516	98.44%	-	106,516	98.44%
1994	119,742	117,232*	97.90%	631	117,863	98.43%
1995	126,271	124,184	98.35%	1,762	125,946	99.74%
1996	129,745	128,135	98.76%	1,379	129,514	99.82%

*Total 1994 collections includes \$3,187 of collections which were subsequently unaccounted for.

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

SOURCE: City of Denham Springs Tax Office.

<u>INTEREST</u>	<u>MISCELLANEOUS</u>	<u>OTHER FINANCING SOURCES</u>
\$ 10,608	\$183,780	\$300,000
19,046	133,347	2,600
-	180,056	-
30,559	146,705	200,000
17,257	160,510	2,189
29,235	286,920	-
37,594	291,359	1,423
35,945	427,504	15,804
38,374	351,457	19,526
79,822	418,027	13,253

<u>TOBACCO TAXES</u>	<u>WRECKER FRANCHISE TAX</u>	<u>VIDEO POKER FEES</u>
\$ 22,032	\$ -	\$ -
46,508	-	-
30,856	1,125	-
42,621	630	-
43,684	725	-
44,737	215	-
44,655	880	-
42,998	1,740	76,734
42,282	2,260	136,427
42,578	1,820	161,694

City of Denham Springs

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>FINES AND FORFEITS</u>	<u>911 SERVICE FEES</u>
1987	\$2,639,146	\$1,642,840	\$280,332	\$221,586	\$ -
1988	2,319,581	1,664,212	346,466	153,910	-
1989	2,755,793	2,111,181	309,501	155,055	-
1990	3,413,342	2,451,512	331,008	253,558	-
1991	3,331,782	2,578,325	343,011	230,490	-
1992	3,650,284	2,770,433	352,892	210,804	-
1993	3,949,216	3,009,363	373,304	236,173	-
1994	4,454,331	3,267,098	419,813	238,133	50,034
1995	4,777,392	3,490,035	521,309	243,707	112,984
1996	5,224,269	3,871,998	520,631	189,498	131,040

City of Denham Springs

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL PROPERTY TAXES</u>	<u>ALCOHOLIC BEVERAGE & CABLE T.V.</u>	<u>CHAIN STORE TAX</u>	<u>ELECTRICAL FRANCHISE TAX</u>	<u>SALES TAX</u>
1987	\$1,642,840	\$ 93,873	\$ 30,087	\$ 7,929	\$283,910	\$1,205,009
1988	1,664,212	98,119	30,381	12,592	282,431	1,194,181
1989	2,111,181	99,599	26,279	10,115	292,771	1,650,436
1990	2,451,512	109,644	28,978	11,600	320,938	1,937,101
1991	2,578,325	107,272	39,966	10,527	330,659	2,045,492
1992	2,770,433	107,323	51,681	9,790	334,592	2,222,095
1993	3,009,363	107,672	59,192	10,510	345,708	2,440,746
1994	3,267,098	114,676	65,384	10,911	382,869	2,571,786
1995	3,490,035	123,055	68,918	12,595	354,770	2,749,728
1996	3,871,998	128,952	79,655	11,085	410,645	3,035,569

SOURCE: Annual Audited General Purpose Financial Statements.

<u>PUBLIC SERVICE WORKERS</u>	<u>SUMMER FOOD PROGRAM</u>	<u>ANIMAL CONTROL</u>	<u>FIRE</u>	<u>POLICE</u>	<u>STREETS AND LIGHTING</u>	<u>HEALTH</u>	<u>OTHER USES</u>
\$ 904	\$ -	\$19,397	\$524,741	\$ 658,212	\$379,537	\$ -	\$ 156,308
7,772	-	24,269	399,070	579,698	346,278	-	73,405
7,358	4,828	38,393	461,153	648,496	365,364	2,251	644,478
6,185	12,905	27,385	470,766	855,200	524,524	9,044	676,391
7,204	16,854	29,208	491,801	970,726	483,027	10,505	346,485
9,908	14,653	20,676	663,085	986,510	517,787	11,163	330,000
9,583	12,507	21,450	610,281	981,010	753,302	18,285	247,243
15,409	12,373	21,103	691,075	1,157,293	812,850	19,334	1,216,123
32,047	12,030	27,306	741,461	1,255,312	844,274	18,977	769,105
15,263	16,683	30,963	763,037	1,450,946	752,513	19,606	727,232

City of Denham Springs
GENERAL FUND EXPENDITURES AND
 OTHER USES BY FUNCTION

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL GOVERNMENT</u>	<u>CEMETERY</u>	<u>TAX</u>	<u>WARD COURT</u>	<u>PLANNING AND DEVELOPMENT</u>
1987	\$2,524,353	\$446,894	\$ 35,827	\$ 57,881	\$151,091	\$ 93,561
1988	2,116,091	376,533	15,528	61,855	156,443	75,240
1989	2,863,201	397,067	16,392	43,755	157,758	75,908
1990	3,481,288	594,152	13,205	43,408	164,258	83,865
1991	3,161,926	485,172	24,509	50,709	167,353	78,373
1992	3,330,963	434,807	31,123	33,394	163,619	114,238
1993	3,540,970	470,484	49,411	77,726	172,737	116,951
1994	4,817,679	512,930	53,099	80,704	93,256*	132,130
1995	4,542,641	460,524	51,963	99,898	93,185	136,559
1996	4,715,110	566,415	54,714	113,187	86,425	118,126

*In compliance with GASB-14 beginning in 1994 certain general fund expenditures made to reimburse the Court for operating expenditures of the Court are now shown as Other Uses - Transfers to Component Units.

SOURCE: Annual Audited General Purpose Financial Statements.

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

City of Denham Springs

SCHEDULE OF COMPENSATION OF CITY COUNCIL MEMBERS

For the Years Ended June 30, 1996 and 1995

CURRENT TERMS EXPIRE DECEMBER 31, 1998

	<u>1996</u>	<u>1995</u>
Denver C. Ballard, Alderman (Term Expired December 31, 1994) 1105 Aime Street Denham Springs, Louisiana 70726 Telephone: 665-5269	\$ -	\$ 1,900
James E. Delaune, Mayor Route 5, Box 559 Denham Springs, Louisiana 70726 Telephone: 665-8124	\$37,935	\$37,330
James E. Durbin, Alderman 417 Centerville Street Denham Springs, Louisiana 70726 Telephone: 664-5802	\$ 3,700	\$ 3,700
Sterling Vincent, Alderman 103 Carroll Street Denham Springs, Louisiana 70726 Telephone: 665-2485	\$ 3,900	\$ 3,800
	Alderman Streets Commissioner	\$ 8,170
Edwin S. Wright, Jr., Alderman (Term Expired December 31, 1994) P. O. Box 951 Denham Springs, Louisiana 70727-0951 Telephone: 664-5231	\$ -	\$ 1,900
Roy Zachary, Alderman 339 North College Drive Denham Springs, Louisiana 70726 Telephone: 664-7265	\$ 3,800	\$ 3,600
Arthur Perkins (Elected January 1, 1995) 906 Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 664-6730	\$ 3,900	\$ 1,700
John Wascom (Elected January 1, 1995) 522 Centerville Street Denham Springs, Louisiana 70726 Telephone: 665-7037	\$ 3,900	\$ 1,900

City of Denham Springs

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

June 30, 1996

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
National Flood Services	Flood Insurance		
	Fire Station Building		
	<u>930 Government Street</u>	\$ 200,000	5/29/97
	Youth Services		
	Office Building		
	<u>940 Government Street</u>	\$ 200,000	5/29/97
	Municipal Building		
	<u>941 Government Street</u>	\$ 200,000	5/29/97
	Council on Aging Building		
	<u>949 Government Street</u>	\$ 200,000	5/29/97

City of Denham Springs

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

June 30, 1996

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
Audubon Indemnity	Police Station and Jail Facility Contents <u>447 Lamm Street</u>	\$1,350,000 \$ 150,000	6/16/97
	Fire Station Building Contents <u>950 Government Street</u>	\$ 107,000 \$ 12,000	6/16/97
	Youth Services Office Building <u>940 Government Street</u>	\$ 225,000	6/16/97
	Utility Warehouse Building Contents <u>112 Brignac Street</u>	\$ 33,000 \$ 30,000	6/16/97
	Motor Pool and Ware- house Building Contents <u>401 N. Railroad Ave.</u>	\$ 86,000 \$ 75,000	6/16/97
LA Municipal Risk Management Agency	Workmen's Compensation Statutory		1/1/97
LA Municipal Risk Management Agency	Self Insurance Pool Fund for Public Liability General Liability	\$ 500,000	5/1/97
	Law Enforcement Liability	\$ 500,000	5/1/97
	Public Officials Liability Errors and Omissions	\$ 500,000	5/1/97
LA Municipal Risk Management Agency	Business Auto Liability	\$ 500,000	5/1/97

(CONTINUED)

City of Denham Springs
SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

June 30, 1996

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
U. S. Fidelity and Guaranty Co.	Public Official Bonds Mayor;		
	James Delaune	\$ 50,000	1/4/97
	Aldermen;		
	Roy Zachary	\$ 10,000	1/4/97
	Sterling Vincent	\$ 10,000	1/4/97
U. S. Fidelity and Guaranty Co.	John Wascom	\$ 10,000	1/1/97
	Jimmy Durbin	\$ 10,000	1/1/97
U. S. Fidelity and Guaranty Co.	Public Employees Blanket Bond		
	Performance Bond City Treasurer	\$ 25,000	2/3/97
Audubon Indemnity		\$ 50,000	2/19/97
	Valuable Papers and Records - All Risk	\$ 2,500	6/16/97
Audubon Indemnity	Accounts Receivable - All Risk	\$ 75,000	6/16/97
Audubon Indemnity	Fire and Extended Coverage -		
	90% Co-Insurance;		
Audubon Indemnity	Municipal Building Contents	\$1,050,000	
	<u>941 Government Street</u>	\$ 300,000	6/16/97
Audubon Indemnity	Steel Water Tank and Tower	\$ 145,000	6/16/97
	<u>110 Brignac Street</u>		
Audubon Indemnity	Council on Aging Buildings	\$ 283,000	6/16/97
	<u>949 Government Street</u>		
Audubon Indemnity	Fire Station Building Contents	\$ 152,000	
	<u>1100 Hatchell Lane</u>	\$ 10,000	6/16/97

(CONTINUED)

OTHER SUPPLEMENTARY INFORMATION

City of Denham Springs
STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Fund for the Payment of the 1993 Paving Certificates	\$ 48,250	\$ 29,038
Amount to be Provided from Special Assessments Receivables	44,997	77,530
Amount to be Provided for Accumulated Unpaid Vacation	<u>169,208</u>	<u>141,125</u>
	<u>\$262,455</u>	<u>\$247,693</u>
 GENERAL LONG-TERM DEBT PAYABLE		
1993 Paving Certificates	\$ 93,247	\$106,568
Accumulated Unpaid Vacation	<u>169,208</u>	<u>141,125</u>
	<u>\$262,455</u>	<u>\$247,693</u>

The accompanying notes constitute an integral part of this statement.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

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

City of Denham Springs

SCHEDULE OF CHANGES IN GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

For the Year Ended June 30, 1996

	<u>GENERAL FIXED ASSETS 7/1/95</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>GENERAL FIXED ASSETS 6/30/96</u>
<u>Function and Activity:</u>				
General Government:				
General Government				
Buildings	\$1,569,460	\$108,799	\$ -	\$1,678,259
Administration	88,288	24,741	4,107	108,922
Cemetery	25,818	738	-	26,556
Tax	15,486	268	663	15,091
Planning and Development	44,652	-	-	44,652
Public Service Workers	<u>30,853</u>	<u>1,535</u>	<u>-</u>	<u>32,388</u>
Total General Government	1,774,557	136,081	4,770	1,905,868
Public Safety:				
Animal Control	23,954	787	-	24,741
Fire	786,991	24,302	-	811,293
Police	<u>2,221,510</u>	<u>121,075</u>	<u>-</u>	<u>2,342,585</u>
Total Public Safety	3,032,455	146,164	-	3,178,619
Highways and Streets:				
Streets	479,074	42,238	-	521,312
Health:				
Council on Aging	359,897	-	-	359,897
Construction in Progress	<u>82,166</u>	<u>96,592</u>	<u>108,799</u>	<u>69,959</u>
Total General Fixed Assets	<u>\$5,728,149</u>	<u>\$421,075</u>	<u>\$ 113,569</u>	<u>\$6,035,655</u>

The accompanying notes constitute an integral part of this statement.

<u>FURNITURE AND FIXTURES</u>	<u>TOTALS</u>	
	<u>1996</u>	<u>1995</u>
\$ 47,136	\$1,678,259	\$1,569,460
-	108,922	88,288
-	26,556	25,818
-	15,091	15,486
-	44,652	44,652
<u>-</u>	<u>32,388</u>	<u>30,853</u>
47,136	1,905,868	1,774,557
-	24,741	23,954
-	811,293	786,991
<u>-</u>	<u>2,342,585</u>	<u>2,221,510</u>
-	3,178,619	3,032,455
-	521,312	479,074
<u>-</u>	<u>359,897</u>	<u>359,897</u>
<u>\$ 47,136</u>	5,965,696	5,645,983
	<u>69,959</u>	<u>82,166</u>
	<u>\$6,035,655</u>	<u>\$5,728,149</u>

City of Denham Springs

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

June 30, 1996

	<u>LAND</u>	<u>LAND IMPROVEMENTS</u>	<u>BUILDINGS</u>	<u>EQUIPMENT</u>
<u>Function and Activity:</u>				
General Government:				
General Government				
Buildings	\$358,039	\$ 5,000	\$1,268,084	\$ -
Administration	-	-	-	108,922
Cemetery	2,000	11,002	-	13,554
Tax	-	-	-	15,091
Planning and Development	-	-	-	44,652
Public Service Workers	-	-	10,647	21,741
Total General Government	360,039	16,002	1,278,731	203,960
Public Safety:				
Animal Control	1,500	512	9,444	13,285
Fire	8,250	-	232,426	570,617
Police	201,482	8,953	1,475,445	656,705
Total Public Safety	211,232	9,465	1,717,315	1,240,607
Highways and Streets:				
Streets	-	-	5,174	516,138
Health:				
Council on Aging	-	-	359,897	-
Total General Fixed Assets Allocated to Functions	<u>\$571,271</u>	<u>\$ 25,467</u>	<u>\$3,361,117</u>	<u>\$1,960,705</u>
Construction in Progress				
Total General Fixed Assets				

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

STATEMENTS OF GENERAL FIXED ASSETS

June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
General Fixed Assets, at Cost:		
Land	\$ 571,271	\$ 571,271
Land Improvements	25,467	24,955
Buildings	3,361,117	3,252,319
Equipment	1,960,705	1,750,302
Furniture and Fixtures	47,136	47,136
Construction in Progress	<u>69,959</u>	<u>82,166</u>
Total General Fixed Assets	<u>\$6,035,655</u>	<u>\$5,728,149</u>
Investments in General Fixed Assets From:		
General Fund Revenues	\$2,360,206	\$2,168,029
Federal Revenues and Federal Grants	419,455	400,716
Capital Improvement Funds:		
City's Share of Cost:		
General Fund	2,201,771	2,109,905
Federal Revenue Sharing	201,482	201,482
Federal Grants	492,741	488,017
State Grants	<u>360,000</u>	<u>360,000</u>
Total Investment in General Fixed Assets	<u>\$6,035,655</u>	<u>\$5,728,149</u>

The accompanying notes constitute an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

City of Denham Springs
 DEFERRED COMPENSATION AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 1996

	<u>BALANCE</u> <u>JULY 1, 1995</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1996</u>
ASSETS				
Investment in Deferred Compensation	\$47,092	\$ 9,500	\$17,350	\$39,242
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
LIABILITIES				
Deferred Compensation Deposits Due to Employees	\$47,092	\$ 9,500	\$17,350	\$39,242
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Sales of Cemetery Plots	\$ 33,780	\$ 19,575
Interest	<u>14,195</u>	<u>11,805</u>
Total Revenues	47,975	31,380
Expenditures:		
Bank Charges	<u>-</u>	<u>11</u>
Total Expenditures	<u>-</u>	<u>11</u>
Excess Revenues over Expenditures	47,975	31,369
Fund Balance at Beginning of Year	<u>229,610</u>	<u>198,241</u>
Fund Balance at End of Year	<u>\$ 277,585</u>	<u>\$ 229,610</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

COMBINING BALANCE SHEETS -
ALL TRUST AND AGENCY FUNDSJune 30, 1996
With Comparative Totals as of June 30, 1995

ASSETS	EXPENDABLE	AGENCY FUND	TOTALS	
	TRUST FUND	DEFERRED	1996	1995
	CEMETERY	COMPENSATION		
	FUND	FUND		
Cash and Cash Equivalents	\$ 124	\$ -	\$ 124	\$ 28,867
Investments, at Cost	277,370	-	277,370	190,000
Investment in Deferred Compensation	-	39,242	39,242	47,092
Accrued Interest Receivable	<u>91</u>	<u>-</u>	<u>91</u>	<u>10,743</u>
Total Assets	<u>\$277,585</u>	<u>\$ 39,242</u>	<u>\$316,827</u>	<u>\$276,702</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Deferred Compensation Deposits Due to Employees	\$ -	\$ 39,242	\$ 39,242	\$47,092
Fund Balances:				
Reserved for Cemetery Expenditures	<u>277,585</u>	<u>-</u>	<u>277,585</u>	<u>229,610</u>
Total Liabilities and Fund Balances	<u>\$277,585</u>	<u>\$ 39,242</u>	<u>\$316,827</u>	<u>\$276,702</u>

The accompanying notes constitute an integral part of this statement.

