2167

Comprehensive Annual Financial Report of the

CITY OF DENHAM SPRINGS

Denham Springs, Louisiana

For the Fiscal Year Ended June 30, 1997

Prepared by the City Treasurer

Mr. Ken Drone

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1997

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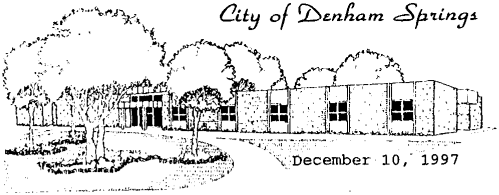

December 10, 1997

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

Dear Mayor and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Denham Springs for the fiscal year ended June 30, 1997. The report reflects the continued strengthening of the local economy, as indicated by the 4.9% increase in sales taxes over the prior year, and the 5.3% increase in occupational license revenue over the prior year. The City continues its conservative approach in spending while continuing to improve the infrastructure of the City along with improved services to the citizens of the City of Denham Springs.

REPORTING STANDARDS

The City has prepared this report using generally accepted accounting principles (GAAP). We believe the data, as presented, is accurate in all material respects, that it is presented in a manner designed to fairly set forth the financial position and results of operations of the City as measured by the financial activity of 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
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SINGLE AUDIT

During the current fiscal year, the City was not required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to Federal Financial Awards and the auditor's report on Compliance and on Internal Control over Financial Reporting, is included in a separately issued report and is available upon request.

THE REPORTING ENTITY

The financial reporting entity consists of all funds under the auspices of the Mayor, and the City Council, and organizations for which the primary government is financially accountable. The City 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, main street 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's this growth that is mainly responsible for the increase in sales tax collections in the past several years. This increase is expected to continue in the near future as citizens inside and outside Denham Springs continue to shop within the city limits of Denham Springs. Over the past year, the City issued 72 construction permits with a value of $2,471,903 and 50 commercial construction permits with a value of $11,121,905. In the past fiscal year, a new hotel has begun construction, another hotel has announced construction plans and has purchased land, a retail store has announced a major expansion of an existing store, a new grocery store has purchased property and announced construction plans, a new shoe store has opened, a new bowling alley has begun construction, several restaurants have opened or begun construction, several new banks have opened or begun construction, and a new Junior High School is close to completion. The City received a grant this fiscal year to fund a Main Street program which will help the city's downtown "Antique Village" continue to improve in sales and reputation. All this adds up to a continued bright economic future for the City of Denham Springs.

MAJOR INITIATIVES

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

- Began construction of new water storage tank on Pete's Highway.
- Continued construction of new water mains on Pete's Highway.
- Began construction of Capital Street to improve traffic flow along with drainage improvements in this area.
- Replaced all utilities, improved drainage, and reconstructed Pine Street.
- Continued resurfacing streets needing overlay.
- Continued drainage improvement program to alleviate drainage problems within City.
- Began sewer collection system renovations per sewer study.
- Continued revitalizing downtown area by utilizing Main Street Grant program.
- Purchase of new fire engine.
- Purchase of new mower with extended boom to upkeep drainage canals.
- Continued Community policing program which included neighborhood meetings.
- Continued Public education fire prevention program by the Fire Department.
- Continued Beautification effort.

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

- Replacing all utilities, installing subsurface drainage and reconstructing Oak and Poplar Streets.
- Planned Resurfacing of portions of Chantu Lane, Aspen Square, South Woodcrest, Juanite Avenue, Sullivan Lane, Myra Street, Sullivan Street, Centerville Street, River Road, White Oak Drive, Rodeo Drive, East Street, & Trails End.
- Drainage projects on Oak Street, Trails End, River Road, and Rushing Road to continue alleviating drainage problems.

- Begin construction of Miller Diversion Canal project.
- Begin renovations of sewer oxidation pond and filter system by utilizing Federal grant.
- Begin construction of new sewer force main on Pete's Highway and renovate Pumping station on Pete's Highway as recommended by Sewer study.
- Begin engineering work on Downtown bypass.
- Begin construction of new Animal Control facility.
- Begin renovation of Old Historic City Hall building.
- Renovation of old water storage tank and control systems.
- Continue upgrading and replacing equipment in all departments.

INTERNAL CONTROL

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

We believe that the City's internal controls adequately 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, and Capital Projects Funds are included in the annual appropriated budget. In addition, a "financial plan" was utilized for the Enterprise Fund, Internal Service Fund, and Cemetery Trust Fund.

GENERAL GOVERNMENTAL FUNCTIONS

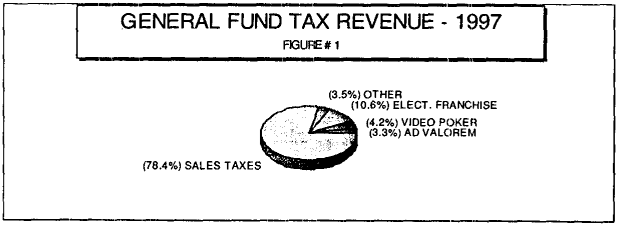
The general government operations of the City are accounted for in the General Fund and consists of the following departments: General Administrative, Cemetery, Tax, Ward Court, Planning and Development, Public Service Workers, Summer Food Program, Public Safety (Animal Control, Fire and Police), Highways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

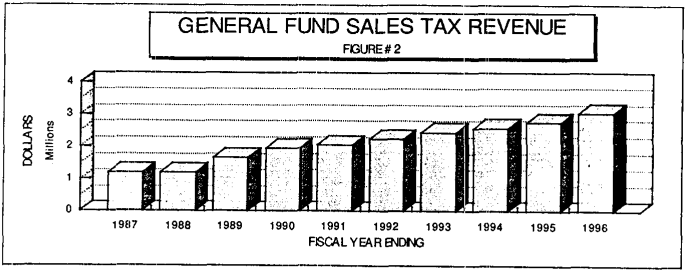
The schedule below presents a summary of revenues of the General Fund for the years ended June 30, 1997 and 1996, and the percentage increases (decreases) from the prior year.

GENERAL FUND REVENUES:

SOURCES OF REVENUES	1997 REVENUES	1997 PERCENT OF TOTAL	1996 REVENUES	1996 PERCENT OF TOTAL	INCREASE (DECREASE) OVER 1996	PERCENT INCREASE (DECREASE) OVER 1996
Taxes	$4,001,014	74.9%	$3,871,998	74.3%	$129,016	3.3%
Licenses and Permits	549,065	10.3	520,631	10.0	28,434	5.5%
Fines and Forfeits	173,708	3.2	189,498	3.6	(15,790)	(8.3)%
911 Service Fees	153,783	2.9	131,040	2.5	22,743	17.4%
Miscellaneous	464,909	8.7	497,849	9.6	(32,940)	(6.6)%
Total	$5,342,479	100.0%	$5,211,016	100.0%	$131,463	2.5%

For the year ended June 30, 1997, General Fund Revenues and Other Sources exceeded Expenditures and Other Uses by $272,091. The collection of taxes, accounts for 74.9% of the General Fund Revenues. Figure #1, as shown below, indicates the types and percentages of taxes collected for the year ended June 30, 1997. The City of Denham Springs collects a 1.5% sales tax. This sales tax generated $3,182,993 of the General Fund Revenue or 59.6% of the total general fund revenues. Sales tax revenue increased 4.9% 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 8.63% over the past eight years.

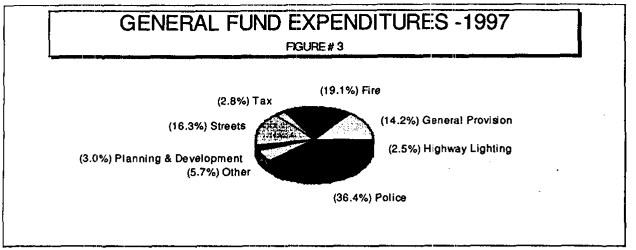




The schedule below presents a summary of expenditures of the General Fund for the years ended June 30, 1997 and 1996, and the percentage increases (decreases) from the prior year.

GENERAL FUND EXPENDITURES:

EXPENDITURES BY FUNCTION	1997 EXPENDITURES	1997 PERCENT OF TOTAL	1996 EXPENDITURES	1996 PERCENT OF TOTAL	INCREASE (DECREASE) OVER 1996	PERCENT INCREASE (DECREASE) OVER 1996
General Provisions	$ 567,761	13.0%	$ 566,415	14.2%	$ 1,346	0.2%
Cemetery	65,158	1.5	54,714	1.4	10,444	19.1
Tax	105,258	2.4	113,187	2.8	(7,929)	(7.0)
Ward Court	52,923	1.2	52,214	1.4	709	1.4
Planning and Development	118,433	2.7	118,126	3.0	307	0.3
Public Service Workers	36,735	0.8	49,474	1.2	(12,739)	(25.7)
Summer Food Program	11,692	0.3	16,683	0.4	(4,991)	(29.9)
Animal Control	32,541	0.7	30,963	0.8	1,578	5.1
Fire	917,192	20.9	763,037	19.1	154,155	20.2
Police	1,553,477	35.5	1,450,946	36.4	102,531	7.1
Streets	782,217	17.9	651,360	16.3	130,857	20.0
Highway Lighting	98,904	2.3	101,153	2.5	(2,249)	(2.2)
Health	18,723	0.4	19,606	0.5	(883)	(4.5)
Culture and Recreation	17,083	0.4	-	-	17,083	-
Total	$4,378,097	100.0%	$3,987,878	100.0%	$390,219	9.8%



As indicated in the schedule on page xi, Cemetery Department expenditures increased by $10,444. This was due primarily to a $3,526 increase in equipment expenditures, and a $3,679 increase in salaries. The Tax Department expenditures decreased $7,929 mainly due to a $9,745 decrease in printing supplies. The Tax Department buys printing supplies to last two years and these were bought the previous year. The expenditures for Public Service Workers decreased $12,739 mainly due to salary expenditures. The Fire department expenditures increased $154,155. This was mainly due to a $55,807 increase in salaries and a $72,490 increase in equipment. The expenditures for the Police Department increased $102,531. This is mainly due to a $92,969 increase in salaries. The Street department expenditures increased $130,857. This increase was due to a $21,624 increase in salaries and a $85,042 increase in equipment. A new function was added this year under Culture and Recreation. This was the Main Street program that had total expenditures of $17,083. Approximately half of the expenditures were funded by a State grant. All departmental expenditures were within 5% of budgeted expenditures and the total General Fund Expenditures were $109,058 under budgeted expenditures.

UTILITY ENTERPRISE FUND

The Enterprise Fund consists of Gas, Water, Sewer, and Sanitation Services. The City has 4,255 gas customers, 5,837 water customers, 4,927 sewer customers, and 3,121 sanitation customers. The Enterprise Fund has $2,035,000 in unrestricted Certificates of Deposits. Property, Plant and Equipment (net of accumulated depreciation) is stated at cost and totals $11,857,322.

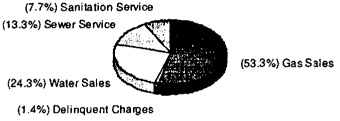
The schedules on page xiii, present a summary of operating revenues and operating expenses of the Utility Enterprise Fund for the years ended June 30, 1997 and 1996, and the percentage increases (decreases) from the prior year.

OPERATING REVENUE:

SOURCES OF REVENUES	1997 REVENUES	1997 PERCENT OF TOTAL	1996 REVENUES	1996 PERCENT OF TOTAL	INCREASE (DECREASE) OVER 1996	PERCENT INCREASE (DECREASE) OVER 1996
Gas Sales	$1,961,438	52.1%	$2,058,232	53.3%	$(96,794)	(4.7)%
Water Sales	927,732	24.6	938,611	24.3	(10,879)	(1.2)%
Sewer Service	516,329	13.7	512,224	13.3	4,105	.8%
Sanitation Service	304,212	8.1	295,048	7.7	9,164	3.1%
Delinquent Charges	54,774	1.5	54,007	1.4	767	1.4%
Total	$3,764,485	100.0%	$3,858,122	100.0%	$(93,637)	(2.4)%

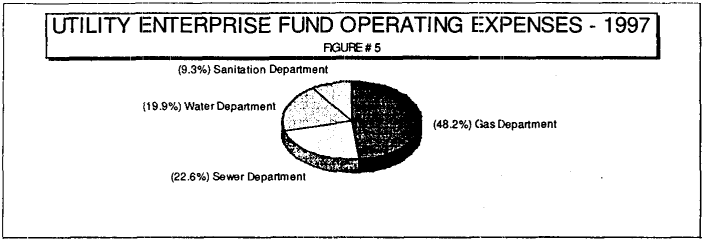
UTILITY ENTERPRISE FUND OPERATING REVENUE - 1997

FIGURE # 4



OPERATING EXPENSES:

FUNCTION OF EXPENSES	1997 EXPENSES	1997 PERCENT OF TOTAL	1996 EXPENSES	1996 PERCENT OF TOTAL	INCREASE (DECREASE) OVER 1996	PERCENT INCREASE (DECREASE) OVER 1996
Gas Dept.	$1,675,594	47.6%	$1,678,520	48.2%	$ (2,926)	(0.2)%
Water Dept.	729,647	20.7	694,153	19.9	35,494	5.1%
Sewer Dept.	784,627	22.3	786,206	22.6	(1,579)	(.2)%
Sanitation Dept.	330,672	9.4	322,266	9.3	8,406	2.6%
Total	$3,520,540	100.0%	$3,481,145	100.0%	$ 39,395	1.1%



The major decrease of the $96,794 in the Gas Department revenue was due to a relatively warm winter in fiscal year 1997, resulting in lower usage by the gas customers as compared to a relatively cold winter in fiscal year 1996. The $35,494 increase in water department expenditures was due mainly to an increase in labor costs.

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 $314,569. For the year ended June 30, 1997, the expenditures of the Cemetery department was $65,158 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 $79,926 as of June 30, 1997. 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, 1997, has outstanding one Revenue Bond with an unpaid balance of $2,100,764.

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 1997 is shown below.

	BALANCE OUTSTANDING JUNE 30, 1996	ADDITIONS	REDUCTIONS	BALANCE OUTSTANDING JUNE 30, 1997
1993 Paving Certificates of Indebtedness	$ 93,247	$ -	$ (13,321)	$ 79,926
1989 Utility Revenue Refunding Bonds	2,229,138	-	(128,374)	2,100,764
Totals	$2,322,385	$ -	$(141,695)	$2,180,690

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, 1997, 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, 1997.

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.

TRANSMITTAL LETTER OF THE CAFR

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Denham Springs for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1996. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

A Certificate of Achievement is valid for a period of one year only. The City of Denham Springs received a Certificate of Achievement for the first time for the fiscal year 1996. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

ACKNOWLEDGMENT

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

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 City Council for their continued support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF DENHAM SPRINGS

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

City of Denham Springs

PRINCIPAL ELECTED OFFICIALS

June 30, 1997

Mayor:

James E. Delaune

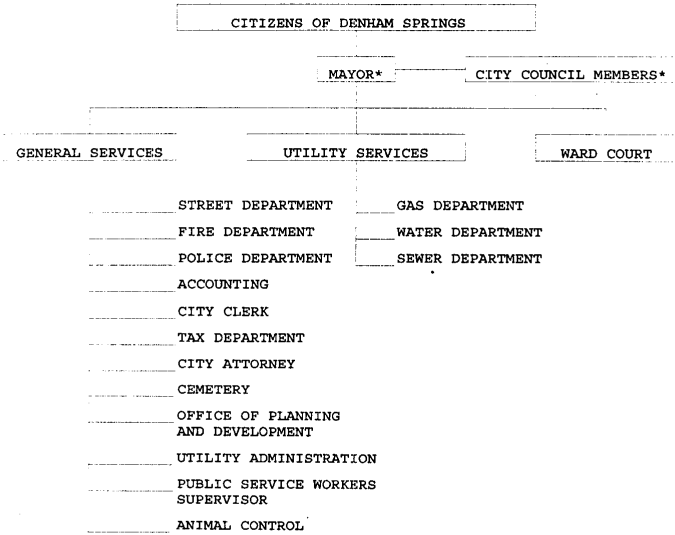
City Council Members:
Current Terms Expire December 31, 1998:

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

City of Denham Springs

ORGANIZATIONAL CHART

June 30, 1997



* ELECTED OFFICIALS

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Denham Springs, Louisiana

For its Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 1996

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

President

Executive Director

HTB Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

Randy J. Bonnecaze, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
Stephen M. Huggins, CPA*
Monica L. Zunno, CPA*
Ronald L. Gagnet, CPA*
Douglas J. Nelson, CPA*

Celeste D. Viator, CPA
Laura E. Monroe, CPA

*A Professional Accounting Corporation

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Denham Springs, LA 70726
Phone: (504) 665-8297
Fax: (504) 667-3813

Members American Institute of Certified Public Accountants

2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809

November 4, 1997

INDEPENDENT AUDITOR'S REPORT

The Honorable James E. DeLaune, Mayor
and Members of the City Council
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, 1997, 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, 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, 1997, and the results of its operations and cash flows of its proprietary fund types for the year then ended, in conformity with generally accepted accounting principles. Also, in our opinion, the combining,

individual fund, 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, 1997, 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 November 4, 1997 on our consideration of the City of Denham Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

The accompanying financial information listed in the Statistical Section as Schedules 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,

Harris T. Bourgeois, L.L.P.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

City of Denham Springs

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

June 30, 1997

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
ASSETS AND OTHER DEBITS	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Cash and Cash Equivalents (Note 3)	$ 217,232	$ 44,734	$ 20,102	$ 132,366	$ 25,362
Investments, at Cost (Note 3)	1,500,000	-	200,000	2,035,000	-
Investment in Deferred Compensation (Note 13)	-	-	-	-	-
Receivables (Net of Allowance for Uncollectibles)(Note 5):					
Accounts	-	-	-	135,286	-
Special Assessments	-	44,192	-	-	-
Other	93,245	-	7,542	70,338	-
Unbilled Utility Sales	-	-	-	191,169	-
Due from Other Funds (Note 7)	32,439	-	18,147	170,262	26,572
Due from Other Governments (Note 6)	245,060	-	-	122,495	-
Due from Component Units (Note 7)	11,352	-	-	-	-
Due from Primary Government (Note 7)	-	-	-	-	-
Inventory, at Cost	-	-	-	131,075	26,867
Prepaid Expenses	-	-	-	69,971	-
Restricted Assets (Notes 3, 9 and 11):					
Investments, at Cost	-	-	-	922,424	-
Fixed Assets (Net of Accumulated Depreciation) (Note 8)	-	-	-	11,857,322	35,519
Other Assets (Note 10)	-	-	-	53,680	1,221
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	$ 2,099,328	$ 88,926	$245,791	$15,891,388	$ 115,541
LIABILITIES					
Accounts Payable	$ 73,904	$ -	$ 13,163	$ 353,386	$ 26,847
Retainages Payable	-	-	32,844	49,690	-
Payroll Taxes Payable	3,588	-	-	-	-
Retirement and Group Insurance Payable	52,568	-	-	-	-
Accrued Salaries and Wages	46,382	-	-	16,073	-
Due to Other Funds (Note 7)	15,097	298	178,718	26,573	26,734