TRUST AND AGENCY FUNDS

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

Deferred Compensation Agency Fund - To account for the assets and related liability of the employees' deferred compensation plan.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 8,647	\$ 10,212
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	6,132	8,076
Miscellaneous Revenues	199	124
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	(17,336)	29,558
(Increase) Decrease in Inventory	(4,783)	(6,670)
(Increase) Decrease in Other Assets	795	(785)
Increase (Decrease) in Accounts Payable	(2,861)	5,040
Increase (Decrease) in Due to Other Funds	18,136	(38,850)
Increase (Decrease) in Other Accrued Expenses	(702)	990
Increase (Decrease) in Accumulated Unpaid Vacation	<u>676</u>	<u>-</u>
Net Cash Provided by Operating Activities	8,903	7,695
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	<u>(8,206)</u>	<u>(3,061)</u>
Net Cash Used in Capital and Related Financing Activities	<u>(8,206)</u>	<u>(3,061)</u>
Net Increase in Cash and Cash Equivalents	697	4,634
Cash and Cash Equivalents - Beginning of Year	<u>4,946</u>	<u>312</u>
Cash and Cash Equivalents - End of Year	<u>\$ 5,643</u>	<u>\$ 4,946</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

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

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Sales and Labor Charges	\$ 251,925	\$ 235,505
Cost of Sales	<u>186,789</u>	<u>183,274</u>
Gross Profit	65,136	52,231
Operating Expenses:		
Salaries	33,126	22,912
Payroll Taxes, Retirement, and Group Insurance	6,118	4,621
Depreciation	6,132	8,076
Insurance	3,956	2,736
Miscellaneous	231	466
Repairs and Maintenance	2,657	658
Small Tools and Supplies	1,959	305
Telephone and Utilities	207	190
Office Supplies	1,159	525
Uniforms	568	384
Vehicle Expense	<u>376</u>	<u>1,146</u>
Total Operating Expenses	<u>56,489</u>	<u>42,019</u>
Operating Income	8,647	10,212
Nonoperating Revenue:		
Miscellaneous Income	<u>199</u>	<u>124</u>
Total Nonoperating Revenues	<u>199</u>	<u>124</u>
Net Income	8,846	10,336
Retained Earnings at Beginning of Year	<u>40,038</u>	<u>29,702</u>
Retained Earnings at End of Year	<u>\$ 48,884</u>	<u>\$ 40,038</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Current Assets:		
Cash and Cash Equivalents	\$ 5,643	\$ 4,946
Due from Other Funds	24,208	6,872
Inventory at Cost	19,013	14,230
Other Assets	<u>1,024</u>	<u>1,819</u>
Total Current Assets	49,888	27,867
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$97,946 in 1996 and \$91,814 in 1995)	<u>32,516</u>	<u>30,442</u>
Total Assets	<u>\$ 82,404</u>	<u>\$ 58,309</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 10,366	\$ 13,227
Due to Other Funds	19,157	1,021
Accumulated Unpaid Vacation	2,503	1,827
Other Accrued Expenses	<u>1,494</u>	<u>2,196</u>
Total Current Liabilities	33,520	18,271
Fund Equity:		
Retained Earnings	<u>48,884</u>	<u>40,038</u>
Total Fund Equity	<u>48,884</u>	<u>40,038</u>
Total Liabilities and Fund Equity	<u>\$ 82,404</u>	<u>\$ 58,309</u>

The accompanying notes constitute an integral part of this statement.

INTERNAL SERVICE FUND

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

City of Denham Springs
UTILITY ENTERPRISE FUND

SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR REVENUE
BOND DEBT SERVICE

For the Year Ended June 30, 1996

	<u>BOND INTEREST AND REDEMPTION</u>	<u>BOND RESERVE</u>	<u>BOND CONTINGENCY</u>	<u>TOTAL</u>
Cash and Investments at Beginning of Year	\$ 98,465	\$ 140,790	\$ 150,480	\$ 389,735
Cash Receipts:				
Transfers from Operating Cash	384,863	19,243	19,243	423,349
Interest Received	<u>6,174</u>	<u>7,395</u>	<u>8,054</u>	<u>21,623</u>
Total Cash Receipts	<u>391,037</u>	<u>26,638</u>	<u>27,297</u>	<u>444,972</u>
Total Cash and Investments Available	489,502	167,428	177,777	834,707
Cash Disbursements:				
Principal Payments	129,207	-	-	129,207
Interest Payments	259,418	-	-	259,418
Transfers to Operating Cash	<u>3,443</u>	<u>11,675</u>	<u>513</u>	<u>15,631</u>
Total Cash Dis- bursements	<u>392,068</u>	<u>11,675</u>	<u>513</u>	<u>404,256</u>
Cash and Investments at End of Year	<u>\$ 97,434</u>	<u>\$ 155,753</u>	<u>\$ 177,264</u>	<u>\$ 430,451</u>

The accompanying notes constitute an integral part of this statement.

SEWER DEPARTMENT		SANITATION DEPARTMENT		TOTAL	
1996	1995	1996	1995	1996	1995
\$ -	\$ -	\$ -	\$ -	\$ 838,856	\$ 595,179
192,630	179,401	-	-	574,280	538,125
-	-	-	-	9,780	5,130
207,717	203,418	18,827	17,534	492,395	483,841
58,890	56,631	-	-	152,528	138,343
23,361	24,332	777	460	98,514	92,515
2,361	2,924	387	335	20,618	30,938
16,722	22,999	-	-	16,722	22,999
78,408	96,705	-	-	281,617	266,051
-	-	-	-	93,198	90,952
-	-	-	-	15,932	26,936
6,264	8,556	13	5	27,347	30,581
-	-	262,613	251,053	262,613	251,053
-	4,148	-	-	-	4,148
<u>586,353</u>	<u>599,114</u>	<u>282,617</u>	<u>269,387</u>	<u>2,884,400</u>	<u>2,576,791</u>
27,326	22,539	17,804	14,785	101,619	83,911
48,518	43,357	2,963	2,543	141,812	128,351
4,904	5,014	3,195	3,288	18,237	18,665
3,087	2,745	2,011	1,800	11,479	10,218
-	-	29	5	29	2,922
20,777	18,013	1,845	1,746	104,465	89,668
10,271	9,171	2,268	1,782	41,634	34,686
12,423	12,333	1,616	1,891	37,405	33,996
58,888	24,814	2,321	1,421	86,322	35,240
6,449	5,211	899	826	26,930	23,056
7,210	3,326	4,698	2,182	26,813	12,383
<u>199,853</u>	<u>146,523</u>	<u>39,649</u>	<u>32,269</u>	<u>596,745</u>	<u>473,096</u>
<u>\$ 786,206</u>	<u>\$ 745,637</u>	<u>\$ 322,266</u>	<u>\$ 301,656</u>	<u>\$3,481,145</u>	<u>\$3,049,887</u>

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT

For the Years Ended June 30, 1996 and 1995

	<u>GAS DEPARTMENT</u>		<u>WATER DEPARTMENT</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Direct Expenses:				
Natural Gas Purchases	\$ 838,856	\$ 595,179	\$ -	\$ -
Direct Labor	251,491	221,967	130,159	136,757
Chlorinator Expense	-	-	9,780	5,130
Depreciation	97,537	96,949	168,314	165,940
Electricity	17,123	13,298	76,515	68,414
Equipment Expenses	57,332	51,230	17,044	16,493
Equipment Rental	14,871	23,345	2,999	4,334
Lab Fees	-	-	-	-
Maintenance	118,955	74,055	84,254	95,291
Meter Reading	40,928	40,019	52,270	50,933
Meter Repairs	15,932	26,023	-	913
Small Tools and Supplies	11,432	9,409	9,638	12,611
Subcontract Disposal Service	-	-	-	-
Water Pollution Fee	-	-	-	-
	<u>1,464,457</u>	<u>1,151,474</u>	<u>550,973</u>	<u>556,816</u>
General and Administrative Expenses:				
Office Salaries	24,510	20,424	31,979	26,163
Payroll Taxes, Retirement and Group Insurance	57,625	51,380	32,706	31,071
Administrative Charges	4,399	4,543	5,739	5,820
Electricity	2,769	2,487	3,612	3,186
Ground Maintenance	-	1,894	-	1,023
Insurance	56,289	46,059	25,554	23,850
Miscellaneous	18,476	15,341	10,619	8,392
Office Expense	14,450	11,400	8,916	8,372
Professional Fees	18,831	2,319	6,282	6,686
Telephone	10,247	8,071	9,335	8,948
Bad Debts	6,467	3,014	8,438	3,861
	<u>214,063</u>	<u>166,932</u>	<u>143,180</u>	<u>127,372</u>
Total Operating Expenses	<u>\$1,678,520</u>	<u>\$1,318,406</u>	<u>\$ 694,153</u>	<u>\$ 684,188</u>

The accompanying notes constitute an integral part of this statement.

<u>SEWER DEPARTMENT</u>		<u>SANITATION DEPARTMENT</u>		<u>TOTAL</u>	
<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
\$ 512,129	\$ 511,514	\$ 295,048	\$ 288,752	\$3,773,464	\$3,324,483
<u>95</u>	<u>190</u>	<u>-</u>	<u>-</u>	<u>30,651</u>	<u>50,946</u>
512,224	511,704	295,048	288,752	3,804,115	3,375,429
586,353	599,114	282,617	269,387	2,884,400	2,576,791
<u>199,853</u>	<u>146,523</u>	<u>39,649</u>	<u>32,269</u>	<u>596,745</u>	<u>473,096</u>
<u>786,206</u>	<u>745,637</u>	<u>322,266</u>	<u>301,656</u>	<u>3,481,145</u>	<u>3,049,887</u>
\$ (273,982)	\$ (233,933)	\$ (27,218)	\$ (12,904)	322,970	325,542
				<u>54,007</u>	<u>49,391</u>
				<u>\$ 376,977</u>	<u>\$ 374,933</u>

City of Denham Springs
UTILITY ENTERPRISE FUND

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

For the Years Ended June 30, 1996 and 1995

	<u>GAS DEPARTMENT</u>		<u>WATER DEPARTMENT</u>	
	<u>1996</u>	<u>1995</u>	<u>1996</u>	<u>1995</u>
Operating Revenues:				
Charges for Services	\$2,058,232	\$1,649,510	\$ 908,055	\$ 874,707
Miscellaneous	<u> -</u>	<u> -</u>	<u>30,556</u>	<u>50,756</u>
Total Operating Revenues	2,058,232	1,649,510	938,611	925,463
Operating Expenses:				
Direct	1,464,457	1,151,474	550,973	556,816
General and Administrative	<u>214,063</u>	<u>166,932</u>	<u>143,180</u>	<u>127,372</u>
Total Operating Expenses	<u>1,678,520</u>	<u>1,318,406</u>	<u>694,153</u>	<u>684,188</u>
Operating Income (Loss) by Departments	<u>\$ 379,712</u>	<u>\$ 331,104</u>	<u>\$ 244,458</u>	<u>\$ 241,275</u>
Other Operating Revenues:				
Delinquent Charges				
Net Operating Income				

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended June 30, 1996 and 1995

	1996	1995
Cash Flows From Noncapital Financing Activities:		
Operating Transfers In	200,000	-
Net Cash Provided by Noncapital Financing Activities	200,000	-
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(392,556)	(399,334)
(Increase) Decrease in Restricted Assets	(40,716)	(68,933)
Increase (Decrease) in Liabilities Payable From Restricted Assets	2,635	21,424
Increase (Decrease) in Long-Term Bonds Payable - 1989 Series	(128,374)	(129,207)
Grant - La. Department of Transportation	(1,182)	72,585
Impact Fees - Developers	69,596	-
Interest Paid on Revenue Bonds	(259,418)	(273,193)
Net Cash Used in Capital and Related Financing Activities	(750,015)	(776,658)
Cash Flows From Investing Activities:		
Net Sale (Purchase) of Investments	(600,000)	100,000
Interest Income	168,600	127,039
Net Cash Provided by (Used in) Investing Activities	(431,400)	227,039
Net Increase in Cash and Cash Equivalents	36,835	74,983
Cash and Cash Equivalents - Beginning of Year	238,100	163,117
Cash and Cash Equivalents - End of Year	\$ 274,935	\$ 238,100
Schedule of Noncash Investing, Capital and Financing Activities:		
Amortization of Deferred Bond Expense	\$ 9,548	\$ 10,718

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 376,977	\$ 374,933
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	492,395	483,841
Provision for Bad Debts	26,813	12,383
Miscellaneous Revenues	16,189	9,994
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(78,907)	13,861
(Increase) Decrease in Other Receivables	13,931	(18,034)
(Increase) Decrease in Unbilled Utility Sales	-	(16,518)
(Increase) Decrease in Due from Other Funds	7,324	(7,324)
(Increase) Decrease in Due from Government Agencies	3,629	(3,629)
(Increase) Decrease in Inventory	36,835	(47,192)
(Increase) Decrease in Prepaid Expenses	3,103	(10,933)
Increase (Decrease) in Accounts Payable	46,400	36,382
Increase (Decrease) in Construction Contracts Payable	-	(125,884)
Increase (Decrease) in Retainage Payable	7,232	(42,685)
Increase (Decrease) in Accrued Salaries and Wages	342	2,362
Increase (Decrease) in Due to Other Funds	43,445	(40,127)
Increase (Decrease) in Due to Other Government Agencies	2,114	-
Increase (Decrease) in Other Current Liabilities	15,588	6,747
Increase (Decrease) in Accumulated Unpaid Vacation	<u>4,840</u>	<u>(3,575)</u>
Net Cash Provided by Operating Activities	1,018,250	624,602

(CONTINUED)

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Operating Revenues:		
Charges for Services:		
Gas Sales	\$ 2,058,232	\$ 1,649,510
Water Sales	938,611	925,463
Sewer Service	512,224	511,704
Sanitation Service	295,048	288,752
Delinquent Charges	<u>54,007</u>	<u>49,391</u>
Total Operating Revenues	3,858,122	3,424,820
Operating Expenses:		
Gas Department	1,678,520	1,318,406
Water Department	694,153	684,188
Sewer Department	786,206	745,637
Sanitation Department	<u>322,266</u>	<u>301,656</u>
Total Operating Expenses	3,481,145	3,049,887
Operating Income	376,977	374,933
Nonoperating Revenues:		
Interest	168,600	127,039
Miscellaneous	<u>16,189</u>	<u>9,994</u>
Total Nonoperating Revenues	184,789	137,033
Nonoperating Expenses:		
Interest	255,874	269,759
Amortization of Bond Redemption Premium	<u>9,548</u>	<u>10,718</u>
Total Nonoperating Expenses	265,422	280,477
Net Income before Operating Transfers	296,344	231,489
Operating Transfers In	<u>200,000</u>	<u>-</u>
Net Income	496,344	231,489
Retained Earnings at Beginning of Year	<u>8,010,527</u>	<u>7,779,038</u>
Retained Earnings at End of Year	<u>\$ 8,506,871</u>	<u>\$ 8,010,527</u>

The accompanying notes constitute an integral part of this statement.

LIABILITIES AND FUND EQUITY	1996	1995
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 210,745	\$ 164,345
Retainage Payable	9,553	2,321
Accrued Salaries and Wages	5,152	4,811
Due to Other Funds	43,446	-
Due to Other Government Agencies	2,114	-
Other Current Liabilities	62,422	46,834
Total Current Liabilities (Payable from Current Assets)	333,432	218,311
Current Liabilities (Payable from Restricted Assets):		
Customers' Deposits	395,000	387,988
Bonds Payable - 1989 Series	128,374	129,207
Accrued Bond Interest	61,133	64,677
Total Current Liabilities (Payable from Restricted Assets)	584,507	581,872
Long-Term Liabilities:		
Accumulated Unpaid Vacation	29,721	24,881
Bonds Payable - 1989 Series	2,100,764	2,229,138
Total Long-Term Liabilities	2,130,485	2,254,019
Total Liabilities	3,048,424	3,054,202
Fund Equity:		
Contributed Capital:		
Federal Grants	2,671,207	2,671,207
State Grants	334,507	335,689
Residual Equity Transfer - General Fund Developers	600,000	600,000
Other	69,596	-
Other	26,316	26,316
Total Contributed Capital	3,701,626	3,633,212
Retained Earnings:		
Reserved for Revenue Bond Reserves	63,680	45,371
Reserved for Revenue Bond Contingencies	177,264	150,480
Unreserved	8,265,927	7,814,676
Total Retained Earnings	8,506,871	8,010,527
Total Fund Equity	12,208,497	11,643,739
Total Liabilities and Fund Equity	\$15,256,921	\$14,697,941

City of Denham Springs
 UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
 June 30, 1996 and 1995

	1996	1995
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 274,935	\$ 238,100
Certificates of Deposit - (Maturities Greater than 90 Days)	2,175,000	1,575,000
Receivables:		
Accounts (Net of Allowance for Uncollectible Accounts of \$46,500 in 1996 and \$35,600 in 1995)	194,268	127,846
Other	42,895	56,826
Unbilled Utility Sales	197,995	197,995
Due from Other Funds	-	7,324
Due from Other Government	-	3,629
Inventory, at Cost	117,115	153,950
Prepaid Expenses	67,057	70,160
Total Current Assets	3,069,265	2,430,830
 Restricted Assets:		
Certificate of Deposit - Customer Deposit Account (Maturity Greater Than 90 Days)	395,000	395,000
Bond Interest and Redemption Account	97,434	98,465
Bond Reserve Account	155,753	140,790
Bond Contingency Account	177,264	150,480
Total Restricted Assets	825,451	784,735
 Property, Plant and Equipment, at Cost (Net of Accumulated Depreciation of \$6,967,234 in 1996 and \$6,499,332 in 1995)		
	11,300,011	11,410,634
 Deferred Expenses and Other Assets:		
Deferred Bond Expenses	62,194	71,742
Total Assets	\$15,256,921	\$14,697,941

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
BUILDING RENOVATIONS CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Federal Grants	\$ 3,700	\$ 4,723	\$ 1,023
Donations	<u> -</u>	<u>28,000</u>	<u>28,000</u>
Total Revenues	3,700	32,723	29,023
Expenditures:			
Construction Contracts	100,000	79,896	20,104
Construction Costs	9,000	7,864	1,136
Engineering	<u>10,000</u>	<u>8,829</u>	<u>1,171</u>
Total Expenditures	<u>119,000</u>	<u>96,589</u>	<u>22,411</u>
Deficiency of Revenues over Expenditures	(115,300)	(63,866)	51,434
Other Financing Sources:			
Operating Transfers In	<u>100,000</u>	<u>100,000</u>	<u> -</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(15,300)	36,134	51,434
Fund Balance at Beginning of Year	<u>24,854</u>	<u>24,854</u>	<u> -</u>
Fund Balance at End of Year	<u>\$ 9,554</u>	<u>\$ 60,988</u>	<u>\$ 51,434</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DRAINAGE IMPROVEMENTS CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ <u>20,900</u>	\$ <u>22,877</u>	\$ <u>1,977</u>
Total Revenues	20,900	22,877	1,977
Expenditures:			
Construction Costs	105,000	30,985	74,015
Engineering	<u>137,000</u>	<u>40,877</u>	<u>96,123</u>
Total Expenditures	<u>242,000</u>	<u>71,862</u>	<u>170,138</u>
Deficiency of Revenues over Expenditures	(221,100)	(48,985)	172,115
Other Financing Sources:			
Operating Transfers In	<u>225,000</u>	<u>150,195</u>	<u>(74,805)</u>
Excess of Revenues and Other Sources Over Expenditures	3,900	101,210	97,310
Fund Balance at Beginning of Year	<u>358,557</u>	<u>358,557</u>	-
Fund Balance at End of Year	<u>\$ 362,457</u>	<u>\$ 459,767</u>	<u>\$ 97,310</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
STREET OVERLAY CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1996

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Federal Grant	\$ 1,300	\$ 1,300	\$ -
Interest	<u>-</u>	<u>1,215</u>	<u>1,215</u>
Total Revenues	1,300	2,515	1,215
Expenditures:			
Construction Contracts	150,000	-	150,000
Construction Costs	<u>-</u>	<u>-</u>	<u>-</u>
Engineering	<u>50,000</u>	<u>38,327</u>	<u>11,673</u>
Total Expenditures	<u>200,000</u>	<u>38,327</u>	<u>161,673</u>
Excess (Deficiency) of Revenues over Expenditures	(198,700)	(35,812)	162,888
Other Financing Sources:			
Operating Transfers In	<u>200,000</u>	<u>200,000</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures	1,300	164,188	162,888
Fund Balance at Beginning of Year	<u>3,522</u>	<u>3,522</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 4,822</u>	<u>\$ 167,710</u>	<u>\$ 162,888</u>

The accompanying notes constitute an integral part of this statement.

<u>TOTALS</u>	
<u>1996</u>	<u>1995</u>
\$ 28,000	\$ 5,200
24,092	19,759
<u>6,023</u>	<u>29,742</u>
58,115	54,701
79,896	595,804
38,849	57,710
<u>88,033</u>	<u>118,031</u>
206,778	771,545
(148,663)	(716,844)
450,195	<u>695,881</u>
301,532	(20,963)
<u>386,933</u>	<u>407,896</u>
\$ <u>688,465</u>	\$ <u>386,933</u>

City of Denham Springs
CAPITAL PROJECTS FUNDS

COMBINING STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 1996
With Comparative Totals for the Year Ended June 30, 1995

	<u>STREET OVERLAY</u>	<u>DRAINAGE IMPROVEMENTS</u>	<u>BUILDING RENOVATIONS</u>
Revenues:			
Donations	\$ -	\$ -	\$ 28,000
Interest	1,215	22,877	-
Federal Grants	<u>1,300</u>	<u>-</u>	<u>4,723</u>
Total Revenues	2,515	22,877	32,723
Expenditures - Capital Projects:			
Construction Contracts	-	-	79,896
Construction Costs	-	30,985	7,864
Engineering	<u>38,327</u>	<u>40,877</u>	<u>8,829</u>
Total Expenditures	<u>38,327</u>	<u>71,862</u>	<u>96,589</u>
Deficiency of Revenues over Expenditures	(35,812)	(48,985)	(63,866)
Other Financing Sources:			
Operating Transfers In	<u>200,000</u>	<u>150,195</u>	<u>100,000</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	164,188	101,210	36,134
Fund Balances at Beginning of Year	<u>3,522</u>	<u>358,557</u>	<u>24,854</u>
Fund Balances at End of Year	<u>\$ 167,710</u>	<u>\$ 459,767</u>	<u>\$ 60,988</u>

The accompanying notes constitute an integral part of this statement.

<u>TOTALS</u>	
<u>1996</u>	<u>1995</u>
\$ 39,823	\$ 32,165
720,000	350,000
6,872	11,270
13,540	2,713
<u>-</u>	<u>3,700</u>
\$ 780,235	\$ 399,848
<u> </u>	<u> </u>

\$ 70,813	\$ -
7,417	10,202
<u>13,540</u>	<u>2,713</u>
91,770	12,915
678,698	371,527
<u>9,767</u>	<u>15,406</u>
<u>688,465</u>	<u>386,933</u>
\$ 780,235	\$ 399,848
<u> </u>	<u> </u>

City of Denham Springs
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

June 30, 1996
With Comparative Totals as of June 30, 1995

ASSETS	<u>STREET OVERLAY</u>	<u>DRAINAGE IMPROVEMENTS</u>	<u>BUILDING RENOVATIONS</u>
Cash and Cash Equivalents	\$ 2,000	\$ -	\$ 37,823
Certificates of Deposit	200,000	450,000	70,000
Accrued Interest Receivable	-	6,872	-
Due from Other Funds	6,037	7,503	-
Due from Other Governments	-	-	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 208,037	\$ 464,375	\$ 107,823
	<hr/>	<hr/>	<hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ 38,327	\$ 4,608	\$ 27,878
Retainages Payable	2,000	-	5,417
Due to Other Funds	-	-	13,540
	<hr/>	<hr/>	<hr/>
Total Liabilities	40,327	4,608	46,835
Fund Balances:			
Designated for Construction	167,710	450,000	60,988
Unreserved-Undesignated	-	9,767	-
	<hr/>	<hr/>	<hr/>
Total Fund Balances	167,710	459,767	60,988
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 208,037	\$ 464,375	\$ 107,823
	<hr/>	<hr/>	<hr/>

The accompanying notes constitute an integral part of this statement.

CAPITAL PROJECTS FUNDS

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

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

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

City of Denham Springs
DEBT SERVICE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE

For the Years Ended June 30, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Special Assessments	\$ 29,798	\$ 20,772
Interest	8,609	6,887
Penalties	<u>936</u>	<u>663</u>
Total Revenues	39,343	28,322
Expenditures:		
Administrative Charges	350	465
Debt Service:		
Principal Retirement	13,321	13,321
Interest	<u>6,460</u>	<u>7,526</u>
Total Expenditures	<u>20,131</u>	<u>21,312</u>
Excess of Revenues over Expenditures	19,212	7,010
Fund Balance at Beginning of Year	<u>29,038</u>	<u>22,028</u>
Fund Balance at End of Year	<u>\$ 48,250</u>	<u>\$ 29,038</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1996 and 1995

ASSETS

	<u>1996</u>	<u>1995</u>
Cash and Cash Equivalents	\$ 44,269	\$ 24,489
Special Assessment Receivable:		
Current	54,025	83,968
Delinquent	4,279	4,847
Due from Other Funds	<u>-</u>	<u>-</u>
Total Assets	<u>\$102,573</u>	<u>\$113,304</u>

LIABILITIES AND FUND BALANCE

Liabilities:		
Deferred Revenues	\$ 54,025	\$ 83,968
Due to Other Funds	<u>298</u>	<u>298</u>
Total Liabilities	54,323	84,266
Fund Balance:		
Reserved for Debt Service	<u>48,250</u>	<u>29,038</u>
Total Fund Balance	<u>48,250</u>	<u>29,038</u>
Total Liabilities and Fund Balance	<u>\$102,573</u>	<u>\$113,304</u>

The accompanying notes constitute an integral part of this statement.

DEBT SERVICE FUND

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

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	BUDGET	ACTUAL		
Streets (Cont'd.):				
Legal and Professional	2,000	1,176	824	5,048
Streets Maintenance and Materials	45,000	49,663	(4,663)	80,011
Miscellaneous	9,050	7,619	1,431	4,640
Small Tools and Supplies	9,000	9,133	(133)	10,654
Telephone	4,000	3,803	197	4,331
Total Streets	<u>686,825</u>	<u>651,360</u>	<u>35,465</u>	<u>747,515</u>
Lighting:				
Electricity	<u>100,000</u>	<u>101,153</u>	<u>(1,153)</u>	<u>96,759</u>
Total Lighting	<u>100,000</u>	<u>101,153</u>	<u>(1,153)</u>	<u>96,759</u>
Total Highways and Streets	<u>786,825</u>	<u>752,513</u>	<u>34,312</u>	<u>844,274</u>
Health:				
Council on Aging	16,000	19,606	(3,606)	14,977
Head Start Program	4,000	-	4,000	4,000
Total Health	<u>20,000</u>	<u>19,606</u>	<u>394</u>	<u>18,977</u>
Total Expenditures	<u>\$4,051,280</u>	<u>\$3,987,878</u>	<u>\$ 63,402</u>	<u>\$3,773,536</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1995 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Police (Cont'd.):				
Equipment Rental	3,500	3,298	202	2,988
Insurance	79,500	100,654	(21,154)	72,285
Jail Expense	2,000	124	1,876	762
Membership Fees and Educational Training	18,500	14,294	4,206	15,383
Miscellaneous	13,520	11,435	2,085	9,176
Printing, Postage and Office Supplies	11,000	10,649	351	9,240
Professional Fees	2,000	981	1,019	84
Repairs and Maintenance	12,000	15,862	(3,862)	10,357
Small Tools and Supplies	3,000	1,939	1,061	3,061
Telephone	8,000	8,588	(588)	7,467
Uniforms	11,000	9,735	1,265	7,902
Total Police	<u>1,412,120</u>	<u>1,450,946</u>	<u>(38,826)</u>	<u>1,255,312</u>
Total Public Safety	<u>2,226,935</u>	<u>2,244,946</u>	<u>(18,011)</u>	<u>2,024,079</u>
Highways and Streets:				
Streets:				
Salaries	348,000	318,855	29,145	346,633
Payroll Taxes, Retirement, and Group Insurance	77,275	72,594	4,681	71,619
Electricity	4,000	4,043	(43)	4,036
Equipment	42,500	42,239	261	34,890
Equipment Expense	75,000	75,888	(888)	101,478
Equipment Rental	6,000	3,976	2,024	19,441
Insurance	57,500	54,492	3,008	57,498
Uniforms	7,500	7,879	(379)	7,236

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	BUDGET	ACTUAL		
Fire (Cont'd.):				
Equipment	30,000	24,302	5,698	29,141
Equipment Expense	27,500	23,728	3,772	14,043
Insurance	63,700	63,420	280	63,822
Membership Fees and Educational Training	5,000	3,569	1,431	4,635
Miscellaneous	4,420	3,105	1,315	934
Printing, Postage and Office Supplies	750	854	(104)	884
Rental Equipment	100	-	100	-
Repairs and Maintenance	5,000	4,152	848	2,488
Small Tools and Supplies	6,000	8,397	(2,397)	6,411
Telephone	1,500	1,968	(468)	1,409
Uniforms	3,500	3,469	31	6,525
Total Fire	<u>784,570</u>	<u>763,037</u>	<u>21,533</u>	<u>741,461</u>
Police:				
Salaries	828,400	834,211	(5,811)	749,950
Payroll Taxes, Retirement, and Group Insurance	203,200	198,021	5,179	184,887
Electricity	24,000	29,239	(5,239)	24,572
Equipment	103,500	121,075	(17,575)	78,921
Equipment Expense	89,000	90,841	(1,841)	78,277

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	BUDGET	ACTUAL		
Summer Food Program:				
Salaries	6,000	7,332	(1,332)	6,335
Payroll Taxes	900	586	314	490
Equipment Rental	1,850	-	1,850	-
Food Purchases	7,000	7,521	(521)	4,155
Insurance	250	407	(157)	318
Supplies	1,500	837	663	732
Total Summer Food Program	17,500	16,683	817	12,030
Total General Government	1,017,520	970,813	46,707	886,206
Public Safety:				
Animal Control:				
Salaries	15,600	16,566	(966)	13,343
Payroll Taxes, Retirement, and Group Insurance	3,895	3,974	(79)	3,169
Building Improvements	-	512	(512)	4,015
Electricity	625	474	151	328
Equipment	2,000	275	1,725	229
Equipment Expense	2,000	2,483	(483)	1,853
Insurance	1,900	1,396	504	1,261
Miscellaneous	3,625	4,244	(619)	2,642
Small Tools and Supplies	600	1,039	(439)	466
Total Animal Control	30,245	30,963	(718)	27,306
Fire:				
Salaries	509,500	501,520	7,980	496,787
Payroll Taxes, Retirement, and Group Insurance	119,900	118,705	1,195	107,730
Electricity	7,500	5,848	1,652	6,622
Legal and Profes- sional	200	-	200	30

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	BUDGET	ACTUAL		
Ward Court (Cont'd.):				
Additional Court Costs	13,000	10,391	2,609	15,348
Prosecuting Attorney	<u>10,000</u>	<u>6,854</u>	<u>3,146</u>	<u>10,000</u>
Total Ward Court	<u>93,410</u>	<u>86,425</u>	<u>6,985</u>	<u>93,185</u>
Planning and Development:				
Salaries	75,000	74,541	459	69,878
Payroll Taxes, Retirement, and Group Insurance	12,750	12,606	144	11,792
Equipment	1,000	-	1,000	23,943
Insurance	8,500	8,187	313	7,860
Legal and Professional	11,500	12,486	(986)	340
Miscellaneous	5,125	4,507	618	7,759
Demolition Expense	5,000	533	4,467	8,238
Printing, Postage and Office Supplies	3,000	1,975	1,025	3,934
Small Tools and Supplies	500	206	294	114
Vehicle Expense	<u>3,500</u>	<u>3,085</u>	<u>415</u>	<u>2,701</u>
Total Planning and Development	<u>125,875</u>	<u>118,126</u>	<u>7,749</u>	<u>136,559</u>
Public Service Workers:				
Equipment	1,400	1,535	(135)	15,633
Equipment Repairs	1,500	2,048	(548)	2,753
Small Tools and Supplies	6,000	4,131	1,869	7,336
Miscellaneous	<u>6,800</u>	<u>7,549</u>	<u>(749)</u>	<u>6,325</u>
Total Public Service Workers	<u>15,700</u>	<u>15,263</u>	<u>437</u>	<u>32,047</u>

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	1996		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	BUDGET	ACTUAL		
Cemetery (Cont'd.):				
Equipment	1,500	738	762	289
Equipment Expense	2,600	3,823	(1,223)	2,306
Legal and Professional	500	-	500	355
Maintenance Contract	2,000	1,032	968	1,633
Insurance	4,350	4,569	(219)	4,303
Miscellaneous	1,400	1,599	(199)	2,076
Small Tools	1,000	854	146	553
Total Cemetery	<u>54,955</u>	<u>54,714</u>	<u>241</u>	<u>51,963</u>
Tax:				
Salaries	34,930	36,005	(1,075)	29,464
Payroll Taxes, Retirement, and Group Insurance	6,970	6,242	728	5,272
Collection Fee	52,000	50,595	1,405	46,256
Equipment	1,000	268	732	474
Equipment Expense	-	133	(133)	-
Insurance	200	185	15	240
Legal and Professional	900	850	50	271
Miscellaneous	2,950	2,821	129	1,496
Printing, Postage and Office Supplies	12,000	14,578	(2,578)	15,306
Small Tools and Supplies	150	-	150	119
Tax Roll	<u>1,510</u>	<u>1,510</u>	<u>-</u>	<u>1,000</u>
Total Tax	<u>112,610</u>	<u>113,187</u>	<u>(577)</u>	<u>99,898</u>
Ward Court:				
Salaries	27,600	27,838	(238)	27,295
Payroll Taxes, Retirement, and Group Insurance	11,710	12,332	(622)	11,672
Judge's Salary	27,000	25,800	1,200	25,800
Small Tools and Supplies	100	-	100	-
Judge's Retirement	4,000	3,210	790	3,070

(CONTINUED)

City of Denham Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1995 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
General Government:				
General Provisions:				
Salaries	\$ 200,000	\$ 194,045	\$ 5,955	\$ 202,906
Aldermen's Per Diem	20,000	19,200	800	18,500
Payroll Taxes, Retirement, and Group Insurance	39,350	34,026	5,324	35,694
Contingency	50,000	18,568	31,432	-
Electricity	11,000	12,002	(1,002)	12,793
Equipment and Land Incubator Business Program	22,700	24,741	(2,041)	279
Insurance	50,000	50,000	-	-
Legal and Professional Membership Fees and Educational Training	30,650	29,773	877	27,221
Miscellaneous	28,500	34,406	(5,906)	17,519
Planning and Zoning	9,000	10,967	(1,967)	5,849
Printing, Postage and Office Supplies	63,320	62,974	346	65,853
Rental Equipment	100	-	100	-
Repairs and Maintenance	27,500	29,339	(1,839)	29,420
Small Tools and Supplies	8,000	9,896	(1,896)	8,002
Telephone	22,100	21,004	1,096	19,671
Travel	1,600	1,756	(156)	2,207
Total General Provisions	7,000	7,276	(276)	8,743
	<u>6,650</u>	<u>6,442</u>	<u>208</u>	<u>5,867</u>
	<u>597,470</u>	<u>566,415</u>	<u>31,055</u>	<u>460,524</u>
Cemetery:				
Salaries	33,650	33,955	(305)	32,665
Payroll Taxes, Retirement, and Group Insurance	7,955	8,144	(189)	7,783

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1995 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Miscellaneous (Cont'd.):				
Other Grant Revenue	-	-	-	4,904
Road Maintenance Fees	13,400	13,364	(36)	13,364
Rental Income - Council on Aging	-	-	-	8,000
Intergovernmental Donation	600	-	(600)	18,988
Intergovernmental Revenue	105,000	114,788	9,788	108,148
Rent Income	500	320	(180)	290
Utility Adminis- trative Charges	18,000	18,238	238	18,666
Time and Equipment Usage Reimbursement	5,000	-	(5,000)	14,975
Sale of Surplus Assets	1,000	-	(1,000)	-
Incubator Business Grant	<u>50,000</u>	<u>50,000</u>	<u>-</u>	<u>-</u>
	<u>436,550</u>	<u>497,849</u>	<u>61,299</u>	<u>389,831</u>
 Total Revenues	 <u>\$4,936,000</u>	 <u>\$5,211,016</u>	 <u>\$ 275,016</u>	 <u>\$4,757,866</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
GENERAL FUND