(CONTINUED)

Exhibit A

FIDUCIARY FUND TYPES TRUST AND AGENCY	ACCOUNT GROUPS GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
$ 18,484	$ -	$ -	$ 458,280	$ 137,167	$ 11,694	$ 607,141
293,944	-	-	4,028,944	134,189	10,765	4,173,898
54,325	-	-	54,325	-	-	54,325
-	-	-	135,286	-	-	135,286
-	-	-	44,192	-	-	44,192
2,141	-	-	173,266	3,355	336	176,957
-	-	-	191,169	-	-	191,169
-	-	-	247,420	250	-	247,670
-	-	-	367,555	-	2,852	370,407
-	-	-	11,352	-	-	11,352
-	-	-	-	-	2,430	2,430
-	-	-	157,942	-	-	157,942
-	-	-	69,971	-	-	69,971
-	-	-	922,424	-	-	922,424
-	6,432,577	-	18,325,418	133,198	78,842	18,537,458
-	-	-	54,901	-	-	54,901
-	-	49,273	49,273	-	-	49,273
-	-	30,653	30,653	-	-	30,653
-	-	211,345	211,345	-	-	211,345
$ 368,894	$6,432,577	$ 291,271	$25,533,716	$ 408,159	$ 106,919	$26,048,794
$ -	$ -	$ -	$ 467,300	$ 364	$ 3,267	$ 470,931
-	-	-	82,534	-	-	82,534
-	-	-	3,588	-	2,585	6,173
-	-	-	52,568	-	1,282	53,850
-	-	-	62,455	-	-	62,455
-	-	-	247,420	250	-	247,670

City of Denham Springs

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

June 30, 1997

	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
LIABILITIES (CONT'D.)	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Due to Other Governments	-	-	-	2,114	-
Due to Component Units (Note 7)	2,430	-	-	-	-
Due to Primary Government (Note 7)	-	-	-	-	-
Deferred Revenues	-	39,355	-	-	-
Deferred Compensation Deposits Due to Employees	-	-	-	-	-
Payable from Restricted Assets:					
Customers' Deposits (Note 11)	-	-	-	423,207	-
Revenue Bonds Payable (Note 9)	-	-	-	132,735	-
Accrued Bond Interest	-	-	-	57,613	-
Revenue Bonds Payable (Notes 9 and 10)	-	-	-	1,968,029	-
1993 Paving Certificates (Note 9)	-	-	-	-	-
Accumulated Unpaid Vacation	-	-	-	26,835	2,503
Other Liabilities	33,069	-	-	90,791	4,180
Total Liabilities	227,038	39,653	224,725	3,147,046	60,264
FUND EQUITY AND OTHER CREDITS					
Contributed Capital (Note 16)	-	-	-	3,847,804	-
Investment in General Fixed Assets	-	-	-	-	-
Retained Earnings:					
Reserved for Bond Reserves and Contingencies	-	-	-	297,076	-
Unreserved	-	-	-	8,599,462	55,277
Fund Balance:					
Reserved for Debt Service	-	49,273	-	-	-
Reserved for Cemetery Expenditures	-	-	-	-	-
Reserved for Encumbrance	80,344	-	-	-	-
Unreserved:					
Designated for Construction	-	-	-	-	-
Designated for Witness Fees and Public Service Workers	-	-	-	-	-
Undesignated	1,791,946	-	21,066	-	-
Total Fund Equity and Other Credits	1,872,290	49,273	21,066	12,744,342	55,277
Total Liabilities, Fund Equity, and Other Credits	$ 2,099,328	$ 88,926	$245,791	$15,891,388	$ 115,541

The accompanying notes constitute an integral part of this statement.

FIDUCIARY FUND TYPES	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
TRUST AND AGENCY	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
	-	-	2,114	-	-	2,114
-	-	-	2,430	-	-	2,430
-	-	-	-	11,352	-	11,352
-	-	-	39,355	-	-	39,355
54,325	-	-	54,325	-	-	54,325
-	-	-	423,207	-	-	423,207
-	-	-	132,735	-	-	132,735
-	-	-	57,613	-	-	57,613
-	-	-	1,968,029	-	-	1,968,029
-	-	79,926	79,926	-	-	79,926
-	-	211,345	240,683	-	-	240,683
-	-	-	128,040	90,285	1,202	219,527
54,325	-	291,271	4,044,322	102,251	8,336	4,154,909
-	-	-	3,847,804	-	-	3,847,804
-	6,432,577	-	6,432,577	133,198	78,842	6,644,617
-	-	-	297,076	-	-	297,076
-	-	-	8,654,739	-	-	8,654,739
-	-	-	49,273	-	-	49,273
314,569	-	-	314,569	-	-	314,569
-	-	-	80,344	-	-	80,344
-	-	-	-	-	-	-
-	-	-	-	15,650	-	15,650
-	-	-	1,813,012	157,060	19,741	1,989,813
314,569	6,432,577	-	21,489,394	305,908	98,583	21,893,885
$ 368,894	$6,432,577	$ 291,271	$25,533,716	$ 408,159	$ 106,919	$26,048,794

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, 1997

	GOVERNMENTAL FUND TYPES		
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
Revenues:			
Special Assessments	$ -	$ 14,670	$ -
Taxes	4,001,014	-	-
Licenses and Permits	549,065	-	-
Fines and Forfeits	173,708	-	-
911 Service Fees	153,783	-	-
Interest	85,202	5,340	35,013
Court Costs	-	-	-
Miscellaneous	379,707	265	-
Total Revenues	5,342,479	20,275	35,013
Expenditures:			
Current:			
General Government	957,960	350	-
Public Safety:			
Animal Control	32,541	-	-
Fire	917,192	-	-
Police	1,553,477	-	-
Highways and Streets	881,121	-	-
Health	18,723	-	-
Culture and Recreation	17,083	-	-
Capital Outlay	-	-	1,132,330
Debt Service:			
Principal Retirement	-	13,321	-
Interest	-	5,581	-
Total Expenditures	4,378,097	19,252	1,132,330
Excess (Deficiency) of Revenues over Expenditures	964,382	1,023	(1,097,317)
Other Financing Sources (Uses):			
Operating Transfers In	-	-	429,918
Operating Transfers Out	(629,918)	-	-
Transfers In from Primary Government	-	-	-
Transfers In from Component Units	7,536	-	-
Transfers Out to Component Units	(76,748)	-	-
Transfers Out to Primary Government	-	-	-
Sale of Assets	6,839	-	-
Total Other Financing Sources (Uses)	(692,291)	-	429,918

(CONTINUED)

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
EXPENDABLE TRUST		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
$ -	$ 14,670	$ -	$ -	$ 14,670
-	4,001,014	-	-	4,001,014
-	549,065	-	-	549,065
-	173,708	-	-	173,708
-	153,783	-	-	153,783
16,959	142,514	11,001	792	154,307
-	-	127,802	96,308	224,110
20,025	399,997	29,092	73,580	502,669
36,984	5,434,751	167,895	170,680	5,773,326
-	958,310	218,563	205,401	1,382,274
-	32,541	-	-	32,541
-	917,192	-	-	917,192
-	1,553,477	-	-	1,553,477
-	881,121	-	-	881,121
-	18,723	-	-	18,723
-	17,083	-	-	17,083
-	1,132,330	15,525	2,300	1,150,155
-	13,321	-	-	13,321
-	5,581	-	-	5,581
-	5,529,679	234,088	207,701	5,971,468
36,984	(94,928)	(66,193)	(37,021)	(198,142)
-	429,918	372	-	430,290
-	(629,918)	(372)	-	(630,290)
-	-	44,803	31,945	76,748
-	7,536	-	-	7,536
-	(76,748)	-	-	(76,748)
-	-	(7,536)	-	(7,536)
-	6,839	-	-	6,839
-	(262,373)	37,267	31,945	(193,161)

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, 1997

	GOVERNMENTAL FUND TYPES		
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	272,091	1,023	(667,399)
Fund Balances at Beginning of Year	1,600,199	48,250	688,465
Fund Balances at End of Year	$ 1,872,290	$ 49,273	$ 21,066

The accompanying notes constitute an integral part of this statement.