SCHEDULE OF REVENUES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	1995 ACTUAL
	<u>BUDGET</u>	<u>ACTUAL</u>		
Taxes:				
Ad Valorem Taxes	\$ 127,500	\$ 128,952	\$ 1,452	\$ 123,055
Alcoholic Beverage Tax	18,000	24,235	6,235	16,319
Chain Store Tax	12,000	11,085	(915)	12,595
Electrical Franchise Taxes	380,000	410,645	30,645	354,770
Sales Taxes	2,945,000	3,035,569	90,569	2,749,728
Tobacco Taxes	44,000	42,578	(1,422)	42,282
Cable TV Franchise Tax	55,000	55,420	420	52,599
Wrecker Franchise Tax	1,700	1,820	120	2,260
Video Poker Fees	<u>130,000</u>	<u>161,694</u>	<u>31,694</u>	<u>136,427</u>
	<u>3,713,200</u>	<u>3,871,998</u>	<u>158,798</u>	<u>3,490,035</u>
Licenses and Permits:				
Occupational Licenses	400,000	425,704	25,704	442,908
Other Permits and Licenses	<u>73,750</u>	<u>94,927</u>	<u>21,177</u>	<u>78,401</u>
	<u>473,750</u>	<u>520,631</u>	<u>46,881</u>	<u>521,309</u>
Fines and Forfeits:				
Ward II Court	<u>194,500</u>	<u>189,498</u>	<u>(5,002)</u>	<u>243,707</u>
911 Service Fees	<u>118,000</u>	<u>131,040</u>	<u>13,040</u>	<u>112,984</u>
Miscellaneous:				
Dog Licenses and Fees	2,000	2,188	188	1,952
Fire Insurance Commissions	16,000	16,273	273	16,018
Interest Income	55,000	79,822	24,822	38,374
Royalties	60,000	68,711	8,711	71,959
Miscellaneous	27,050	37,242	10,192	38,906
Summer Food Program	13,000	15,186	2,186	14,643
Law Enforcement Grants	70,000	81,717	11,717	20,644

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1996
With Comparative Actual Amounts for the Year Ended June 30, 1995

	<u>1996</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1995 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Revenues:				
Taxes	\$3,713,200	\$3,871,998	\$ 158,798	\$ 3,490,035
Licenses and Permits	473,750	520,631	46,881	521,309
Fines and Forfeits	194,500	189,498	(5,002)	243,707
911 Service Fees	118,000	131,040	13,040	112,984
Miscellaneous	<u>436,550</u>	<u>497,849</u>	<u>61,299</u>	<u>389,831</u>
Total Revenues	4,936,000	5,211,016	275,016	4,757,866
Expenditures:				
General Government	1,017,520	970,813	46,707	886,206
Public Safety	2,226,935	2,244,946	(18,011)	2,024,079
Highways and Streets	786,825	752,513	34,312	844,274
Health	<u>20,000</u>	<u>19,606</u>	<u>394</u>	<u>18,977</u>
Total Expenditures	<u>4,051,280</u>	<u>3,987,878</u>	<u>63,402</u>	<u>3,773,536</u>
Excess of Revenues over Expenditures	884,720	1,223,138	338,418	984,330
Other Financing Sources (Uses):				
Operating Transfers Out	(725,000)	(650,195)	74,805	(695,881)
Operating Transfers In from Component Units	17,000	13,253	(3,747)	19,526
Operating Transfers Out to Component Units	<u>(81,000)</u>	<u>(77,037)</u>	<u>3,963</u>	<u>(73,224)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	95,720	509,159	413,439	234,751
Fund Balance at Beginning of Year	<u>1,091,040</u>	<u>1,091,040</u>	-	<u>856,289</u>
Fund Balance at End of Year	<u>\$1,186,760</u>	<u>\$1,600,199</u>	\$ 413,439	<u>\$ 1,091,040</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
GENERAL FUND

COMPARATIVE BALANCE SHEETS

June 30, 1996 and 1995

ASSETS	<u>1996</u>	<u>1995</u>
Cash and Cash Equivalents	\$ 273,329	\$ 154,351
Certificates of Deposit - (Maturities Greater than 90 Days)	1,100,000	800,000
Ad Valorem Taxes Receivable, Net of Allowance for Uncollectible Accounts of \$2,964 in 1996 and \$2,009 in 1995	103	827
Due from Other Funds	38,693	298
Due from Other Governments	210,060	147,966
Other Receivables, Net of Allowance for Uncollectible Accounts of \$-0- in 1996 and 1995	<u>139,454</u>	<u>146,343</u>
Total Assets	<u>\$1,761,639</u>	<u>\$1,249,785</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 73,054	\$ 56,276
Payroll Taxes Payable	1,490	3,738
Retirement and Group Insurance Payable	56,556	52,212
Accrued Salaries and Wages	14,804	14,888
Due to Other Funds	-	13,175
Other Liabilities	<u>15,536</u>	<u>18,456</u>
Total Liabilities	161,440	158,745
Fund Balance:		
Unreserved - Undesignated	<u>1,600,199</u>	<u>1,091,040</u>
Total Fund Balance	<u>1,600,199</u>	<u>1,091,040</u>
Total Liabilities and Fund Balance	<u>\$1,761,639</u>	<u>\$1,249,785</u>

The accompanying notes constitute an integral part of this statement.

GENERAL FUND

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

PRIMARY GOVERNMENT

COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

(19) Risk Management -

Management believes the City is fully insured for all major risks, such as General Liability, Workmen's Compensation, Employee and Public Officials Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 1996, and there has never been a settlement which has exceeded the City's insurance coverage.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

(17) Changes in Agency Funds -

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

City Court of Denham Springs - Ward II

	<u>BALANCES AT JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCES AT June 30, 1996</u>
<u>ASSETS</u>				
Cash - Civil Docket	\$ 15,405	\$ 60,883	\$ 58,045	\$ 18,243
Cash - Criminal Docket	<u>54,120</u>	<u>620,324</u>	<u>612,132</u>	<u>62,312</u>
Total Assets	<u>\$ 69,525</u>	<u>\$681,207</u>	<u>\$670,177</u>	<u>\$ 80,555</u>
<u>LIABILITIES</u>				
Due to Other Funds	\$ 250	\$ 1,507	\$ 1,507	\$ 250
Bonds Paid in Advance of Trial - Civil	15,405	60,624	58,045	17,984
Bonds Paid in Advance of Trial - Criminal	<u>53,870</u>	<u>619,076</u>	<u>610,625</u>	<u>62,321</u>
Total Liabilities	<u>\$ 69,525</u>	<u>\$681,207</u>	<u>\$670,177</u>	<u>\$ 80,555</u>

(18) Segment Information - Enterprise Fund -

The City maintains only a single enterprise fund. The services provided by this enterprise fund include basic utility services (natural gas, water, sewer and sanitation) for all citizens of the City of Denham Springs and to citizens within certain areas around the City of Denham Springs. Selected segment information for the year ended June 30, 1996, is as follows:

Operating Revenues	\$3,858,122
Depreciation	492,395
Operating Income	376,977
Net Income	496,344
Current Capital Contributions	69,596
Fixed Asset Additions	392,556
Net Working Capital	2,735,833
Total Assets	15,256,921
Bonds Payable	2,229,138
Total Equity	12,208,497

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

(14) Litigation -

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

(15) Intergovernmental Revenue -

GASB No. 24 requires government employers to disclose the amount recognized in the financial statements for on-behalf payments of salaries and fringe benefits.

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 1996, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$114,788.

(16) Contributed Capital -

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

	<u>BALANCE AT</u> <u>JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE AT</u> <u>JUNE 30, 1996</u>
Federal	\$2,671,207	\$ -	\$ -	\$2,671,207
State	335,689	-	1,182	334,507
Local	600,000	-	-	600,000
Other	26,316	-	-	26,316
Developers	<u>-</u>	<u>69,596</u>	<u>-</u>	<u>69,596</u>
Total Contributed Capital	<u>\$3,633,212</u>	<u>\$ 69,596</u>	<u>\$ 1,182</u>	<u>\$3,701,626</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

The pension benefit obligation is presented as of June 30, 1995, because the June 30, 1996, information is not available. The pension benefit obligation is a standardized measure of the present value of pension benefits, adjusted for the effects of projected salary increases and step-rated benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERS and employers. The Systems do not make separate measurements of assets and pension benefit obligations for individual employers.

Historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due is presented in each Systems' June 30, 1995 comprehensive annual financial report. The City does not guarantee the benefits granted by the Systems.

(13) Deferred Compensation Plan -

The City offers its employees a deferred compensation plan created in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and Section 457 of the Internal Revenue Code of 1954. The Louisiana Public Employees' Deferred Compensation Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency.

All amounts of compensation deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property, or rights are (until paid or made available to the employee or other beneficiary) solely the property and rights of the State of Louisiana, subject only to the claims of the general creditors of the State of Louisiana.

It is the opinion of the City's legal counsel that the City has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The City believes it is unlikely that the State of Louisiana will use the assets to satisfy the claims of its general creditors in the future.

Compensation deferred under this plan for the fiscal year ended June 30, 1996, amounted to \$6,762.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

	<u>MUNICIPAL EMPLOYEES PLAN B</u>		<u>MUNICIPAL POLICE</u>		<u>FIREFIGHTERS</u>
Contributions:					
Required by Statute:					
Employees	5.00%	\$ 77,020	7.50%	\$ 49,782	8.00% \$ 30,118
Employers	<u>3.75%</u>	<u>57,765</u>	<u>9.00%</u>	<u>59,738</u>	<u>9.00%</u> <u>33,882</u>
Total	<u>8.75%</u>	<u>\$134,785</u>	<u>16.50%</u>	<u>\$109,520</u>	<u>17.00%</u> <u>\$ 64,000</u>
Actual:					
Employees	4.70%	\$ 72,400	7.50%	\$ 49,782	8.00% \$ 30,118
Employers	<u>3.75%</u>	<u>57,765</u>	<u>9.00%</u>	<u>59,738</u>	<u>9.00%</u> <u>33,882</u>
Total	<u>8.45%</u>	<u>\$130,165</u>	<u>16.50%</u>	<u>\$109,520</u>	<u>17.00%</u> <u>\$ 64,000</u>
Actuarially Required (Fiscal Year Ended June 30, 1996)					
Employees	5.00%	\$ 77,020	7.50%	\$ 49,782	8.00% \$ 30,118
Employers	<u>3.34%</u>	<u>51,500</u>	<u>14.03%</u>	<u>93,125</u>	<u>11.87%</u> <u>44,687</u>
Total	<u>8.34%</u>	<u>\$128,520</u>	<u>21.53%</u>	<u>\$142,907</u>	<u>19.87%</u> <u>\$ 74,805</u>
Percent of Employer's Actuarially Required Contributions to All Participating Employers					
	<u>4.5%</u>		<u>.6%</u>		<u>.4%</u>

	<u>YEAR ENDED JUNE 30, 1995</u>		
Retirement System	<u>MUNICIPAL EMPLOYEES PLAN B</u>	<u>MUNICIPAL POLICE</u>	<u>FIREFIGHTERS</u>
Net Assets	\$59,345,360	\$766,365,130	\$352,392,368
Pension Benefit Obligation	<u>65,581,563</u>	<u>736,846,804</u>	<u>392,663,345</u>
Unfunded Pension Benefit Obligation	<u>\$ (6,236,203)</u>		<u>\$ (40,270,977)</u>
Excess Assets		<u>\$ 29,518,326</u>	

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

C. Firefighters Retirement System of Louisiana - Membership in the Louisiana Retirement System is mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System. Employees are eligible to retire at or after age 55 with at least 12 years of creditable service or at or after age 50 with at least 20 years of creditable service. Upon retirement, members are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 (or at or after age 50 with at least 20 years of creditable service at termination) and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

State statute requires covered employees to contribute a percentage of their salaries to the System. Employer contributions are determined annually based on results of the valuation of the prior fiscal year with adjustments for any dedicated tax monies or appropriated funds.

The following provides certain disclosures for the municipality and the retirement systems that are required by GASB Codification Section P20.129:

	<u>MUNICIPAL EMPLOYEES PLAN B</u>	<u>MUNICIPAL POLICE</u>	<u>FIREFIGHTERS</u>
Total Current-Year Payroll	<u>\$2,825,748</u>	<u>\$2,825,748</u>	<u>\$2,825,748</u>
Total Current-Year Covered Payroll	<u>\$1,540,406</u>	<u>\$ 663,756</u>	<u>\$ 376,468</u>

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

creditable service, but less than 30 years, may take early retirement benefits commencing at or after age 60, with the basic benefit reduced 3 percent for each year retirement precedes age 60, unless he has at least 30 years of creditable service. In any case, monthly retirement benefits paid under Plan B cannot exceed 100 percent of final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Contributions to the System include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each municipality, except Orleans and East Baton Rouge Parishes. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. State statute requires covered employees to contribute a percentage of their salaries to the System. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year.

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

(10) Amortization of the Cost of Issuing Bonds -

The cost of issuing the 1989 Utility Revenue Refunding Bonds dated April 16, 1989, is being amortized over the life of the bonds. The unamortized balance at June 30, 1996, was \$62,194 and is included in the financial statements as an Other Asset.

(11) Customers' Deposits -

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

The City has a certificate of deposit which is designated specifically for Customers' Deposits. At June 30, 1996, customers' deposits amounted to \$404,467 and the balance of the certificate of deposit amounted to \$395,000 and is included as a Restricted Asset on the Balance Sheet. Customers' deposits in excess of the \$395,000 restricted certificate of deposit (\$9,467) is included as Other Liabilities.

(12) Retirement Commitments -

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

A. Municipal Employees Retirement System of Louisiana (System) The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the City are members of Plan B.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from City funds and all elected municipal officials are eligible to participate in the System. Under Plan B, employees who retire at or after age 60 with at least 10 years of creditable service or at or after age 55 with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 2 percent of their final-average monthly salary for each year of creditable service. Furthermore, employees with at least 10 years of

City of Denham Springs
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

The City accounts for the collections of the annual special assessments on the property owners of the Lakeland Acres Subdivision and the annual payments on the 1993 Paving Certificates of Indebtedness in the 1993 Paving Certificates Debt Service Fund.

At June 30, 1996, management estimates that earnings and collections of the special assessments will be in amounts sufficient to cover the City's annual Certificate of Indebtedness liability and therefore has not set up any reserve for uncollectible assessments.

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

<u>DUE DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06-1-1997	\$ 13,321	\$ 5,582	\$ 18,903
06-1-1998	13,321	4,736	18,057
06-1-1999	13,321	3,896	17,217
06-1-2000	13,321	3,057	16,378
06-1-2001	13,321	2,311	15,632
06-1-2002	13,321	1,545	14,866
06-1-2003	<u>13,321</u>	<u>773</u>	<u>14,094</u>
	<u>\$ 93,247</u>	<u>\$ 21,900</u>	<u>\$115,147</u>

Prior Year Bond Defeasance. There are no outstanding balances on any prior-year bond defeasance as of June 30, 1996.

Summary of Changes in Long-Term Debt:

	<u>BALANCE</u> <u>JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 1996</u>
General Long-Term Debt Account Group:				
1993 Certificates of Indebtedness	\$ 106,568	\$ -	\$ 13,321	\$ 93,247
Accumulated Unpaid Vacation - Net	<u>141,125</u>	<u>28,083</u>	<u>-</u>	<u>169,208</u>
Total General Long-Term Debt Account Group	247,693	28,083	13,321	262,455
Enterprise Fund:				
1989 Utility Revenue Refunding Bond	<u>2,358,345</u>	<u>-</u>	<u>129,207</u>	<u>2,229,138</u>
Total Changes in Long-Term Debt	<u>\$2,606,038</u>	<u>\$ 28,083</u>	<u>\$142,528</u>	<u>\$2,491,593</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

- c. Payments into the "Utility Revenue Bond Reserve Fund" of an amount at least equal to 5 percent (5%) of the amount paid into the Sinking Fund paid monthly in advance on or before the 20th day of each month of each year until such time as there has been accumulated in this Reserve Fund a sum equal to the highest combined principal and interest falling due in any succeeding bond year.
- d. Payments into the "Utility Revenue Bond Depreciation and Contingency Fund" of an amount at least equal to 5 percent (5%) of the amount paid into the Sinking Fund paid monthly in advance on or before the 20th day of each month of each year.

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

	<u>SINKING FUND</u>	<u>RESERVE FUND</u>	<u>CONTINGENCY FUND</u>	<u>TOTAL</u>
Required Balance	\$ 93,395	\$149,953	\$149,953	\$393,301
Actual Balance	<u>97,434</u>	<u>155,753</u>	<u>177,264</u>	<u>430,451</u>
Excess	<u>\$ 4,039</u>	<u>\$ 5,800</u>	<u>\$ 27,311</u>	<u>\$ 37,150</u>

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

Special Assessment Debt. The City issued \$133,210 of Special Assessment Certificates of Indebtedness in 1993 to provide funds for the construction of street paving improvements along certain portions of streets in the Lakeland Acres Subdivision. The Certificates bear interest at rates of 5.60% - 8.00% and are payable in equal annual installments of principal over ten years.

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

1989 Series Bonds (Continued):

<u>DUE DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
10-1-2010	-	30,147	30,147
04-1-2011	91,242	30,147	121,389
10-1-2011	-	25,129	25,129
04-1-2012	91,281	25,129	116,410
10-1-2012	-	20,109	20,109
04-1-2013	91,324	20,109	111,433
10-1-2013	-	15,086	15,086
04-1-2014	91,373	15,086	106,459
10-1-2014	-	10,060	10,060
04-1-2015	91,427	10,060	101,487
10-1-2015	-	5,032	5,032
04-1-2016	<u>91,487</u>	<u>5,032</u>	<u>96,519</u>
Total Revenue Bonds	\$2,229,138	\$2,368,840	\$4,597,978

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

- a. Reasonable and necessary expenses of maintaining and operating the system.
- b. Payments into the "Utility Revenue Bond and Interest Sinking Fund" of an amount sufficient to pay promptly and fully the principal and interest on the bonds. This payment is to be made monthly in advance on or before the 20th day of each month of each year a sum equal to one-sixth (1/6) of the amount of interest falling due on the next interest payment date and one-twelfth (1/12) of the amount of principal falling due on the next principal payment date.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

<u>DESCRIPTION/PURPOSE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>	<u>BALANCE June 30, 1996</u>
1989 Utility Revenue Refunding Bonds - Proceeds Used to Defeas Prior Revenue Bonds	<u>\$3,062,876</u>	<u>11.00%</u>	<u>04-01-2016</u>	<u>\$2,229,138</u>

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

<u>DUE DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
10-1-1996	-	122,603	122,603
04-1-1997	128,374	122,603	250,977
10-1-1997	-	115,542	115,542
04-1-1998	132,735	115,542	248,277
10-1-1998	-	108,242	108,242
04-1-1999	132,313	108,242	240,555
10-1-1999	-	100,964	100,964
04-1-2000	126,550	100,964	227,514
10-1-2000	-	94,004	94,004
04-1-2001	130,699	94,004	224,703
10-1-2001	-	86,816	86,816
04-1-2002	130,040	86,816	216,856
10-1-2002	-	79,663	79,663
04-1-2003	129,304	79,663	208,967
10-1-2003	-	72,552	72,552
04-1-2004	128,482	72,552	201,034
10-1-2004	-	65,485	65,485
04-1-2005	122,273	65,485	187,758
10-1-2005	-	58,760	58,760
04-1-2006	115,342	58,760	174,102
10-1-2006	-	52,416	52,416
04-1-2007	112,895	52,416	165,311
10-1-2007	-	46,207	46,207
04-1-2008	104,873	46,207	151,080
10-1-2008	-	40,439	40,439
04-1-2009	95,916	40,439	136,355
10-1-2009	-	35,164	35,164
04-1-2010	91,208	35,164	126,372

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

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

	<u>BALANCE</u> <u>JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE</u> <u>June 30, 1996</u>
City Court of Denham Springs - Ward II: Equipment	\$139,004	\$ 859	\$ -	\$139,863
Marshall of City Court of Denham Springs - Ward II: Equipment	<u>76,142</u>	<u>400</u>	<u>-</u>	<u>76,542</u>
Total Component Units	<u>\$215,146</u>	<u>\$ 1,259</u>	<u>\$ -</u>	<u>\$216,405</u>

The following is a summary of proprietary fund type property, plant, and equipment for the Primary Government at June 30, 1996:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 159,575	\$ -
Land Improvements	-	14,057
Gas System	2,904,224	-
Water System	5,142,191	-
Sewer System	8,941,007	-
Buildings	144,347	65,822
Transportation Equipment	356,359	-
E.D.P. Equipment	97,141	-
Furniture and Fixtures	8,838	-
Other Equipment	436,676	50,583
Incomplete Construction	<u>76,887</u>	<u>-</u>
Total	18,267,245	130,462
Less: Accumulated Depreciation	<u>(6,967,234)</u>	<u>(97,946)</u>
Net	<u>\$11,300,011</u>	<u>\$ 32,516</u>

(9) Long-Term Debt -

Revenue Bonds. The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt services. Revenue bonds outstanding at June 30, 1996, are as follows:

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Component Units:		
City Court of Denham Springs - Ward II:		
Governmental Funds	\$ 45,264	\$ 13,703
Marshall of City Court of Denham Springs - Ward II	<u>32,223</u>	<u>-</u>
Total Component Units	<u>77,487</u>	<u>13,703</u>
Total Primary Government and Component Units	<u>\$740,935</u>	<u>\$740,935</u>

(8) Changes in General Fixed Assets -

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

	<u>BALANCE JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>BALANCE June 30, 1996</u>
Land	\$ 571,271	\$ -	\$ -	\$ 571,271
Land Improve- ments	24,955	512	-	25,467
Buildings	3,252,319	108,798	-	3,361,117
Equipment	1,750,302	215,173	(4,770)	1,960,705
Furniture and Fixtures	47,136	-	-	47,136
Incomplete Construction	<u>82,166</u>	<u>96,592</u>	<u>(108,799)</u>	<u>69,959</u>
Total Primary Government	<u>\$5,728,149</u>	<u>\$421,075</u>	<u>\$ (113,569)</u>	<u>\$6,035,655</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL REPORTING ENTITY</u>
State of Louisiana:					
Video Poker Fees	41,143	-	41,143	-	41,143
Alcoholic Beverage Tax	4,850	-	4,850	-	4,850
Tobacco Tax	10,650	-	10,650	-	10,650
Police Grants	27,240	-	27,240	-	27,240
Livingston Parish Council:					
Fire Insurance Commissions	16,273	-	16,273	-	16,273
Funding	-	-	-	300	300
Totals	<u>\$210,060</u>	<u>\$ -</u>	<u>\$210,060</u>	<u>\$ 1,540</u>	<u>\$211,600</u>

(7) Interfund Receivables, Payables - Transfers In, Transfers Out -

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Primary Government:		
General Fund	\$ 38,693	\$ -
Debt Service Funds	-	298
Capital Projects Funds	13,540	13,540
Enterprise Fund	-	43,446
Internal Service Fund	24,208	19,157
Trust Fund	-	-
Total Primary Government	<u>76,441</u>	<u>76,441</u>
Component Units:		
City Court of Denham Springs - Ward II	<u>250</u>	<u>250</u>
Total Primary Government and Component Units	<u>\$ 76,691</u>	<u>\$ 76,691</u>
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Primary Government:		
General Fund	\$ 13,253	\$727,232
Capital Projects Fund:		
Street Overlay	200,000	-
Drainage Improvements	150,195	-
Building Renovations	100,000	-
Enterprise Fund	<u>200,000</u>	<u>-</u>
Total Primary Government	<u>663,448</u>	<u>727,232</u>

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

6. Compensated Absences -

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

As of June 30, 1996, the liability for compensated absences is \$201,432. The amounts applicable to the Enterprise Fund of \$29,721 and Internal Service Fund of \$2,503 have been recorded in those funds and the amount applicable to the General Fund of \$169,208 has been recorded in the General Long-Term Debt account group.

7. Long-Term Obligations -

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

5. Fixed Assets -

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

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

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

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

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

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

Buildings	15-20 Years
Improvements	10-20 Years
Equipment	3-10 Years
Systems	20-50 Years

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

2. Receivables and Payables -

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

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

3. Inventories -

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

4. Restricted Assets -

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

Restricted Assets at June 30, 1996 are comprised of certificates of deposits with maturities greater than 90 days when purchased and U.S. Treasury Mutual Funds.

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Increase (Decrease) in Long-Term Bonds Payable - 1989 Series	(128,374)	-	(128,374)
Grant - Louisiana Department of Transportation	(1,182)	-	(1,182)
Impact Fees - Developers	69,596	-	69,596
Interest Paid on Revenue Bonds	<u>(259,418)</u>	<u>-</u>	<u>(259,418)</u>
Net Cash Used in Capital and Re- lated Financing Activities	(750,015)	(8,206)	(758,221)
Cash Flows From Investing Activities:			
Net Purchase of Investments	(600,000)	-	(600,000)
Interest Income	<u>168,600</u>	<u>-</u>	<u>168,600</u>
Net Cash Provided by (Used in) Investing Activities	<u>(431,400)</u>	<u>-</u>	<u>(431,400)</u>
Net Increase in Cash and Cash Equivalents	36,835	697	37,532
Cash and Cash Equivalents - Beginning of Year	<u>238,100</u>	<u>4,946</u>	<u>243,046</u>
Cash and Cash Equivalents - End of Year	<u>\$ 274,935</u>	<u>\$ 5,643</u>	<u>\$ 280,578</u>
Schedule of Noncash Investing, Capital and Financing Activities:			
Amortization of Deferred Bond Expense	<u>\$ 9,548</u>	<u>\$ -</u>	<u>\$ 9,548</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Increase (Decrease) in Due to Other Funds	43,445	18,136	61,581
Increase (Decrease) in Due to Other Government Agencies	2,114	-	2,114
Increase (Decrease) in Other Current Liabil- ities	15,588	-	15,588
Increase (Decrease) in Other Accrued Expenses	-	(702)	(702)
Increase (Decrease) in Accumulated Unpaid Vacation	4,840	676	5,516
Net Cash Provided by Operating Activities	1,018,250	8,903	1,027,153
 Cash Flows From Noncapital Financ- ing Activities:			
Operating Transfers In	200,000	-	200,000
Net Cash Provided by Noncapital Finan- cing Activities	200,000	-	200,000
 Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	(392,556)	(8,206)	(400,762)
(Increase) Decrease in Restricted Assets	(40,716)	-	(40,716)
Increase (Decrease) in Liabilities Payable from Restricted Assets	2,635	-	2,635

(CONTINUED)

City of Denham Springs

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES

For the Year Ended June 30, 1996

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	<u>PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
Cash Flows From Operating Activities:			
Operating Income	\$ 376,977	\$ 8,647	\$ 385,624
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	492,395	6,132	498,527
Provision for Bad Debts	26,813	-	26,813
Miscellaneous Revenues	16,189	199	16,388
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(78,907)	-	(78,907)
(Increase) Decrease in Other Receivables	13,931	-	13,931
(Increase) Decrease in Unbilled Utility Sales	-	-	-
(Increase) Decrease in Due from Other Funds	7,324	(17,336)	(10,012)
(Increase) Decrease in Due from Government Agencies	3,629	-	3,629
(Increase) Decrease in Inventory	36,835	(4,783)	32,052
(Increase) Decrease in Prepaid Expenses	3,103	-	3,103
(Increase) Decrease in Other Assets	-	795	795
Increase (Decrease) in Accounts Payable	46,400	(2,861)	43,539
Increase (Decrease) in Construction Contracts Payable	-	-	-
Increase (Decrease) in Retainage Payable	7,232	-	7,232
Increase (Decrease) in Accrued Salaries and Wages	342	-	342

(CONTINUED)

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Nonoperating Revenues:			
Interest	\$ 168,600	\$ -	\$ 168,600
Miscellaneous	<u>16,189</u>	<u>199</u>	<u>16,388</u>
Total Nonoperating Revenues	184,789	199	184,988
Nonoperating Expenses:			
Interest	255,874	-	255,874
Amortization of Bond Redemption Premium	<u>9,548</u>	<u>-</u>	<u>9,548</u>
Total Nonoperating Expenses	<u>265,422</u>	<u>-</u>	<u>265,422</u>
Net Income before Operating Transfers	296,344	8,846	305,190
Operating Transfers In	<u>200,000</u>	<u>-</u>	<u>200,000</u>
Net Income	496,344	8,846	505,190
Retained Earnings at Beginning of Year	<u>8,010,527</u>	<u>40,038</u>	<u>8,050,565</u>
Retained Earnings at End of Year	<u>\$8,506,871</u>	<u>\$ 48,884</u>	<u>\$8,555,755</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Operating Revenues:			
Charges for Services	\$3,858,122	\$ -	\$3,858,122
Sales	-	251,925	251,925
Total Operating Revenues	3,858,122	251,925	4,110,047
Operating Expenses:			
Cost of Sales	-	186,789	186,789
Natural Gas Purchases	838,856	-	838,856
Salaries	675,899	33,126	709,025
Payroll Taxes, Retirement and Group Insurance	141,812	6,118	147,930
Depreciation	492,395	6,132	498,527
Electricity	164,007	-	164,007
Equipment Expenses	98,514	376	98,890
Equipment Rental	20,618	-	20,618
Insurance	104,465	3,956	108,421
Maintenance	281,646	2,657	284,303
Meter Reading and Meter Repairs	109,130	-	109,130
Miscellaneous	86,373	231	86,604
Office Expense	37,405	1,159	38,564
Professional Fees	86,322	-	86,322
Small Tools and Supplies	27,347	1,959	29,306
Subcontract Disposal Service	262,613	-	262,613
Telephone	26,930	207	27,137
Uniforms	-	568	568
Bad Debts	26,813	-	26,813
Total Operating Expenses	3,481,145	243,278	3,724,423
Operating Income	376,977	8,647	385,624

(CONTINUED)

<u>CAPITAL PROJECTS FUND TYPES</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>386,933</u>	<u>386,933</u>	<u>-</u>
<u>\$ 376,833</u>	<u>\$ 688,465</u>	<u>\$ 311,632</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

GOVERNMENTAL FUNDS

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

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

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

Governmental funds include the following fund types:

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

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

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

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Fund Balances at Beginning of Year	<u>1,091,040</u>	<u>1,091,040</u>	<u>-</u>
Fund Balances at End of Year	<u>\$1,186,760</u>	<u>\$ 1,600,199</u>	<u>\$ 413,439</u>

The accompanying notes constitute an integral part of this statement.

<u>CAPITAL PROJECTS FUND TYPES</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
20,900	24,092	3,192
<u>5,000</u>	<u>34,023</u>	<u>29,023</u>
25,900	58,115	32,215
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>561,000</u>	<u>206,778</u>	<u>354,222</u>
<u>561,000</u>	<u>206,778</u>	<u>354,222</u>
(535,100)	(148,663)	386,437
525,000	450,195	(74,805)
-	-	-
-	-	-
<u>-</u>	<u>-</u>	<u>-</u>
<u>525,000</u>	<u>450,195</u>	<u>(74,805)</u>
(10,100)	301,532	311,632

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

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

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

Denham Springs/Livingston Housing and Mortgage
Finance Authority

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

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

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

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

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

City of Denham Springs

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

For the Year Ended June 30, 1996

	GENERAL FUND		VARIANCE- FAVORABLE (UNFAVORABLE)
	BUDGET	ACTUAL	
Revenues:			
Taxes	\$ 3,713,200	\$ 3,871,998	\$ 158,798
Licenses and Permits	473,750	520,631	46,881
Fines and Forfeits	194,500	189,498	(5,002)
911 Service Fees	118,000	131,040	13,040
Interest	55,000	79,822	24,822
Miscellaneous	<u>381,550</u>	<u>418,027</u>	<u>36,477</u>
Total Revenues	4,936,000	5,211,016	275,016
Expenditures:			
Current:			
General Government	1,017,520	970,813	46,707
Public Safety:			
Animal Control	30,245	30,963	(718)
Fire	784,570	763,037	21,533
Police	1,412,120	1,450,946	(38,826)
Highways and Streets	786,825	752,513	34,312
Health	20,000	19,606	394
Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>4,051,280</u>	<u>3,987,878</u>	<u>63,402</u>
Excess (Deficiency) of Revenues over Expenditures	884,720	1,223,138	338,418
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	(725,000)	(650,195)	74,805
Operating Transfers In from Component Units	17,000	13,253	(3,747)
Operating Transfers Out to Component Units	<u>(81,000)</u>	<u>(77,037)</u>	<u>3,963</u>
Total Other Financing Sources (Uses)	<u>(789,000)</u>	<u>(713,979)</u>	<u>75,021</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Uses	95,720	509,159	413,439

(CONTINUED)

Exhibit B
(Continued)

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
47,975	877,878	(2,189)	(6,886)	868,803
<u>229,610</u>	<u>1,736,621</u>	<u>203,825</u>	<u>31,703</u>	<u>1,972,149</u>
\$277,585	\$ 2,614,499	\$ 201,636	\$ 24,817	\$ 2,840,952
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

City of Denham Springs

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

For the Year Ended June 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	509,159	19,212	301,532
Fund Balances at Beginning of Year	<u>1,091,040</u>	<u>29,038</u>	<u>386,933</u>
Fund Balances at End of Year	<u>\$ 1,600,199</u>	<u>\$ 48,250</u>	<u>\$ 688,465</u>

The accompanying notes constitute an integral part of this statement.

Exhibit B

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
\$ -	\$ 29,798	\$ -	\$ -	\$ 29,798
-	3,871,998	-	-	3,871,998
-	520,631	-	-	520,631
-	189,498	-	-	189,498
-	131,040	-	-	131,040
14,195	126,718	12,048	1,018	139,784
-	-	131,557	74,682	206,239
<u>33,780</u>	<u>486,766</u>	<u>31,690</u>	<u>70,131</u>	<u>588,587</u>
47,975	5,356,449	175,295	145,831	5,677,575
-	971,163	208,186	184,540	1,363,889
-	30,963	-	-	30,963
-	763,037	-	-	763,037
-	1,450,946	-	-	1,450,946
-	752,513	-	-	752,513
-	19,606	-	-	19,606
-	206,778	859	400	208,037
-	13,321	-	-	13,321
-	<u>6,460</u>	-	-	<u>6,460</u>
-	4,214,787	209,045	184,940	4,608,772
47,975	1,141,662	(33,750)	(39,109)	1,068,803
-	450,195	450	-	450,645
-	(650,195)	(450)	-	(650,645)
-	-	44,814	32,223	77,037
-	13,253	-	-	13,253
-	(77,037)	-	-	(77,037)
-	-	<u>(13,253)</u>	-	<u>(13,253)</u>
-	(263,784)	31,561	32,223	(200,000)

City of Denham Springs

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES, EXPENDABLE
TRUST FUND AND DISCRETELY PRESENTED COMPONENT UNITS

For the Year Ended June 30, 1996

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Revenues:			
Special Assessments	\$ -	\$ 29,798	\$ -
Taxes	3,871,998	-	-
Licenses and Permits	520,631	-	-
Fines and Forfeits	189,498	-	-
911 Service Fees	131,040	-	-
Interest	79,822	8,609	24,092
Court Costs	-	-	-
Miscellaneous	<u>418,027</u>	<u>936</u>	<u>34,023</u>
Total Revenues	5,211,016	39,343	58,115
Expenditures:			
Current:			
General Government	970,813	350	-
Public Safety:			
Animal Control	30,963	-	-
Fire	763,037	-	-
Police	1,450,946	-	-
Highways and Streets	752,513	-	-
Health	19,606	-	-
Capital Outlay	-	-	206,778
Debt Service:			
Principal Retirement	-	13,321	-
Interest	<u>-</u>	<u>6,460</u>	<u>-</u>
Total Expenditures	<u>3,987,878</u>	<u>20,131</u>	<u>206,778</u>
Excess (Deficiency) of Revenues over Expenditures	1,223,138	19,212	(148,663)
Other Financing Sources (Uses):			
Operating Transfers In	-	-	450,195
Operating Transfers Out	(650,195)	-	-
Operating Transfers In from Primary Government	-	-	-
Operating Transfers In from Component Units	13,253	-	-
Operating Transfers Out to Component Units	(77,037)	-	-
Operating Transfers Out to Primary Government	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(713,979)</u>	<u>-</u>	<u>450,195</u>

(CONTINUED)

Exhibit A
(Continued)

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
-	-	-	395,000	-	-	395,000
-	-	-	128,374	-	-	128,374
-	-	-	61,133	-	-	61,133
-	-	-	2,100,764	-	-	2,100,764
-	-	93,247	93,247	-	-	93,247
-	-	169,208	201,432	-	-	201,432
-	-	-	79,452	80,305	2,430	162,187
<u>39,242</u>	-	<u>262,455</u>	<u>3,691,174</u>	<u>80,794</u>	<u>7,341</u>	<u>3,779,309</u>
-	-	-	3,701,626	-	-	3,701,626
-	6,035,655	-	6,035,655	139,863	76,542	6,252,060
-	-	-	240,944	-	-	240,944
-	-	-	8,314,811	-	-	8,314,811
-	-	-	48,250	-	-	48,250
277,585	-	-	277,585	-	-	277,585
-	-	-	678,698	-	-	678,698
-	-	-	-	14,425	-	14,425
-	-	-	<u>1,609,966</u>	<u>187,211</u>	<u>24,817</u>	<u>1,821,994</u>
<u>277,585</u>	<u>6,035,655</u>	-	<u>20,907,535</u>	<u>341,499</u>	<u>101,359</u>	<u>21,350,393</u>
<u>\$ 316,827</u>	<u>\$6,035,655</u>	<u>\$ 262,455</u>	<u>\$24,598,709</u>	<u>\$ 422,293</u>	<u>\$ 108,700</u>	<u>\$25,129,702</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

FIDUCIARY FUNDS

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

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

Agency Fund - The City's Agency Fund is custodial in nature (assets equal liabilities) and does not involve the measurement of results of operations. Agency funds are accounted for using the modified accrual basis of accounting.