PRIMARY GOVERNMENT

COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES

GENERAL FUND

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

Exhibit F-2

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, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Revenues:				
Taxes	$3,944,800	$4,001,014	$ 56,214	$3,871,998
Licenses and Permits	513,000	549,065	36,065	520,631
Fines and Forfeits	161,000	173,708	12,708	189,498
911 Service Fees	143,000	153,783	10,783	131,040
Miscellaneous	409,200	464,909	55,709	497,849
Total Revenues	5,171,000	5,342,479	171,479	5,211,016
Expenditures:				
General Government	1,021,300	957,960	63,340	970,813
Public Safety	2,545,610	2,503,210	42,400	2,244,946
Highways and Streets	879,200	881,121	(1,921)	752,513
Health	20,000	18,723	1,277	19,606
Culture and Recreation	21,045	17,083	3,962	-
Total Expenditures	4,487,155	4,378,097	109,058	3,987,878
Excess of Revenues over Expenditures	683,845	964,382	280,537	1,223,138
Other Financing Sources (Uses):				
Operating Transfers Out	(745,000)	(629,918)	115,082	(650,195)
Transfers In from Component Units	12,000	7,536	(4,464)	13,253
Transfers Out to Component Units	(78,000)	(76,748)	1,252	(77,037)
Sale of Assets	7,000	6,839	(161)	-
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(120,155)	272,091	392,246	509,159
Fund Balance at Beginning of Year	1,600,199	1,600,199	-	1,091,040
Fund Balance at End of Year	$1,480,044	$1,872,290	$ 392,246	$1,600,199

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, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Taxes:				
Ad Valorem Taxes	$ 130,000	$ 131,255	$ 1,255	$ 128,952
Alcoholic Beverage Tax	24,000	23,387	(613)	24,235
Chain Store Tax	12,000	12,270	270	11,085
Electrical Franchise Taxes	400,000	377,544	(22,456)	410,645
Sales Taxes	3,125,000	3,182,993	57,993	3,035,569
Tobacco Taxes	42,000	42,564	564	42,578
Cable TV Franchise Tax	60,000	56,043	(3,957)	55,420
Wrecker Franchise Tax	1,800	1,870	70	1,820
Video Poker Fees	150,000	173,088	23,088	161,694
	3,944,800	4,001,014	56,214	3,871,998
Licenses and Permits:				
Occupational Licenses	425,000	448,428	23,428	425,704
Other Permits and Licenses	88,000	100,637	12,637	94,927
	513,000	549,065	36,065	520,631
Fines and Forfeits:				
Ward II Court	161,000	173,708	12,708	189,498
911 Service Fees	143,000	153,783	10,783	131,040
Miscellaneous:				
Dog Licenses and Fees	3,000	4,135	1,135	2,188
Fire Insurance Commissions	16,000	16,723	723	16,273
Interest Income	65,000	85,202	20,202	79,822
Royalties	40,000	51,912	11,912	68,711
Miscellaneous	28,800	37,337	8,537	37,242
Summer Food Program	13,000	10,656	(2,344)	15,186
Law Enforcement Grants	80,000	73,465	(6,535)	81,717

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Miscellaneous (Cont'd.):				
Other Grant Revenue	10,000	11,309	1,309	-
Road Maintenance Fees	13,400	13,364	(36)	13,364
Intergovernmental Donation	2,000	2,841	841	-
Intergovernmental Revenue	118,500	141,200	22,700	114,788
Rent Income	500	460	(40)	320
Utility Administrative Charges	18,000	16,305	(1,695)	18,238
Time and Equipment Usage Reimbursement	1,000	-	(1,000)	-
Incubator Business Grant	-	-	-	50,000
	409,200	464,909	55,709	497,849
Total Revenues	$5,171,000	$5,342,479	$ 171,479	$5,211,016

See auditor's report.

City of Denham Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
General Government:				
General Provisions:				
Salaries	$ 200,000	$ 199,866	$ 134	$ 194,045
Aldermen's Per Diem	20,000	17,200	2,800	19,200
Payroll Taxes, Retirement, and Group Insurance	35,300	30,576	4,724	34,026
Contingency	50,000	-	50,000	18,568
Electricity	11,000	13,370	(2,370)	12,002
Equipment and Land	30,000	38,247	(8,247)	24,741
Incubator Business Program	-	-	-	50,000
Insurance	30,400	31,505	(1,105)	29,773
Legal and Professional	43,500	43,919	(419)	34,406
Membership Fees and Educational Training	9,000	11,059	(2,059)	10,967
Miscellaneous	79,870	89,228	(9,358)	62,974
Planning and Zoning	200	131	69	-
Printing, Postage and Office Supplies	27,500	36,104	(8,604)	29,339
Rental Equipment	8,000	9,380	(1,380)	9,896
Repairs and Maintenance	29,000	30,057	(1,057)	21,004
Small Tools and Supplies	1,500	2,328	(828)	1,756
Telephone	8,000	9,124	(1,124)	7,276
Travel	6,650	5,667	983	6,442
Total General Provisions	589,920	567,761	22,159	566,415
Cemetery:				
Salaries	35,500	37,634	(2,134)	33,955
Payroll Taxes, Retirement, and Group Insurance	8,500	8,187	313	8,144

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Cemetery (Cont'd.):				
Equipment	4,500	4,264	236	738
Equipment Expense	2,900	4,984	(2,084)	3,823
Legal and Professional	500	300	200	-
Maintenance Contract	2,000	1,240	760	1,032
Insurance	4,600	5,313	(713)	4,569
Miscellaneous	2,060	2,233	(173)	1,599
Small Tools	1,000	1,003	(3)	854
Total Cemetery	61,560	65,158	(3,598)	54,714
Tax:				
Salaries	36,000	37,553	(1,553)	36,005
Payroll Taxes, Retirement, and Group Insurance	6,470	6,851	(381)	6,242
Collection Fee	55,000	51,649	3,351	50,595
Equipment	3,000	-	3,000	268
Equipment Expense	-	-	-	133
Insurance	200	304	(104)	185
Legal and Professional	1,000	-	1,000	850
Miscellaneous	2,650	2,588	62	2,821
Printing, Postage and Office Supplies	10,000	4,833	5,167	14,578
Small Tools and Supplies	150	180	(30)	-
Tax Roll	1,500	1,300	200	1,510
Total Tax	115,970	105,258	10,712	113,187
Ward Court:				
Group Insurance	6,000	5,927	73	5,959
Judge's Salary	25,800	25,800	-	25,800
Small Tools and Supplies	-	-	-	-
Judge's Retirement	3,250	3,199	51	3,210

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Ward Court (Cont'd.):				
Additional Court Costs	8,000	5,647	2,353	10,391
Parking Lot Rental	1,100	1,100	-	-
Prosecuting Attorney	12,500	11,250	1,250	6,854
Total Ward Court	56,650	52,923	3,727	52,214
Planning and Development:				
Salaries	77,000	78,366	(1,366)	74,541
Payroll Taxes, Retirement, and Group Insurance	13,400	12,627	773	12,606
Equipment	3,000	3,658	(658)	-
Insurance	8,700	8,470	230	8,187
Legal and Professional	10,000	5,680	4,320	12,486
Miscellaneous	4,950	4,308	642	4,507
Demolition Expense	5,000	520	4,480	533
Printing, Postage and Office Supplies	3,000	2,861	139	1,975
Small Tools and Supplies	500	47	453	206
Vehicle Expense	3,500	1,896	1,604	3,085
Total Planning and Development	129,050	118,433	10,617	118,126
Public Service Workers:				
Salaries	28,200	15,707	12,493	27,838
Payroll Taxes, Retirement, and Group Insurance	6,850	2,874	3,976	6,373
Equipment	1,500	1,031	469	1,535
Equipment Repairs	1,500	1,842	(342)	2,048
Small Tools and Supplies	5,000	5,127	(127)	4,131
Electricity	3,500	3,234	266	3,440
Insurance	3,800	4,621	(821)	3,810
Miscellaneous	300	2,299	(1,999)	299
Total Public Service Workers	50,650	36,735	13,915	49,474

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Summer Food Program:				
Salaries	6,000	5,701	299	7,332
Payroll Taxes	900	420	480	586
Equipment Rental	1,850	-	1,850	-
Food Purchases	7,000	4,585	2,415	7,521
Insurance	250	299	(49)	407
Supplies	1,500	687	813	837
Total Summer Food Program	17,500	11,692	5,808	16,683
Total General Government	1,021,300	957,960	63,340	970,813
Public Safety:				
Animal Control:				
Salaries	17,500	16,967	533	16,566
Payroll Taxes, Retirement, and Group Insurance	3,970	3,437	533	3,974
Building Improvements	-	-	-	512
Electricity	650	891	(241)	474
Equipment	2,000	445	1,555	275
Equipment Expense	2,000	2,553	(553)	2,483
Insurance	2,450	1,380	1,070	1,396
Miscellaneous	4,950	5,449	(499)	4,244
Small Tools and Supplies	1,000	1,419	(419)	1,039
Total Animal Control	34,520	32,541	1,979	30,963
Fire:				
Salaries	530,500	557,327	(26,827)	501,520
Payroll Taxes, Retirement, and Group Insurance	133,900	130,440	3,460	118,705
Electricity	7,500	5,755	1,745	5,848
Legal and Professional	200	75	125	-

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Fire (Cont'd.):				
Equipment	186,000	96,792	89,208	24,302
Equipment Expense	25,000	22,199	2,801	23,728
Insurance	65,000	71,258	(6,258)	63,420
Membership Fees and Educational Training	5,000	4,298	702	3,569
Miscellaneous	6,420	7,020	(600)	3,105
Printing, Postage and Office Supplies	750	1,394	(644)	854
Rental Equipment	100	150	(50)	-
Repairs and Maintenance	10,000	7,096	2,904	4,152
Small Tools and Supplies	6,000	7,144	(1,144)	8,397
Telephone	2,500	2,385	115	1,968
Uniforms	3,500	3,859	(359)	3,469
Total Fire	982,370	917,192	65,178	763,037
Police:				
Salaries	895,500	927,180	(31,680)	834,211
Payroll Taxes, Retirement, and Group Insurance	209,700	211,084	(1,384)	198,021
Electricity	26,000	26,222	(222)	29,239
Equipment	128,000	126,658	1,342	121,075
Equipment Expense	89,000	88,636	364	90,841

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Police (Cont'd.):				
Equipment Rental	3,500	3,420	80	3,298
Insurance	95,000	101,103	(6,103)	100,654
Jail Expense	1,000	648	352	124
Membership Fees and Educational Training	18,000	10,088	7,912	14,294
Miscellaneous	13,020	10,465	2,555	11,435
Printing, Postage and Office Supplies	11,500	10,999	501	10,649
Professional Fees	2,000	986	1,014	981
Repairs and Maintenance	13,000	9,344	3,656	15,862
Small Tools and Supplies	3,500	3,597	(97)	1,939
Telephone	9,000	9,069	(69)	8,588
Uniforms	11,000	13,978	(2,978)	9,735
Total Police	1,528,720	1,553,477	(24,757)	1,450,946
Total Public Safety	2,545,610	2,503,210	42,400	2,244,946
Highways and Streets:				
Streets:				
Salaries	355,000	340,479	14,521	318,855
Payroll Taxes, Retirement, and Group Insurance	75,650	71,996	3,654	72,594
Electricity	4,000	2,950	1,050	4,043
Equipment	117,000	127,281	(10,281)	42,239
Equipment Expense	78,000	79,350	(1,350)	75,888
Equipment Rental	6,000	5,697	303	3,976
Insurance	54,500	59,082	(4,582)	54,492
Uniforms	7,500	7,426	74	7,879
Legal and Professional	2,000	1,318	682	1,176

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1997
With Comparative Actual Amounts for the Year Ended June 30, 1996

	1997			
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)	1996 ACTUAL
Streets (Cont'd.):				
Streets Maintenance and Materials	60,000	62,743	(2,743)	49,663
Miscellaneous	6,550	8,614	(2,064)	7,619
Small Tools and Supplies	9,000	12,680	(3,680)	9,133
Telephone	4,000	2,601	1,399	3,803
Total Streets	779,200	782,217	(3,017)	651,360
Lighting:				
Electricity	100,000	98,904	1,096	101,153
Total Lighting	100,000	98,904	1,096	101,153
Total Highways and Streets	879,200	881,121	(1,921)	752,513
Health:				
Council on Aging	16,000	18,723	(2,723)	19,606
Head Start Program	4,000	-	4,000	-
Total Health	20,000	18,723	1,277	19,606
Culture and Recreation:				
Main Street Program:				
Salaries	10,000	8,870	1,130	-
Payroll Taxes, Retirement, and Group Insurance	1,835	1,688	147	-
Committee Expenses	4,000	2,148	1,852	
Insurance	1,000	12	988	-
Membership Fees and Educational Training	2,410	3,208	(798)	-
Printing, Postage and Office Supplies	1,300	544	756	-
Travel	500	613	(113)	-
Total Culture and Recreation	21,045	17,083	3,962	-
Total Expenditures	$4,487,155	$4,378,097	$ 109,058	$3,987,878

See auditor's report.

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
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS

	1997	1996
Cash and Cash Equivalents	$ 44,734	$ 44,269
Special Assessment Receivable:		
Current	39,355	54,025
Delinquent	4,837	4,279
Total Assets	$ 88,926	$102,573

LIABILITIES AND FUND BALANCE

Liabilities:		
Deferred Revenues	$ 39,355	$ 54,025
Due to Other Funds	298	298
Total Liabilities	39,653	54,323
Fund Balance:		
Reserved for Debt Service	49,273	48,250
Total Fund Balance	49,273	48,250
Total Liabilities and Fund Balance	$ 88,926	$102,573

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DEBT SERVICE FUND

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

For the Years Ended June 30, 1997 and 1996

	1997	1996
Revenues:		
Special Assessments	$ 14,670	$ 29,798
Interest	5,340	8,609
Penalties	265	936
Total Revenues	20,275	39,343
Expenditures:		
Administrative Charges	350	350
Debt Service:		
Principal Retirement	13,321	13,321
Interest	5,581	6,460
Total Expenditures	19,252	20,131
Excess of Revenues over Expenditures	1,023	19,212
Fund Balance at Beginning of Year	48,250	29,038
Fund Balance at End of Year	$ 49,273	$ 48,250

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
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

June 30, 1997
With Comparative Totals as of June 30, 1996

	STREET OVERLAY	DRAINAGE IMPROVEMENTS	BUILDING RENOVATIONS
ASSETS			
Cash and Cash Equivalents	$ 2,000	$ -	$ 18,102
Certificates of Deposit	-	200,000	-
Accrued Interest Receivable	-	7,542	-
Due from Other Funds	17,903	-	244
Total Assets	$ 19,903	$ 207,542	$ 18,346
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	$ -	$ 13,163	$ -
Retainages Payable	16,686	16,158	-
Due to Other Funds	-	178,718	
Total Liabilities	16,686	208,039	-
Fund Balances:			
Unreserved -Designated for Construction	-	-	-
Unreserved - Undesignated - (Deficit)	3,217	(497)	18,346
Total Fund Balances - (Deficit)	3,217	(497)	18,346
Total Liabilities and Fund Balances	$ 19,903	$ 207,542	$ 18,346

The accompanying notes constitute an integral part of this statement.

TOTALS	
1997	1996
$ 20,102	$ 39,823
200,000	720,000
7,542	6,872
18,147	13,540
$ 245,791	$ 780,235

$ 13,163	$ 70,813
32,844	7,417
178,718	13,540
224,725	91,770
-	678,698
21,066	9,767
21,066	688,465
$ 245,791	$ 780,235

City of Denham Springs
CAPITAL PROJECTS FUNDS

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

For the Year Ended June 30, 1997
With Comparative Totals for the Year Ended June 30, 1996

	STREET OVERLAY	DRAINAGE IMPROVEMENTS	BUILDING RENOVATIONS
Revenues:			
Donations	$ -	$ -	$ -
Interest	9,726	21,883	3,404
Federal Grants	-	-	-
Total Revenues	9,726	21,883	3,404
Expenditures - Capital Projects:			
Construction Contracts	293,718	327,923	46,878
Construction Costs	-	392,649	7,659
Engineering	18,001	44,998	504
Total Expenditures	311,719	765,570	55,041
Deficiency of Revenues over Expenditures	(301,993)	(743,687)	(51,637)
Other Financing Sources:			
Operating Transfers In	137,500	283,423	8,995
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(164,493)	(460,264)	(42,642)
Fund Balances at Beginning of Year	167,710	459,767	60,988
Fund Balances at End of Year	$ 3,217	$ (497)	$ 18,346

The accompanying notes constitute an integral part of this statement.

TOTALS	
1997	1996
$ -	$ 28,000
35,013	24,092
-	6,023
35,013	58,115
668,519	79,896
400,308	38,849
63,503	88,033
1,132,330	206,778
(1,097,317)	(148,663)
429,918	450,195
(667,399)	301,532
688,465	386,933
$ 21,066	$ 688,465

Exhibit H-3

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, 1997

	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
Revenues:			
Interest	$ 7,000	$ 9,726	$ 2,726
Total Revenues	7,000	9,726	2,726
Expenditures:			
Construction Contracts	296,000	293,718	2,282
Construction Costs	-	-	-
Engineering	33,000	18,001	14,999
Total Expenditures	329,000	311,719	17,281
Excess (Deficiency) of Revenues over Expenditures	(322,000)	(301,993)	20,007
Other Financing Sources:			
Operating Transfers In	155,000	137,500	(17,500)
Excess of Revenues and Other Sources over Expenditures	(167,000)	(164,493)	2,507
Fund Balance at Beginning of Year	167,710	167,710	-
Fund Balance at End of Year	$ 710	$ 3,217	$ 2,507

The accompanying notes constitute an integral part of this statement.

Exhibit H-4

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, 1997

	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
Revenues:			
Interest	$ 15,500	$ 21,883	$ 6,383
Total Revenues	15,500	21,883	6,383
Expenditures:			
Construction Contracts	331,000	327,923	3,077
Construction Costs	210,100	392,649	(182,549)
Engineering	28,000	44,998	(16,998)
Total Expenditures	569,100	765,570	(196,470)
Deficiency of Revenues over Expenditures	(553,600)	(743,687)	(190,087)
Other Financing Sources:			
Operating Transfers In	360,000	283,423	(76,577)
Excess of Revenues and Other Sources Over Expenditures	(193,600)	(460,264)	(266,664)
Fund Balance at Beginning of Year	459,767	459,767	-
Fund Balance at End of Year	$ 266,167	$ (497)	$(266,664)

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, 1997

	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
Revenues:			
Interest	$ 2,500	$ 3,404	$ 904
Total Revenues	2,500	3,404	904
Expenditures:			
Construction Contracts	71,000	46,878	24,122
Construction Costs	21,000	7,659	13,341
Engineering	-	504	(504)
Total Expenditures	92,000	55,041	36,959
Deficiency of Revenues over Expenditures	(89,500)	(51,637)	37,863
Other Financing Sources:			
Operating Transfers In	30,000	8,995	(21,005)
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(59,500)	(42,642)	16,858
Fund Balance at Beginning of Year	60,988	60,988	-
Fund Balance at End of Year	$ 1,488	$ 18,346	$ 16,858

The accompanying notes constitute an integral part of this statement.