ACCOUNT GROUPS

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

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

C. Assets, Liabilities and Equity

1. Deposits and Investments -

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

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

Investments are stated at cost except for investments in the deferred compensation agency fund which are reported at market value.

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

PROPRIETARY FUNDS

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

Proprietary funds are reported in accordance with GASB Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and other Governmental Entities that use Proprietary Fund Accounting. This standard requires that all applicable GASB pronouncements, Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARBs) issued on or before November 30, 1989 be applied to proprietary activities unless they (FASB Statements and Interpretations, APB Opinions, and ARBs) conflict with or contradict GASB pronouncements.

GASB Statement No. 20 also states that for proprietary activities, management may elect to apply all FASB Statements and Interpretations issued after November 30, 1989, except for those that conflict with or contradict GASB pronouncements. Proprietary activities under the control of the primary government (City of Denham Springs) will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

Proprietary funds include the following fund types:

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 1996.

Marshall of City Court of Denham Springs - Ward II - The Marshall is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshall in that the City is required to provide the Marshall's office facilities, and reimburses the Marshall's office for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the Marshall's financial statements for the year ended June 30, 1996.

RELATED ORGANIZATIONS

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

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

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1996

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

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

BLENDED COMPONENT UNITS

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

City of Denham Springs

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT GROUPS
AND DISCRETELY PRESENTED COMPONENT UNITS (CONTINUED)

June 30, 1996

LIABILITIES (CONT'D.)	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Payable from Restricted Assets:					
Customers' Deposits (Note 11)	-	-	-	395,000	-
Revenue Bonds Payable (Note 9)	-	-	-	128,374	-
Accrued Bond Interest	-	-	-	61,133	-
Revenue Bonds Payable (Notes 9 and 10)	-	-	-	2,100,764	-
1993 Paving Certificates (Note 9)	-	-	-	-	-
Accumulated Unpaid Vacation	-	-	-	29,721	2,503
Other Liabilities	<u>15,536</u>	<u>-</u>	<u>-</u>	<u>62,422</u>	<u>1,494</u>
Total Liabilities	161,440	54,323	91,770	3,048,424	33,520
FUND EQUITY AND OTHER CREDITS					
Contributed Capital (Note 16)	-	-	-	3,701,626	-
Investment in General Fixed Assets	-	-	-	-	-
Retained Earnings:					
Reserved for Bond Reserves and Contingencies	-	-	-	240,944	-
Unreserved	-	-	-	8,265,927	48,884
Fund Balance:					
Reserved for Debt Service	-	48,250	-	-	-
Reserved for Cemetery Expenditures	-	-	-	-	-
Unreserved:					
Designated for Construction	-	-	678,698	-	-
Designated for Witness Fees and Public Service Workers	-	-	-	-	-
Undesignated	<u>1,600,199</u>	<u>-</u>	<u>9,767</u>	<u>-</u>	<u>-</u>
Total Fund Equity and Other Credits	<u>1,600,199</u>	<u>48,250</u>	<u>688,465</u>	<u>12,208,497</u>	<u>48,884</u>
Total Liabilities, Fund Equity, and Other Credits	<u>\$ 1,761,639</u>	<u>\$102,573</u>	<u>\$780,235</u>	<u>\$15,256,921</u>	<u>\$ 82,404</u>

The accompanying notes constitute an integral part of this statement.

Exhibit A

FIDUCIARY FUND TYPES TRUST AND AGENCY	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
\$ 124	\$ -	\$ -	\$ 638,123	\$ 120,248	\$ 8,224	\$ 766,595
277,370	-	-	4,272,370	160,159	20,381	4,452,910
39,242	-	-	39,242	-	-	39,242
-	-	-	194,268	-	-	194,268
-	-	-	58,304	-	-	58,304
91	-	-	189,415	1,773	2,013	193,201
-	-	-	197,995	-	-	197,995
-	-	-	76,441	250	-	76,691
-	-	-	210,060	-	1,540	211,600
-	-	-	136,128	-	-	136,128
-	-	-	67,057	-	-	67,057
-	-	-	825,451	-	-	825,451
-	6,035,655	-	17,368,182	139,863	76,542	17,584,587
-	-	-	63,218	-	-	63,218
-	-	48,250	48,250	-	-	48,250
-	-	44,997	44,997	-	-	44,997
-	-	<u>169,208</u>	<u>169,208</u>	-	-	<u>169,208</u>
<u>\$ 316,827</u>	<u>\$6,035,655</u>	<u>\$ 262,455</u>	<u>\$24,598,709</u>	<u>\$ 422,293</u>	<u>\$ 108,700</u>	<u>\$25,129,702</u>
\$ -	\$ -	\$ -	\$ 364,978	\$ 239	\$ 1,627	\$ 366,844
-	-	-	16,970	-	-	16,970
-	-	-	1,490	-	2,521	4,011
-	-	-	56,556	-	763	57,319
-	-	-	19,956	-	-	19,956
-	-	-	76,441	250	-	76,691
-	-	-	2,114	-	-	2,114
-	-	-	54,025	-	-	54,025
39,242	-	-	39,242	-	-	39,242

City of Denham Springs

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

June 30, 1996

ASSETS AND OTHER DEBITS	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Cash and Cash Equivalents (Note 3)	\$ 273,329	\$ 44,269	\$ 39,823	\$ 274,935	\$ 5,643
Investments, at Cost (Note 3)	1,100,000	-	720,000	2,175,000	-
Investment in Deferred Compensation (Note 13)	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles) (Note 5):					
Accounts	-	-	-	194,268	-
Special Assessments	-	58,304	-	-	-
Other	139,557	-	6,872	42,895	-
Unbilled Utility Sales	-	-	-	197,995	-
Due from Other Funds (Note 7)	38,693	-	13,540	-	24,208
Due from Other Governments (Note 6)	210,060	-	-	-	-
Inventory, at Cost	-	-	-	117,115	19,013
Prepaid Expenses	-	-	-	67,057	-
Restricted Assets (Notes 3, 9 and 11):					
Investments, at Cost	-	-	-	825,451	-
Fixed Assets (Net of Accumulated Depreciation) (Note 8)	-	-	-	11,300,011	32,516
Other Assets (Note 10)	-	-	-	62,194	1,024
Other Debits:					
Amount Available in Debt Service Fund for Payment of the 1993 Paving Certificates	-	-	-	-	-
Amount to be Provided from Special Assessment Receivables	-	-	-	-	-
Amount to be Provided for Accumulated Unpaid Vacation	-	-	-	-	-
Total Assets and Other Debits	<u>\$ 1,761,639</u>	<u>\$102,573</u>	<u>\$780,235</u>	<u>\$15,256,921</u>	<u>\$ 82,404</u>
 LIABILITIES					
Accounts Payable	\$ 73,054	\$ -	\$ 70,813	\$ 210,745	\$ 10,366
Retainages Payable	-	-	7,417	9,553	-
Payroll Taxes Payable	1,490	-	-	-	-
Retirement and Group Insurance Payable	56,556	-	-	-	-
Accrued Salaries and Wages	14,804	-	-	5,152	-
Due to Other Funds (Note 7)	-	298	13,540	43,446	19,157
Due to Other Government Agencies	-	-	-	2,114	-
Deferred Revenues	-	54,025	-	-	-
Deferred Compensation Deposits Due to Employees	-	-	-	-	-

(CONTINUED)

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

The Honorable James E. DeLaune
and Members of the Board of Aldermen
City of Denham Springs, Louisiana

individual fund, and account group financial statements, referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Denham Springs, Louisiana, at June 30, 1996, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated August 29, 1996 on our consideration of the City of Denham Springs' internal control structure and a report dated August 29, 1996 on its compliance with laws and regulations.

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

The accompanying financial information listed in the Statistical Section as Schedules 3-17 is also presented for purposes of additional analysis and is not a required part of the financial statements of the City of Denham Springs, Louisiana. This information has not been audited by us, and accordingly we express no opinion on the information.

Respectfully submitted,

Jannis A. Bourgeois & Co., L.L.P.

HANNIS T. BOURGEOIS & CO., L.L.P.

RANDY J. BONNECAZE, C.P.A.*
JOSEPH D. RICHARD, JR., C.P.A.*
RONNIE E. STAMPER, C.P.A.*
FERNAND P. GENRE, C.P.A.*
STEPHEN M. HUGGINS, C.P.A.*
MONICA L. ZUMO, C.P.A.*
RONALD L. GAGNET, C.P.A.*
DOUGLAS J. NELSON, C.P.A.*

CELESTE D. VIATOR, C.P.A.

* A Professional Accounting Corporation

Certified Public Accountants

1111 S. Range Avenue, Suite 101
Denham Springs, Louisiana 70726
(504) 665-8297

LOUIS J. BONNECAZE, C.P.A.
CONSULTANT
MEMBERS
AMERICAN INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
2322 TREMONT DRIVE, SUITE 200
BATON ROUGE, LA 70809

August 29, 1996

INDEPENDENT AUDITOR'S REPORT

The Honorable James E. DeLaune, Mayor
and Members of the Board of Aldermen
Denham Springs, Louisiana

We have audited the accompanying general purpose financial statements of the City of Denham Springs, Louisiana, and the combining, individual fund, and account group financial statements of the City as of and for the year ended June 30, 1996, as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

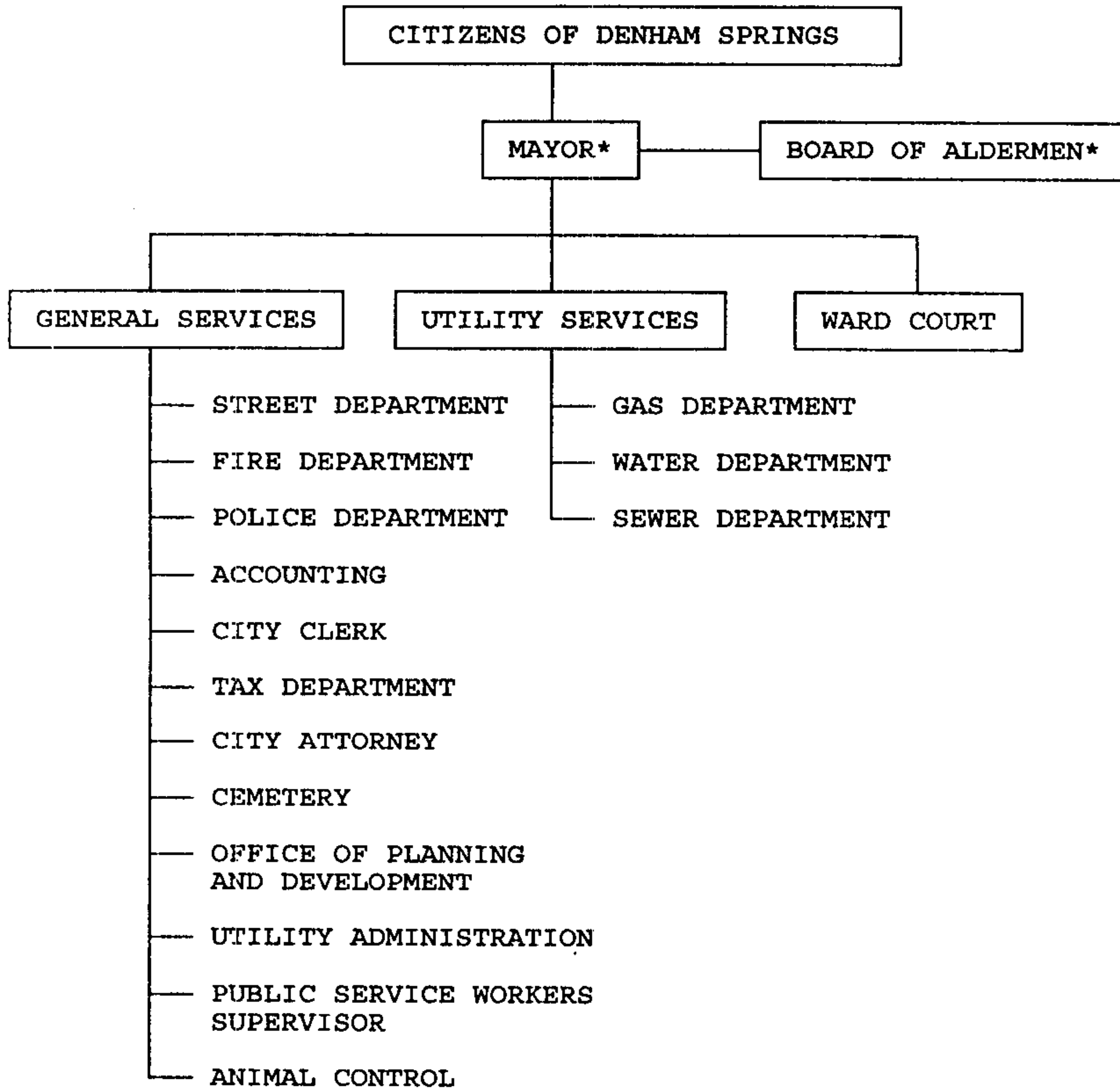
We conducted our audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements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

In our opinion, the general purpose financial statements referred to in paragraph one present fairly, in all material respects, the financial position of the City of Denham Springs, Louisiana, at June 30, 1996, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining,

City of Denham Springs

ORGANIZATIONAL CHART

June 30, 1996



*ELECTED OFFICIALS

City of Denham Springs
PRINCIPAL ELECTED OFFICIALS

June 30, 1996

Mayor:

James E. Delaune

Board of Aldermen:
Current Terms Expire December 31, 1998:

James E. Durbin
Arthur Perkins
Sterling Vincent
John Wascom
Roy Zachary

AWARDS

In order to be awarded a Certificate of Achievement for Excellence by the Government Finance Officers Association (GFOA), a governmental unit must publish an easily readable and efficiently organized Comprehensive Annual Financial Report with contents conforming to program standards. Such reports must satisfy both Generally Accepted Accounting Principles and applicable legal requirements.

I believe our current report conforms to the Certificate of Achievement Program requirements, and we are submitting it to the GFOA to determine its eligibility for a certificate. This is the City's second submission to the GFOA for this award.

ACKNOWLEDGMENT

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

I would like to express my appreciation to the Administrative Office Staff whose dedicated efforts resulted in the successful completion of this report.

In addition, I express my appreciation to the Mayor and Board of Aldermen for their continued support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF DENHAM SPRINGS



Kenneth B. Drone, C.P.A.
City Treasurer

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

A summary of the certificates of indebtedness and revenue bond activities for 1996 is shown below:

	BALANCE OUTSTANDING <u>JUNE 30, 1995</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	BALANCE OUTSTANDING <u>JUNE 30, 1996</u>
1993 Paving Certificates of Indebtedness	\$ 106,568	\$ -	\$ 13,321	\$ 93,247
1989 Utility Revenue Refunding Bonds	<u>2,358,345</u>	<u>-</u>	<u>129,207</u>	<u>2,229,138</u>
Totals	<u>\$2,464,913</u>	<u>\$ -</u>	<u>\$142,528</u>	<u>\$2,322,385</u>

TREASURY ADMINISTRATION

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

RISK MANAGEMENT

During the fiscal year ended June 30, 1996, management believes the City is fully insured for all major risks, such as General Liability, Workmen's Compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 1996.