ENTERPRISE FUND

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

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS	1997	1996
Current Assets:		
Cash and Cash Equivalents	$ 132,366	$ 274,935
Certificates of Deposit - (Maturities Greater than 90 Days)	2,035,000	2,175,000
Receivables:		
Accounts (Net of Allowance for Uncollectible Accounts of $8,000 in 1997 and $46,500 in 1996)	135,286	194,268
Other	70,338	42,895
Unbilled Utility Sales	191,169	197,995
Due from Other Funds	170,262	-
Due from Other Government	122,495	-
Inventory, at Cost	131,075	117,115
Prepaid Expenses	69,971	67,057
Total Current Assets	3,057,962	3,069,265
Restricted Assets:		
Certificate of Deposit - Customer Deposit Account (Maturity Greater Than 90 Days)	435,000	395,000
Bond Interest and Redemption Account	100,259	97,434
Bond Reserve Account	182,355	155,753
Bond Contingency Account	204,810	177,264
Total Restricted Assets	922,424	825,451
Property, Plant and Equipment, at Cost (Net of Accumulated Depreciation of $7,450,119 in 1997 and $6,967,234 in 1996)	11,857,322	11,300,011
Deferred Expenses and Other Assets:		
Deferred Bond Expenses	53,680	62,194
Total Assets	$15,891,388	$15,256,921

The accompanying notes constitute an integral part of this statement.

LIABILITIES AND FUND EQUITY	1997	1996
Current Liabilities (Payable from Current Assets):		
Accounts Payable	$ 353,386	$ 210,745
Retainage Payable	49,690	9,553
Accrued Salaries and Wages	16,073	5,152
Due to Other Funds	26,573	43,446
Due to Other Government Agencies	2,114	2,114
Other Current Liabilities	90,791	62,422
Total Current Liabilities (Payable from Current Assets)	538,627	333,432
Current Liabilities (Payable from Restricted Assets):		
Customers' Deposits	423,207	395,000
Bonds Payable - 1989 Series	132,735	128,374
Accrued Bond Interest	57,613	61,133
Total Current Liabilities (Payable from Restricted Assets)	613,555	584,507
Long-Term Liabilities:		
Accumulated Unpaid Vacation	26,835	29,721
Bonds Payable - 1989 Series	1,968,029	2,100,764
Total Long-Term Liabilities	1,994,864	2,130,485
Total Liabilities	3,147,046	3,048,424
Fund Equity:		
Contributed Capital:		
Federal Grants	2,671,207	2,671,207
State Grants	457,003	334,507
Residual Equity Transfer - General Fund	600,000	600,000
Developers	93,278	69,596
Other	26,316	26,316
Total Contributed Capital	3,847,804	3,701,626
Retained Earnings:		
Reserved for Revenue Bond Reserves	92,266	63,680
Reserved for Revenue Bond Contingencies	204,810	177,264
Unreserved	8,599,462	8,265,927
Total Retained Earnings	8,896,538	8,506,871
Total Fund Equity	12,744,342	12,208,497
Total Liabilities and Fund Equity	$15,891,388	$15,256,921

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS

For the Years Ended June 30, 1997 and 1996

	1997	1996
Operating Revenues:		
Charges for Services:		
Gas Sales	$ 1,961,438	$ 2,058,232
Water Sales	927,732	938,611
Sewer Service	516,329	512,224
Sanitation Service	304,212	295,048
Delinquent Charges	54,774	54,007
Total Operating Revenues	3,764,485	3,858,122
Operating Expenses:		
Gas Department	1,675,594	1,678,520
Water Department	729,647	694,153
Sewer Department	784,627	786,206
Sanitation Department	330,672	322,266
Total Operating Expenses	3,520,540	3,481,145
Operating Income	243,945	376,977
Nonoperating Revenues:		
Interest	183,845	168,600
Miscellaneous	12,077	16,189
Total Nonoperating Revenues	195,922	184,789
Nonoperating Expenses:		
Interest	241,685	255,874
Amortization of Bond Redemption Premium	8,515	9,548
Total Nonoperating Expenses	250,200	265,422
Net Income before Operating Transfers	189,667	296,344
Operating Transfers In	200,000	200,000
Net Income	389,667	496,344
Retained Earnings at Beginning of Year	8,506,871	8,010,527
Retained Earnings at End of Year	$ 8,896,538	$ 8,506,871

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, 1997 and 1996

	1997	1996
Cash Flows From Operating Activities:		
Operating Income	$ 243,945	$ 376,977
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	490,227	492,395
Provision for Bad Debts	29,139	26,813
Miscellaneous Revenues	12,077	16,189
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	33,362	(78,907)
(Increase) Decrease in Other Receivables	(27,443)	13,931
(Increase) Decrease in Unbilled Utility Sales	6,826	-
(Increase) Decrease in Due from Other Funds	(170,262)	7,324
(Increase) Decrease in Due from Government Agencies	(122,495)	3,629
(Increase) Decrease in Inventory	(13,960)	36,835
(Increase) Decrease in Prepaid Expenses	(2,914)	3,103
Increase (Decrease) in Accounts Payable	142,641	46,400
Increase (Decrease) in Retainage Payable	40,137	7,232
Increase (Decrease) in Accrued Salaries and Wages	10,921	342
Increase (Decrease) in Due to Other Funds	(16,873)	43,445
Increase (Decrease) in Due to Other Government Agencies	-	2,114
Increase (Decrease) in Other Current Liabilities	28,369	15,588
Increase (Decrease) in Accumulated Unpaid Vacation	(2,886)	4,840
Net Cash Provided by Operating Activities	680,811	1,018,250

(CONTINUED)

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended June 30, 1997 and 1996

	1997	1996
Cash Flows From Noncapital Financing Activities:		
Operating Transfers In	200,000	200,000
Net Cash Provided by Noncapital Financing Activities	200,000	200,000
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(1,047,538)	(392,556)
(Increase) Decrease in Restricted Assets	(96,973)	(40,716)
Increase (Decrease) in Liabilities Payable From Restricted Assets	24,687	3,468
Principal Paid on Bonds	(128,374)	(129,207)
Grant - La. Department of Transportation	122,496	(1,182)
Impact Fees - Developers	23,682	69,596
Interest Paid on Revenue Bonds	(245,205)	(259,418)
Net Cash Used in Capital and Related Financing Activities	(1,347,225)	(750,015)
Cash Flows From Investing Activities:		
Net Sale (Purchase) of Investments	140,000	(600,000)
Interest Income	183,845	168,600
Net Cash Provided by (Used in) Investing Activities	323,845	(431,400)
Net Increase (Decrease) in Cash and Cash Equivalents	(142,569)	36,835
Cash and Cash Equivalents - Beginning of Year	274,935	238,100
Cash and Cash Equivalents - End of Year	$ 132,366	$ 274,935
Schedule of Noncash Investing, Capital and Financing Activities:		
Amortization of Deferred Bond Expense	$ 8,515	$ 9,548

The accompanying notes constitute an integral part of this statement.

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City of Denham Springs
UTILITY ENTERPRISE FUND

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

For the Years Ended June 30, 1997 and 1996

	GAS DEPARTMENT		WATER DEPARTMENT	
	1997	1996	1997	1996
Operating Revenues:				
Charges for Services	$1,961,438	$2,058,232	$ 896,790	$ 908,055
Miscellaneous	-	-	30,942	30,556
Total Operating Revenues	1,961,438	2,058,232	927,732	938,611
Operating Expenses:				
Direct	1,478,786	1,464,457	572,833	550,973
General and Administrative	196,808	214,063	156,814	143,180
Total Operating Expenses	1,675,594	1,678,520	729,647	694,153
Operating Income (Loss) by Departments	$ 285,844	$ 379,712	$ 198,085	$ 244,458
Other Operating Revenues:				
Delinquent Charges				
Net Operating Income				

See auditor's report.

SEWER DEPARTMENT		SANITATION DEPARTMENT		TOTAL	
1997	1996	1997	1996	1997	1996
$ 515,953	$ 512,129	$ 304,212	$ 295,048	$3,678,393	$3,773,464
376	95	-	-	31,318	30,651
516,329	512,224	304,212	295,048	3,709,711	3,804,115
581,595	586,353	292,318	282,617	2,925,532	2,884,400
203,032	199,853	38,354	39,649	595,008	596,745
784,627	786,206	330,672	322,266	3,520,540	3,481,145
$ (268,298)	$ (273,982)	$ (26,460)	$ (27,218)	189,171	322,970
				54,774	54,007
				$ 243,945	$ 376,977

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT

For the Years Ended June 30, 1997 and 1996

	GAS DEPARTMENT		WATER DEPARTMENT	
	1997	1996	1997	1996
Direct Expenses:				
Natural Gas Purchases	$ 834,244	$ 838,856	$ -	$ -
Direct Labor	288,125	251,491	156,742	130,159
Chlorinator Expense	-	-	9,885	9,780
Depreciation	100,683	97,537	153,600	168,314
Electricity	13,460	17,123	70,889	76,515
Equipment Expenses	48,868	57,332	26,402	17,044
Equipment Rental	9,240	14,871	2,136	2,999
Lab Fees	-	-	-	-
Maintenance	106,147	118,955	81,694	84,254
Meter Reading	41,232	40,928	54,840	52,270
Meter Repairs	24,060	15,932	-	-
Small Tools and Supplies	12,727	11,432	9,347	9,638
Subcontract Disposal Service	-	-	-	-
Water Pollution Fee	-	-	7,298	-
	1,478,786	1,464,457	572,833	550,973
General and Administrative Expenses:				
Office Salaries	24,058	24,510	31,793	31,979
Payroll Taxes, Retirement and Group Insurance	60,624	57,625	36,068	32,706
Administrative Charges	3,905	4,399	5,160	5,739
Electricity	2,532	2,769	3,347	3,612
Ground Maintenance		-	753	-
Insurance	58,899	56,289	27,762	25,554
Miscellaneous	15,563	18,476	7,051	10,619
Office Expense	13,047	14,450	8,192	8,916
Professional Fees	1,271	18,831	18,503	6,282
Telephone	9,930	10,247	8,963	9,335
Bad Debts	6,979	6,467	9,222	8,438
	196,808	214,063	156,814	143,180
Total Operating Expenses	$1,675,594	$1,678,520	$ 729,647	$ 694,153

See auditor's report.

SEWER DEPARTMENT		SANITATION DEPARTMENT		TOTAL	
1997	1996	1997	1996	1997	1996
$ -	$ -	$ -	$ -	$ 834,244	$ 838,856
182,799	192,630	-	-	627,666	574,280
-	-	-	-	9,885	9,780
214,525	207,717	21,419	18,827	490,227	492,395
53,868	58,890	-	-	138,217	152,528
34,577	23,361	486	777	110,333	98,514
5,468	2,361	341	387	17,185	20,618
12,317	16,722	-	-	12,317	16,722
66,286	78,408	-	-	254,127	281,617
-	-	-	-	96,072	93,198
-	-	-	-	24,060	15,932
7,607	6,264	8	13	29,689	27,347
-	-	270,064	262,613	270,064	262,613
4,148	-	-	-	11,446	-
581,595	586,353	292,318	282,617	2,925,532	2,884,400
27,072	27,326	17,529	17,804	100,452	101,619
40,261	48,518	2,861	2,963	139,814	141,812
4,394	4,904	2,845	3,195	16,304	18,237
2,850	3,087	1,845	2,011	10,574	11,479
478	-	4	29	1,235	29
21,878	20,777	2,083	1,845	110,622	104,465
7,681	10,271	856	2,268	31,151	41,634
8,620	12,423	1,672	1,616	31,531	37,405
74,872	58,888	2,665	2,321	97,311	86,322
7,073	6,449	909	899	26,875	26,930
7,853	7,210	5,085	4,698	29,139	26,813
203,032	199,853	38,354	39,649	595,008	596,745
$ 784,627	$ 786,206	$ 330,672	$ 322,266	$3,520,540	$3,481,145

City of Denham Springs
UTILITY ENTERPRISE FUND

SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR REVENUE BOND DEBT SERVICE

For the Year Ended June 30, 1997

	BOND INTEREST AND REDEMPTION	BOND RESERVE	BOND CONTINGENCY	TOTAL
Cash and Investments at Beginning of Year	$ 97,434	$ 155,753	$ 177,264	$ 430,451
Cash Receipts:				
Transfers from Operating Cash	371,953	19,265	19,265	410,483
Interest Received	6,567	7,837	8,781	23,185
Total Cash Receipts	378,520	27,102	28,046	433,668
Total Cash and Investments Available	475,954	182,855	205,310	864,119
Cash Disbursements:				
Principal Payments	128,374	-	-	128,374
Interest Payments	245,205	-	-	245,205
Transfers to Operating Cash	2,116	500	500	3,116
Total Cash Disbursements	375,695	500	500	376,695
Cash and Investments at End of Year	$ 100,259	$ 182,355	$ 204,810	$ 487,424

See auditor's report.

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
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1997 and 1996

ASSETS	1997	1996
Current Assets:		
Cash and Cash Equivalents	$ 25,362	$ 5,643
Due from Other Funds	26,572	24,208
Inventory at Cost	26,867	19,013
Other Assets	1,221	1,024
Total Current Assets	80,022	49,888
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of $102,958 in 1997 and $97,946 in 1996)	35,519	32,516
Total Assets	$ 115,541	$ 82,404

LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	$ 26,847	$ 10,366
Due to Other Funds	26,734	19,157
Accumulated Unpaid Vacation	2,503	2,503
Other Accrued Expenses	4,180	1,494
Total Current Liabilities	60,264	33,520
Fund Equity:		
Retained Earnings	55,277	48,884
Total Fund Equity	55,277	48,884
Total Liabilities and Fund Equity	$ 115,541	$ 82,404

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, 1997 and 1996

	1997	1996
Sales and Labor Charges	$ 268,544	$ 251,925
Cost of Sales	192,630	186,789
Gross Profit	75,914	65,136
Operating Expenses:		
Salaries	45,780	33,126
Payroll Taxes, Retirement, and Group Insurance	8,819	6,118
Depreciation	5,012	6,132
Insurance	4,223	3,956
Miscellaneous	530	231
Repairs and Maintenance	1,776	2,657
Small Tools and Supplies	677	1,959
Telephone and Utilities	182	207
Office Supplies	839	1,159
Uniforms	818	568
Vehicle Expense	1,175	376
Total Operating Expenses	69,831	56,489
Operating Income	6,083	8,647
Nonoperating Revenue:		
Miscellaneous Income	310	199
Total Nonoperating Revenues	310	199
Net Income	6,393	8,846
Retained Earnings at Beginning of Year	48,884	40,038
Retained Earnings at End of Year	$ 55,277	$ 48,884

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1997 and 1996

	1997	1996
Cash Flows From Operating Activities:		
Operating Income	$ 6,083	$ 8,647
Adjustments to Reconcile Operating Income to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	5,012	6,132
Miscellaneous Revenues	310	199
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	(2,365)	(17,336)
(Increase) Decrease in Inventory	(7,854)	(4,783)
(Increase) Decrease in Other Assets	(196)	795
Increase (Decrease) in Accounts Payable	16,481	(2,861)
Increase (Decrease) in Due to Other Funds	7,577	18,136
Increase (Decrease) in Other Accrued Expenses	2,686	(702)
Increase (Decrease) in Accumulated Unpaid Vacation	-	676
Net Cash Provided by Operating Activities	27,734	8,903
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(8,015)	(8,206)
Net Cash Used in Capital and Related Financing Activities	(8,015)	(8,206)
Net Increase in Cash and Cash Equivalents	19,719	697
Cash and Cash Equivalents - Beginning of Year	5,643	4,946
Cash and Cash Equivalents - End of Year	$ 25,362	$ 5,643

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.

Exhibit K-1

City of Denham Springs

COMBINING BALANCE SHEETS -
ALL TRUST AND AGENCY FUNDS

June 30, 1997
With Comparative Totals as of June 30, 1996

ASSETS	EXPENDABLE TRUST FUND CEMETERY FUND	AGENCY FUND DEFERRED COMPENSATION FUND	TOTALS 1997	TOTALS 1996
Cash and Cash Equivalents	$ 18,484	$ -	$ 18,484	$ 124
Certificates of Deposit - (Maturities Greater Than 90 Days)	293,944	-	293,944	277,370
Accounts Receivable	2,050	-	2,050	-
Investment in Deferred Compensation	-	54,325	54,325	39,242
Accrued Interest Receivable	91	-	91	91
Total Assets	$314,569	$ 54,325	$368,894	$316,827

LIABILITIES AND FUND BALANCES

Liabilities:				
Deferred Compensation Deposits Due to Employees	$ -	$ 54,325	$ 54,325	$ 39,242
Fund Balances:				
Reserved for Cemetery Expenditures	314,569	-	314,569	277,585
Total Liabilities and Fund Balances	$314,569	$ 54,325	$368,894	$316,827

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, 1997 and 1996

	1997	1996
Revenues:		
Sales of Cemetery Plots	$ 20,025	$ 33,780
Interest	16,959	14,195
Total Revenues	36,984	47,975
Expenditures:		
Bank Charges	-	-
Total Expenditures	-	-
Excess Revenues over Expenditures	36,984	47,975
Fund Balance at Beginning of Year	277,585	229,610
Fund Balance at End of Year	$ 314,569	$ 277,585

The accompanying notes constitute an integral part of this statement.

Exhibit K-3

City of Denham Springs
DEFERRED COMPENSATION AGENCY FUND

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

For the Year Ended June 30, 1997

	BALANCE JULY 1, 1996	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1997
ASSETS				
Investment in Deferred Compensation	$39,242	$18,343	$(3,260)	$54,325
LIABILITIES				
Deferred Compensation Deposits Due to Employees	$39,242	$18,343	$(3,260)	$54,325

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.