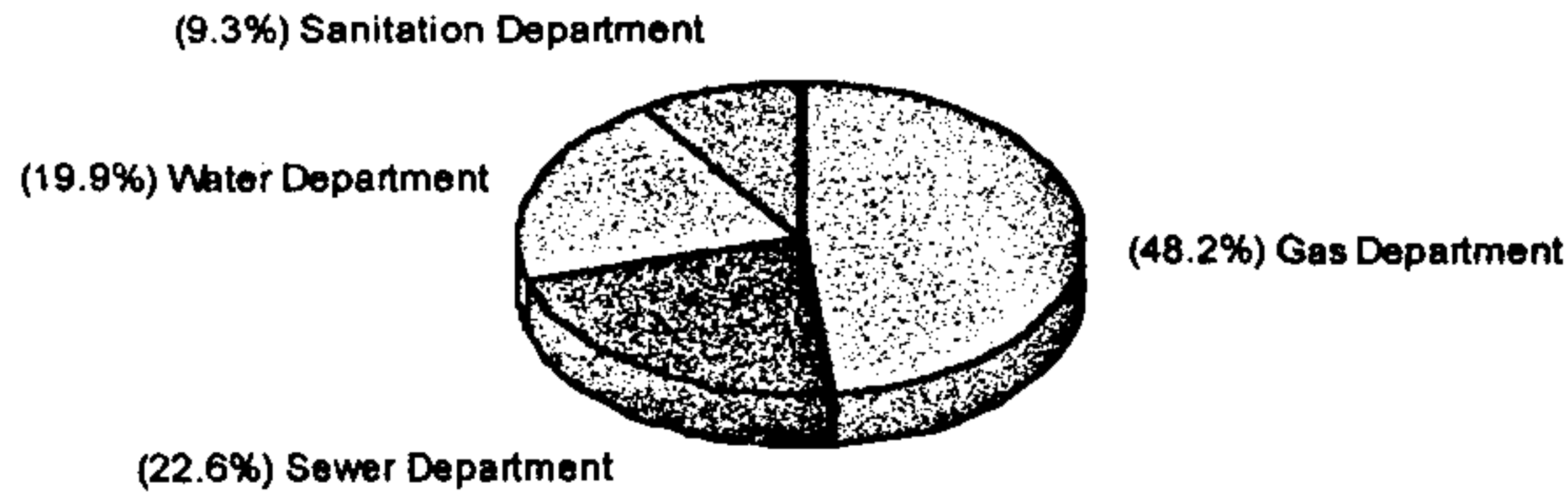
INDEPENDENT AUDIT

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

In addition to meeting the requirements set forth by state statutes, the audit also meets the requirements of the Federal Single Audit Act of 1984 and related OMB Circular A-128. The auditor's reports related specifically to a single audit are issued under separate cover.

UTILITY ENTERPRISE FUND OPERATING EXPENSES

FIGURE # 5



The major increase of the \$408,722 in the Gas Department revenue was due to a relatively cold winter in fiscal year 1996, resulting in higher usage by the gas customers as compared to an unusually mild winter in fiscal year 1995. The corresponding increase in gas purchased of \$243,677, along with increased labor costs of \$29,524, maintenance costs of \$44,900 and increased professional fees of \$16,512 resulted in the majority of the increase in the Gas Department expenses.

EXPENDABLE CEMETERY TRUST FUND

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

The Expendable Cemetery Trust Fund will continue to accumulate the revenues generated from the sale of cemetery plots and the interest earned by the investments until such time as the interest earned by the investments fully cover the expenditures of the Cemetery maintenance department. At this time, the Fund balance of the Expendable Cemetery Trust Fund is \$277,585. For the year ended June 30, 1996, the expenditures of the Cemetery department was \$54,714 which was funded by General Fund revenues.

DEBT ADMINISTRATION

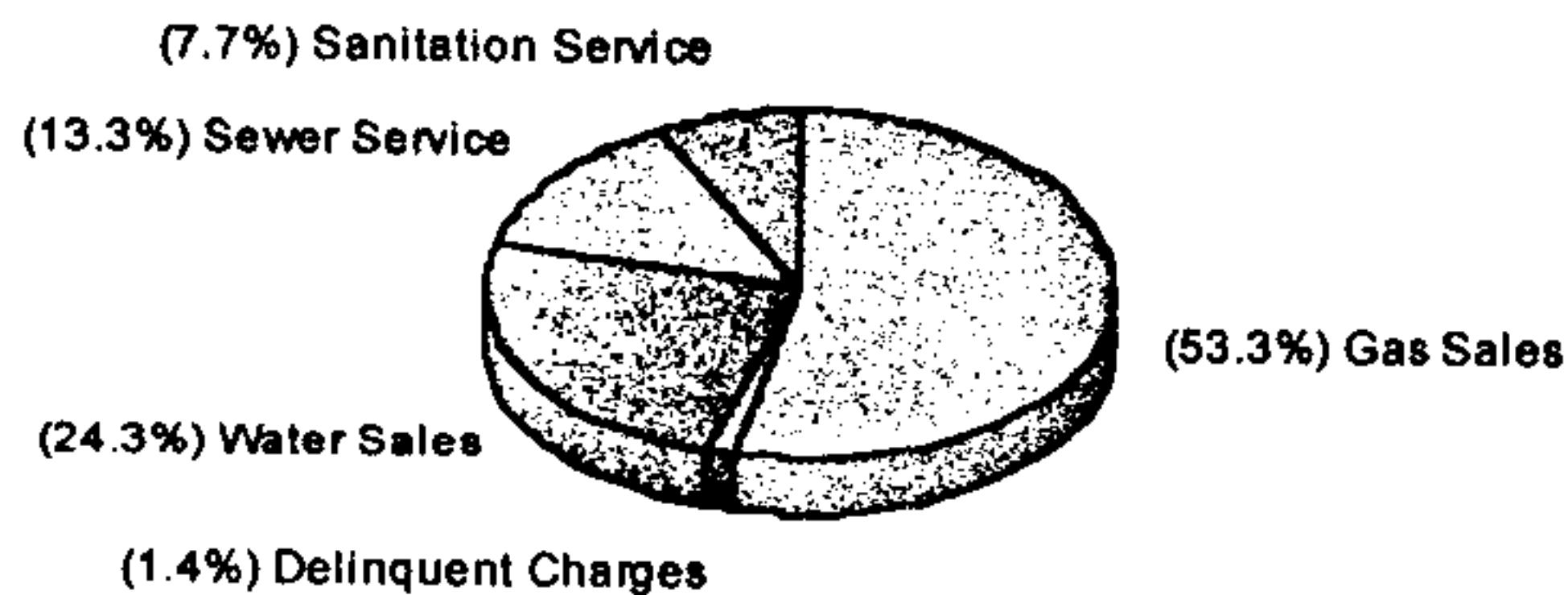
The City of Denham Springs has no general obligation debt. There is a Special Assessment debt with a balance of \$93,247 as of June 30, 1996. This Special Assessment debt occurred when the City issued its 1993 Paving Certificates of Indebtedness to be used for the street overlay project within the Lakeland Acres Subdivision. These Certificates of Indebtedness will be repaid by the assessment on the property owners of the Lakeland Acres Subdivision. In addition, the Utility Enterprise Fund at June 30, 1996, has outstanding one Revenue Bond with an unpaid balance of \$2,229,138.

OPERATING REVENUE:

SOURCES OF REVENUES	1996		1995		INCREASE (DECREASE) OVER 1995	PERCENT INCREASE (DECREASE) OVER 1995
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Gas Sales	\$2,058,232	53.3%	\$1,649,510	48.2%	\$408,722	24.8%
Water Sales	938,611	24.3	925,463	27.0	13,148	1.4%
Sewer Service Sanitation	512,224	13.3	511,704	15.0	520	0.1%
Service	295,048	7.7	288,752	8.4	6,296	2.2%
Delinquent Charges	54,007	1.4	49,391	1.4	4,616	9.3%
Total	\$3,858,122	100.0%	\$3,424,820	100.0%	\$433,302	12.7%

UTILITY ENTERPRISE FUND OPERATING REVENUE

FIGURE # 4

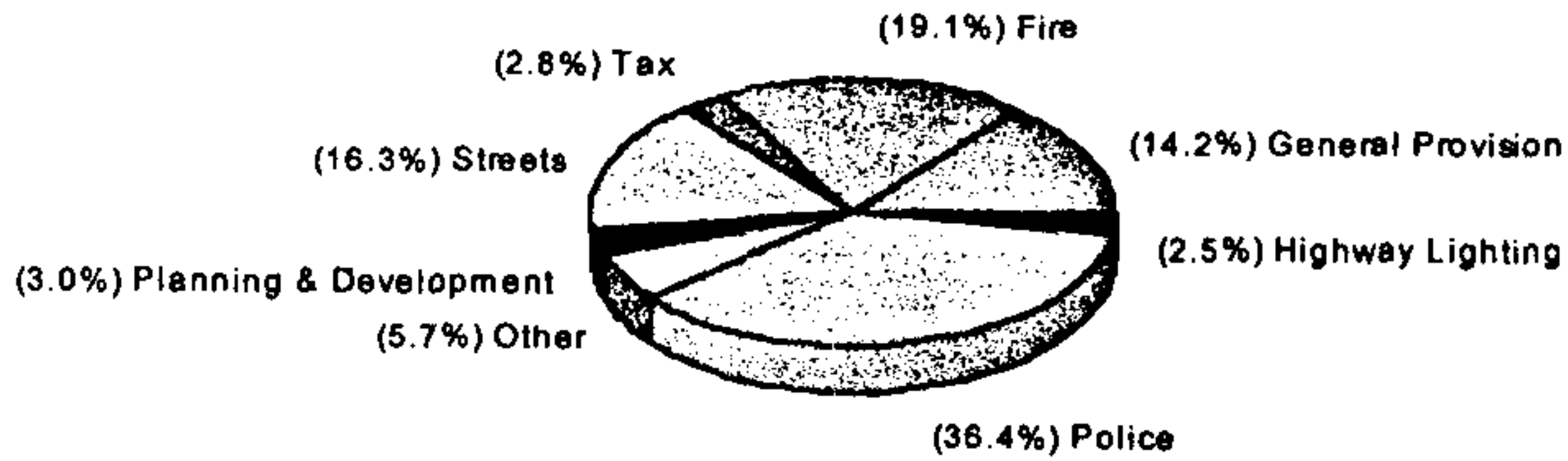


OPERATING EXPENSES:

FUNCTION OF EXPENSES	1996		1995		INCREASE (DECREASE) OVER 1995	PERCENT INCREASE (DECREASE) OVER 1995
	EXPENSES	PERCENT OF TOTAL	EXPENSES	PERCENT OF TOTAL		
Gas Dept.	\$1,678,520	48.2%	\$1,318,406	43.2%	\$360,114	27.3%
Water Dept.	694,153	19.9	684,188	22.4	9,965	1.5%
Sewer Dept.	786,206	22.6	745,637	24.5	40,569	5.4%
Sanitation Dept.	322,266	9.3	301,656	9.9	20,610	6.8%
Total	\$3,481,145	100.0%	\$3,049,887	100.0%	\$431,258	14.1%

GENERAL FUND EXPENDITURES

FIGURE # 3



As indicated in the above schedule, General Provision expenditures increased \$105,891 over the past year. This was due primarily to an \$18,568 increase in contingency expenditures, a \$50,000 increase in grant expenditures for the Incubator Business Program, and a \$24,462 increase in equipment and land expenditures. Tax department expenditures increased primarily due to an increase in salaries of \$6,541 and an increase in sales tax collection fees of \$4,339. Planning and Development department expenditures decreased due to a \$23,943 decrease in equipment purchases. The Public Service Workers department expenditures decreased primarily to a \$14,098 decrease in equipment purchases. The Fire department expenditures increased \$21,576 primarily due to a \$10,975 increase in retirement and benefit expenditures, a \$4,733 increase in salaries, and a \$9,685 increase in equipment expense. The Police department expenditures increased \$195,634 due primarily to a \$84,261 increase in salaries, a \$13,134 increase in retirement and benefits, a \$42,154 increase in equipment purchases, a \$18,069 increase in equipment expense and repairs, and a \$28,369 increase in insurance expense. The Street department expenditures decreased \$96,155 due to a \$27,778 decrease in salaries, a \$25,590 decrease in equipment expense, a \$15,465 decrease in equipment rental expense, and a \$30,348 decrease in street maintenance and materials expense. All departmental expenditures were within 5% of budgeted expenditures and the total General Fund Expenditures were \$63,402 under budgeted expenditures.

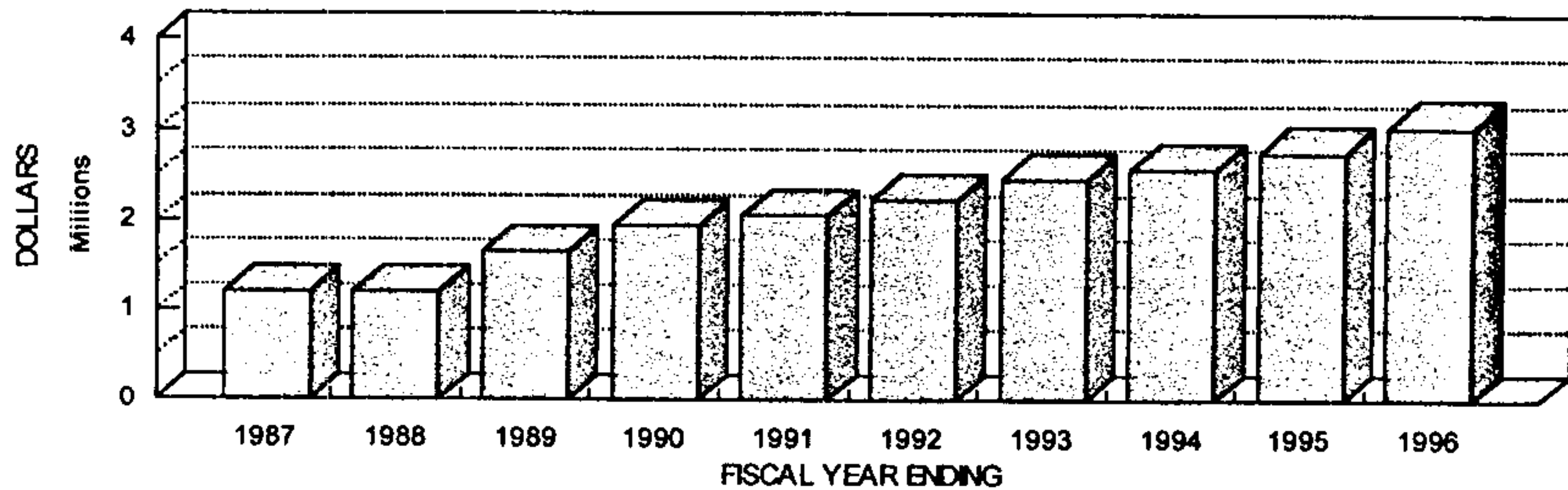
UTILITY ENTERPRISE FUND

The Enterprise Fund consists of Gas, Water, Sewer, and Sanitation Services. The City has 4,254 gas customers, 5,669 water customers, 4,798 sewer customers, and 3,088 sanitation customers. The Enterprise Fund has \$2,175,000 in unrestricted Certificates of Deposits. Property, Plant and Equipment (net of accumulated depreciation) is stated at cost and totals \$11,300,011.

The schedules on pages xiii and xiv, present a summary of operating revenues and operating expenses of the Utility Enterprise Fund for the years ended June 30, 1996 and 1995, and the percentage increases (decreases) from the prior year.

GENERAL FUND SALES TAX REVENUE

FIGURE # 2



The schedule below presents a summary of expenditures of the General Fund for the years ended June 30, 1996 and 1995, and the percentage increases (decreases) from the prior year.

GENERAL FUND EXPENDITURES:

EXPENDITURES BY FUNCTION	1996		1995		INCREASE (DECREASE) OVER 1995	PERCENT INCREASE (DECREASE) OVER 1995
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
General						
Provisions	\$566,415	14.2%	\$460,524	12.2%	\$105,891	23.0 %
Cemetery	54,714	1.4	51,963	1.4	2,751	5.3 %
Tax	113,187	2.8	99,898	2.6	13,289	13.3 %
Ward Court	86,425	2.2	93,185	2.5	(6,760)	(7.3) %
Planning and Development	118,126	3.0	136,559	3.6	(18,433)	(13.5) %
Public Service Workers	15,263	0.4	32,047	0.9	(16,784)	(52.4) %
Summer Food Program	16,683	0.4	12,030	0.3	4,653	38.7 %
Animal Control	30,963	0.8	27,306	0.7	3,657	13.4 %
Fire	763,037	19.1	741,461	19.6	21,576	2.9 %
Police	1,450,946	36.4	1,255,312	33.3	195,634	15.6 %
Streets	651,360	16.3	747,515	19.8	(96,155)	(12.9) %
Highway Lighting	101,153	2.5	96,759	2.6	4,394	4.5 %
Health	19,606	0.5	18,977	0.5	629	3.3 %
Total	\$3,987,878	100.0%	\$3,773,536	100.0%	\$214,342	5.7 %

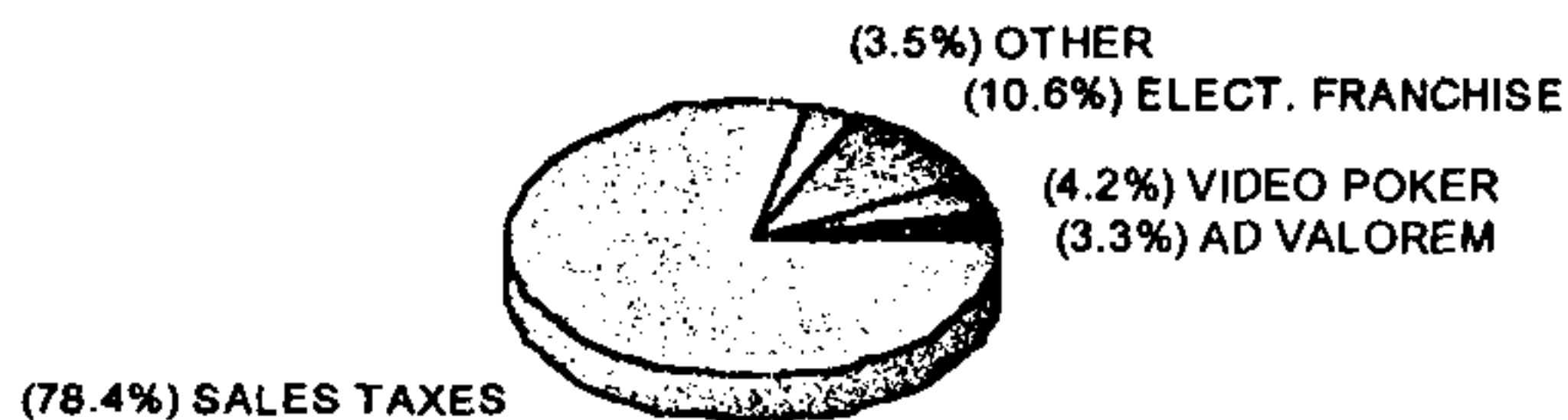
GENERAL FUND REVENUES:

SOURCES OF REVENUES	1996		1995		INCREASE (DECREASE) OVER 1995	PERCENT INCREASE (DECREASE) OVER 1995
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Taxes	\$3,871,998	74.3%	\$3,490,035	73.3%	\$381,963	10.9 %
Licenses and Permits	520,631	10.0	521,309	11.0	(678)	(0.1) %
Fines and Forfeits	189,498	3.6	243,707	5.1	(54,209)	(22.2) %
911 Service Fees	131,040	2.5	112,984	2.4	18,056	16.0 %
Miscellaneous	<u>497,849</u>	<u>9.6</u>	<u>389,831</u>	<u>8.2</u>	<u>108,018</u>	<u>27.7 %</u>
Total	\$5,211,016	100.0%	\$4,757,866	100.0%	\$453,150	9.5 %

For the year ended June 30, 1996, General Fund Revenues and Other Sources exceeded Expenditures and Other Uses by \$509,159. The collection of taxes, accounts for 74.3% of the General Fund Revenues. Figure #1, as shown below, indicates the types and percentages of taxes collected for the year ended June 30, 1996. The City of Denham Springs collects a 1.5% sales tax. This sales tax generated \$3,035,569 of the General Fund Revenue or 58.3% of the total general fund revenues. Sales tax revenue increased 10.4% in the past fiscal year. Figure #2, as shown on page xi, presents the past ten years of sales tax collections. As indicated by these charts and figures the City of Denham Springs General Fund relies heavily on sales tax revenue and this revenue has been increasing by an average of 11.2% over the past eight years.

GENERAL FUND TAX REVENUE - 1996

FIGURE # 1



INTERNAL CONTROL STRUCTURE

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

GENERAL GOVERNMENTAL FUNCTIONS

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

The schedule on page x presents a summary of revenues of the General Fund for the years ended June 30, 1996 and 1995, and the percentage increases (decreases) from the prior year.

- Continued improvement of 911 emergency services.
- Community policing program initiated including neighborhood meetings.
- Public education fire prevention program initiated by the Fire Department.
- Water line improvements on Pete's Highway.
- Drainage program continued to alleviate drainage problems in the City.
- Continued beautification effort.
- Study of sewer collection system.

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

- Construction of a new water tower and renovating the old water tower and control systems.
- Construction of Miller Diversion Canal to improve drainage.
- Construction of Capital Street to improve traffic flow along with drainage improvements in this area.
- Major Capital Improvements Program including replacing all utilities on Pine Street, extensive overlay program, and several drainage projects in this area.
- Renovating and expanding the Animal Control facilities.
- Begin sewer collection system renovations per sewer study.
- Begin sewer oxidation pond renovations.
- Purchase of new fire engine.
- Purchase of new mower with extended boom to upkeep drainage canals.
- Continue program to update equipment in all departments.
- Continue renovating downtown area by utilizing Main Street Program Grant.

SINGLE AUDIT

During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-128, Audits of State and Local Governments. Information related to this Single Audit, including the Schedule of Federal Financial Assistance and the auditor's reports on the internal control structure and compliance with applicable laws and regulations, is included in a separately issued Single Audit Report and is available upon request.

THE REPORTING ENTITY

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

SERVICES PROVIDED

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

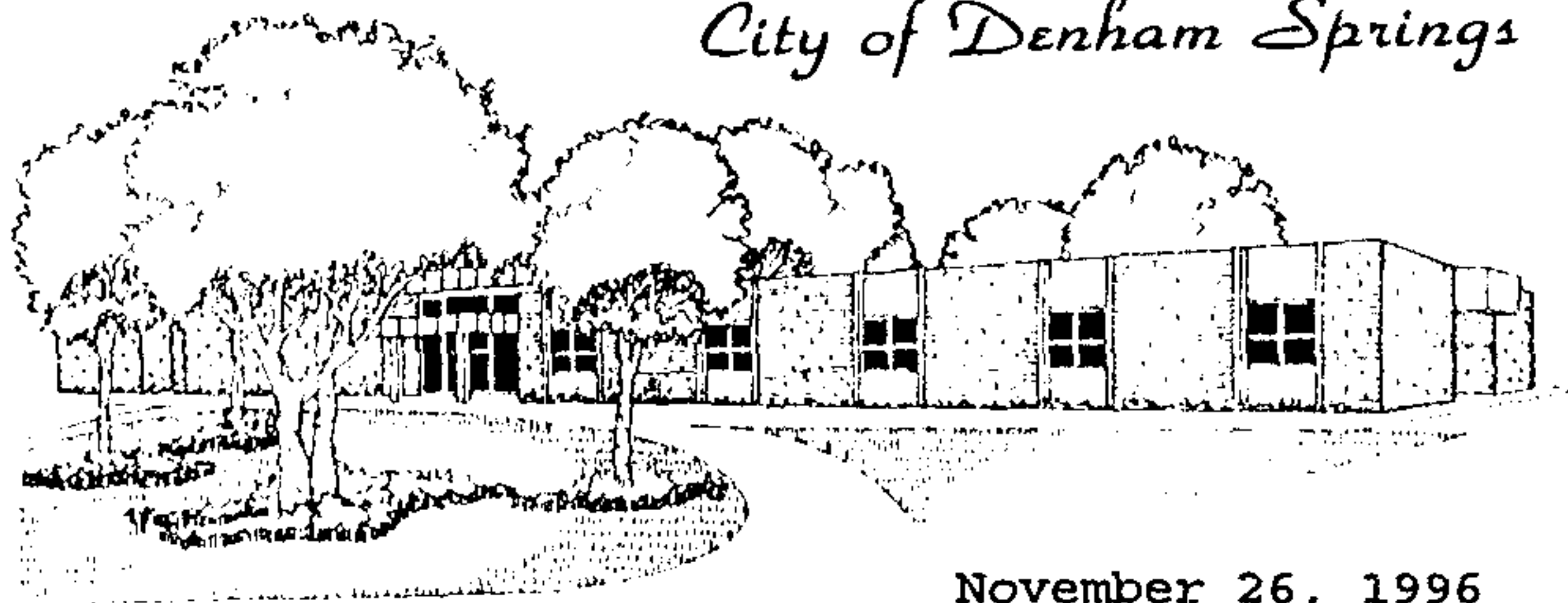
ECONOMIC CONDITION AND OUTLOOK

The City of Denham Springs is a bedroom community to the City of Baton Rouge. The City's major revenue source in the General Fund is from sales tax, the majority of which is collected from retail stores. The population of Denham Springs and the surrounding area is growing at a fast pace, and it is this growth that is mainly responsible for the increase in sales tax collections in the past several years. This increase is expected to continue in the near future as citizens inside and outside Denham Springs continue to shop within the city limits of Denham Springs. Over the past year, the City issued 104 residential construction permits with a value of \$5,417,150 and 34 commercial construction permits with a value of \$4,987,980. In the past year, a new grocery store has opened, an existing grocery store expanded, several restaurants have opened or begun construction, a state of the art skating rink has opened, and construction has begun on a new Junior High School. The downtown "Antique Village" also continues to grow in volume and reputation. All this adds up to a continued bright economic future.

MAJOR INITIATIVES

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

City of Denham Springs



MAYOR
JAMES E. DELAUNE

ALDERMEN
JAMES E. DURBIN
ARTHUR L. PERKINS, SR.
STERLING VINCENT
JOHN WASCOM
ROY ZACHARY

CITY CLERK
LERLINE BARNETT

CITY TREASURER
KEN DRONE

TAX COLLECTOR
CHERI SHUMATE

November 26, 1996

The Honorable Mayor and
Members of the Board of Aldermen
City of Denham Springs
P.O. Box 1629
Denham Springs, LA 70727-1629

Dear Mayor and Board of Aldermen:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Denham Springs for the fiscal year ended June 30, 1996. The report reflects continuing improvements in the local economy, as indicated by the 10.4% increase in sales taxes over the prior year. The City continues its conservative approach in spending while continuing to improve services to the citizens of the City of Denham Springs.

REPORTING STANDARDS

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

REPORT OF ORGANIZATION

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

POST OFFICE BOX 1629
DENHAM SPRINGS, LOUISIANA 70727-1629
504-665-8121
FAX 504-667-1584

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
OTHER SUPPLEMENTARY INFORMATION:		
Schedule of Insurance Coverage in Force (Unaudited)	Schedule 1	105
Schedule of Compensation of City Council Members	Schedule 2	108
<u>STATISTICAL SECTION</u>		
General Fund Expenditures and Other Uses by Function	Schedule 3	110
General Fund Revenues and Other Financing Sources	Schedule 4	112
General Fund Tax Revenues by Source	Schedule 4A	112
Property Tax Levies and Collections	Schedule 5	114
Assessed and Estimated Actual Value of Taxable Property	Schedule 6	115
Property Tax Rates and Tax Levies - Direct and Overlapping Governments	Schedule 7	116
Special Assessment Collections	Schedule 8	118
Statement of Legal Debt Limit	Schedule 9	119
Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt Per Capita	Schedule 10	121
Ratio of Annual Debt Service Expendi- tures for General Bonded Debt to Total General Governmental Expenditures	Schedule 11	123
Computation of Direct and Overlapping Debt	Schedule 12	124
Summary of Revenue Bond Coverage	Schedule 13	125
Demographics Statistics	Schedule 14	127
Construction	Schedule 15	128
Principal Sales Tax Payers	Schedule 16	129
Miscellaneous Statistics	Schedule 17	130

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)		
Internal Service Fund:		
Comparative Balance Sheets	Exhibit J-1	90
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	Exhibit J-2	91
Comparative Statements of Cash Flows	Exhibit J-3	92
Trust and Agency Funds:		
Combining Balance Sheets	Exhibit K-1	94
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance - Expendable Cemetery Trust Fund	Exhibit K-2	95
Statement of Changes in Assets and Liabilities - Deferred Compensation Fund	Exhibit K-3	96
General Fixed Assets Account Group:		
Statements of General Fixed Assets	Exhibit L-1	98
Schedule of General Fixed Assets - By Function and Activity	Schedule L-2	99
Schedule of Changes in General Fixed Assets - By Function and Activity	Schedule L-3	101
General Long-Term Debt Account Group:		
Statements of General Long-Term Debt	Exhibit M	103

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)		
Capital Projects Funds		
Combining Balance Sheets	Exhibit H-1	71
Combining Statements of Revenues, Expenditures, and Changes in Fund Balances	Exhibit H-2	73
Statement of Revenues, Expenditures, and Changes in Fund Balance - Streets, Budget (GAAP Basis) and Actual	Exhibit H-3	75
Statement of Revenues, Expenditures, and Changes in Fund Balance - Drainage, Budget (GAAP Basis) and Actual	Exhibit H-4	76
Statement of Revenues, Expenditures, and Changes in Fund Balance - Renovations, Budget (GAAP Basis) and Actual	Exhibit H-5	77
Enterprise Fund		
Comparative Balance Sheets	Exhibit I-1	79
Comparative Statements of Revenues, Expenses, and Changes in Retained Earnings	Exhibit I-2	81
Comparative Statements of Cash Flows	Exhibit I-3	82
Comparative Schedules of Net Income (Loss) From Operations by Department	Schedule I-4	84
Comparative Schedules of Operating Expenses by Department	Schedule I-5	86
Schedule of Changes in Assets Re- stricted for Revenue Bond Debt Service	Schedule I-6	88

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

TABLE OF CONTENTS (CONTINUED)

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
FINANCIAL SECTION (CONTINUED)		
Note 3 - Deposits and Investments		34
Note 4 - Ad Valorem Taxes		37
Note 5 - Receivables		38
Note 6 - Due from Other Governments		38
Note 7 - Interfund Receivables, Payables - Transfers In, Transfers Out		39
Note 8 - Changes in General Fixed Assets		40
Note 9 - Long-Term Debt		41
Note 10- Amortization of the Cost of Issuing Bonds		46
Note 11- Customers' Deposits		46
Note 12- Retirement Commitments		46
Note 13- Deferred Compensation Plan		50
Note 14- Litigation		51
Note 15- Intergovernmental Revenue		51
Note 16- Contributed Capital		51
Note 17- Changes in Agency Funds		52
Note 18- Segment Information - Enterprise Fund		52
Note 19- Risk Management		53

COMBINING, INDIVIDUAL FUND AND ACCOUNT GROUP
STATEMENTS AND SCHEDULES

General Fund

Comparative Balance Sheets	Exhibit F-1	56
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget (GAAP Basis) and Actual	Exhibit F-2	57
Schedule of Revenues, Compared to Budget (GAAP Basis)	Schedule F-3	58
Schedule of Expenditures, Compared to Budget (GAAP Basis)	Schedule F-4	60
 Debt Service Fund		
Comparative Balance Sheets	Exhibit G-1	68
Comparative Statements of Revenues, Expenditures, and Changes in Fund Balance	Exhibit G-2	69

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1996

TABLE OF CONTENTS

	<u>EXHIBIT/ SCHEDULE/ TABLE</u>	<u>PAGE NUMBER</u>
Table of Contents		i
Letter of Transmittal		vi
Principal Elected Officials		xvii
Organizational Chart		xviii

FINANCIAL SECTION

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS		1
GENERAL PURPOSE FINANCIAL STATEMENTS		
Combined Balance Sheet - All Fund Types, Account Groups and Discretely Presented Component Units	Exhibit A	4
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types, Expendable Trust Fund, and Discretely Presented Component Units	Exhibit B	8
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - General and Capital Projects Fund Types	Exhibit C	12
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	Exhibit D	16
Combined Statement of Cash Flows - All Proprietary Fund Types	Exhibit E	18
Notes to Financial Statements		
Note 1 - Summary of Significant Accounting Policies		21
Note 2 - Stewardship, Compliance and Account- ability		32

**Comprehensive
Annual Financial Report
of the**

CITY OF DENHAM SPRINGS

Denham Springs, Louisiana

**For the Fiscal Year Ended
June 30, 1996**

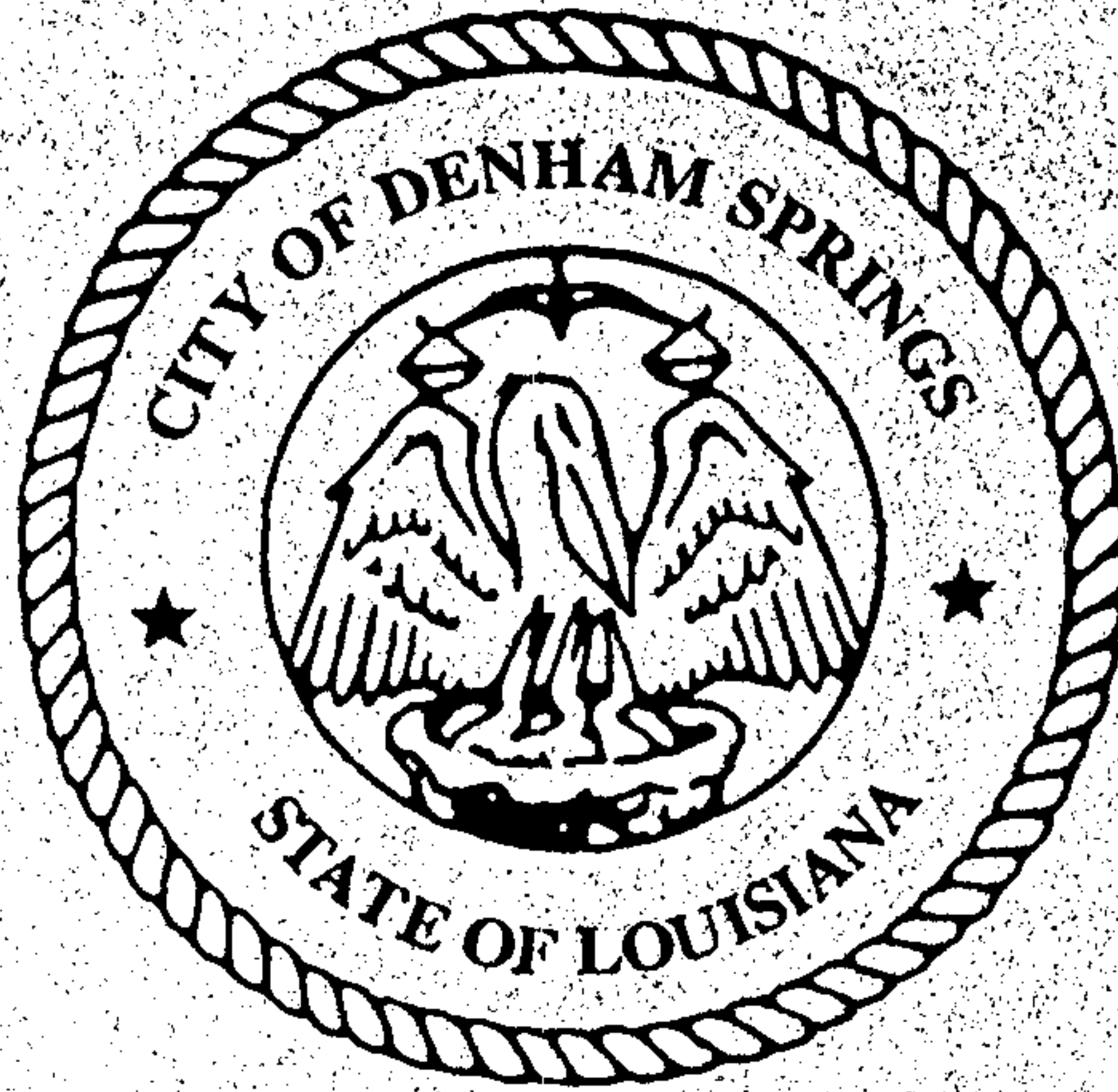
**Prepared by the
City Treasurer**

Mr. Ken Drone

2167

City of Denham Springs, State of Louisiana

**OFFICIAL
FILE COPY**
DO NOT SEND OUT
(Xerox necessary
copies from this
copy and PLACE
BACK in FILE)



RECEIVED
LEGISLATIVE AUDITOR
96 DEC 20 AM 8:42

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Release Date FEB 19 1997

For The Year Ended June 30, 1996