Exhibit L-1

City of Denham Springs

STATEMENTS OF GENERAL FIXED ASSETS

June 30, 1997 and 1996

	1997	1996
General Fixed Assets, at Cost:		
Land	$ 571,271	$ 571,271
Land Improvements	34,417	25,467
Buildings	3,468,172	3,361,117
Equipment	2,223,581	1,960,705
Furniture and Fixtures	47,136	47,136
Construction in Progress	88,000	69,959
Total General Fixed Assets	$6,432,577	$6,035,655
Investments in General Fixed Assets From:		
General Fund Revenues	$2,716,080	$2,360,206
Federal Revenues and Federal Grants	414,457	419,455
Capital Improvement Funds:		
City's Share of Cost:		
General Fund	2,247,817	2,201,771
Federal Revenue Sharing	201,482	201,482
Federal Grants	492,741	492,741
State Grants	360,000	360,000
Total Investment in General Fixed Assets	$6,432,577	$6,035,655

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

June 30, 1997

Function and Activity:	LAND	LAND IMPROVEMENTS	BUILDINGS	EQUIPMENT
General Government:				
General Government Buildings	$358,039	$ 13,950	$1,360,367	$ -
Administration	-	-	-	132,193
Cemetery	2,000	11,002	10,313	17,819
Tax	-	-	-	15,091
Planning and Development	-	-	-	48,310
Public Service Workers	-	-	10,647	22,772
Total General Government	360,039	24,952	1,381,327	236,185
Public Safety:				
Animal Control	1,500	512	13,903	13,731
Fire	8,250	-	232,426	576,273
Police	201,482	8,953	1,475,445	778,862
Total Public Safety	211,232	9,465	1,721,774	1,368,866
Highways and Streets:				
Streets	-	-	5,174	618,530
Health:				
Council on Aging	-	-	359,897	-
Total General Fixed Assets Allocated to Functions	$571,271	$ 34,417	$3,468,172	$2,223,581
Construction in Progress				
Total General Fixed Assets				

The accompanying notes constitute an integral part of this statement.

FURNITURE AND FIXTURES	TOTALS 1997	TOTALS 1996
$ 47,136	$1,779,492	$1,678,259
-	132,193	108,922
-	41,134	26,556
-	15,091	15,091
-	48,310	44,652
-	33,419	32,388
47,136	2,049,639	1,905,868
-	29,646	24,741
-	816,949	811,293
-	2,464,742	2,342,585
-	3,311,337	3,178,619
-	623,704	521,312
-	359,897	359,897
$ 47,136	6,344,577	5,965,696
	88,000	69,959
	$6,432,577	$6,035,655

Exhibit L-3

City of Denham Springs

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

For the Year Ended June 30, 1997

Function and Activity:	GENERAL FIXED ASSETS 7/1/96	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS 6/30/97
General Government:				
General Government Buildings	$1,678,259	$101,233	$ -	$1,779,492
Administration	108,922	38,247	(14,976)	132,193
Cemetery	26,556	14,578	-	41,134
Tax	15,091	-	-	15,091
Planning and Development	44,652	3,658	-	48,310
Public Service Workers	32,388	1,031	-	33,419
Total General Government	1,905,868	158,747	(14,976)	2,049,639
Public Safety:				
Animal Control	24,741	4,905	-	29,646
Fire	811,293	8,792	(3,136)	816,949
Police	2,342,585	126,658	(4,501)	2,464,742
Total Public Safety	3,178,619	140,355	(7,637)	3,311,337
Highways and Streets:				
Streets	521,312	127,281	(24,889)	623,704
Health:				
Council on Aging	359,897	-	-	359,897
Construction in Progress	69,959	110,324	(92,283)	88,000
Total General Fixed Assets	$6,035,655	$536,707	$ (139,785)	$6,432,577

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.

Exhibit M

City of Denham Springs

STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1997 and 1996

	1997	1996
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	$ 49,273	$ 48,250
Amount to be Provided from Special Assessments Receivables	30,653	44,997
Amount to be Provided for Accumulated Unpaid Vacation	211,345	169,208
	$291,271	$262,455
GENERAL LONG-TERM DEBT PAYABLE		
1993 Paving Certificates	$ 79,926	$ 93,247
Accumulated Unpaid Vacation	211,345	169,208
	$291,271	$262,455

The accompanying notes constitute an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

City of Denham Springs

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

June 30, 1997

INSURANCE	COVERAGE	AMOUNT	EXPIRATION DATE
U. S. Fidelity and Guaranty Co.	Public Official Bonds		
	Mayor;		
	James Delaune	$ 50,000	1/4/98
	Aldermen;		
	Roy Zachary	$ 10,000	1/4/98
	Sterling Vincent	$ 10,000	1/4/98
	John Wascom	$ 10,000	1/1/98
	Jimmy Durbin	$ 10,000	1/1/98
U. S. Fidelity and Guaranty Co.	Public Employees Blanket Bond		
	Performance Bond	$ 25,000	2/3/98
	City Treasurer	$ 50,000	2/19/98
Audubon Indemnity	Valuable Papers and Records - All Risk	$ 2,500	6/16/98
Audubon Indemnity	Accounts Receivable - All Risk	$ 75,000	6/16/98
Audubon Indemnity	Fire and Extended Coverage -		
	90% Co-Insurance;		
	Municipal Building	$1,481,490	
	Contents	$ 377,500	6/16/98
	941 Government Street		
	Steel Water Tank and Tower	$ 225,000	6/16/98
	110 Brignac Street		
	Council on Aging Buildings	$ 440,069	6/16/98
	949 Government Street		
	Fire Station Building	$ 212,211	
	Contents	$ 10,000	6/16/98
	1100 Hatchell Lane		

(CONTINUED)

City of Denham Springs

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

June 30, 1997

INSURANCE	COVERAGE	AMOUNT	EXPIRATION DATE
Audubon Indemnity	Police Station and Jail Facility	$1,350,000	
	Contents	$ 150,000	6/16/98
	447 Lamm Street		
	Fire Station Building	$ 270,504	
	Contents	$ 12,000	6/16/98
	950 Government Street		
	Youth Services Office Building	$ 225,000	6/16/98
	940 Government Street		
	Utility Warehouse Building	$ 90,000	
	Contents	$ 30,000	6/16/98
	112 Brignac Street		
	Motor Pool and Warehouse Building	$ 226,800	
	Contents	$ 75,000	6/16/98
	401 N. Railroad Ave.		
LA Municipal Risk Management Agency	Workmen's Compensation Statutory		1/1/98
LA Municipal Risk Management Agency	Self Insurance Pool Fund for Public Liability		
	General Liability	$ 500,000	5/1/98
	Law Enforcement Liability	$ 500,000	5/1/98
LA Municipal Risk Management Agency	Public Officials Liability Errors and Omissions	$ 500,000	5/1/98
LA Municipal Risk Management Agency	Business Auto Liability	$ 500,000	5/1/98

City of Denham Springs

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

June 30, 1997

INSURANCE	COVERAGE	AMOUNT	EXPIRATION DATE
National Flood Services	Flood Insurance Fire Station Building 930 Government Street	$ 200,000	5/25/98
	Youth Services Office Building 940 Government Street	$ 200,000	5/25/98
	Municipal Building 941 Government Street	$ 200,000	5/25/98
	Council on Aging Building 949 Government Street	$ 200,000	5/25/98

City of Denham Springs

SCHEDULE OF COMPENSATION OF CITY COUNCIL MEMBERS

For the Years Ended June 30, 1997 and 1996

CURRENT TERMS EXPIRE DECEMBER 31, 1998

		1997	1996
James Delaune, Mayor Route 5, Box 559 Denham Springs, Louisiana 70726 Telephone: 665-8124		$38,538	$37,935
James E. Durbin, Alderman 417 Centerville Street Denham Springs, Louisiana 70726 Telephone: 664-5802		$ 3,300	$ 3,700
Sterling Vincent, Alderman 103 Carroll Street Denham Springs, Louisiana 70726 Telephone: 665-2485	Alderman Streets Commissioner	$ 3,400 $ 9,376	$ 3,900 $ 8,773
Roy Zachary, Alderman 339 North College Drive Denham Springs, Louisiana 70726 Telephone: 664-7265		$ 3,300	$ 3,800
Arthur Perkins 906 Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 664-6730		$ 3,600	$ 3,900
John Wascom 522 Centerville Street Denham Springs, Louisiana 70726 Telephone: 665-7037		$ 3,600	$ 3,900

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

City of Denham Springs

GENERAL FUND EXPENDITURES AND
OTHER USES BY FUNCTION

Last Ten Years

YEAR	TOTAL	GENERAL GOVERNMENT	CEMETERY	TAX	WARD COURT	PLANNING AND DEVELOPMENT	PUBLIC SERVICE WORKERS
1988	$2,116,091	$376,533	$ 15,528	$ 61,855	$156,443	$ 75,240	$ 7,772
1989	2,863,201	397,067	16,392	43,755	157,758	75,908	7,358
1990	3,481,288	594,152	13,205	43,408	164,258	83,865	6,185
1991	3,161,926	485,172	24,509	50,709	167,353	78,373	7,204
1992	3,330,963	434,807	31,123	33,394	163,619	114,238	9,908
1993	3,540,970	470,484	49,411	77,726	172,737	116,951	9,583
1994	4,817,679	512,930	53,099	80,704	93,256*	132,130	15,409
1995	4,542,641	460,524	51,963	99,898	93,185	136,559	32,047
1996	4,715,110	566,415	54,714	113,187	52,214	118,126	49,474
1997	5,084,763	567,761	65,158	105,258	52,923[1]	118,433	36,735

*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.

[1]Beginning in fiscal year 1997, salaries for the public service supervisor was allocated to Public Service Workers instead of Ward Court.

SOURCE: Annual Audited General Purpose Financial Statements.

SUMMER FOOD PROGRAM	ANIMAL CONTROL	FIRE	POLICE	STREETS AND LIGHTING	HEALTH	CULTURE AND RECREATION	OTHER USES
$ -	$24,269	$399,070	$ 579,698	$346,278	$ -	$ -	$ 73,405
4,828	38,393	461,153	648,496	365,364	2,251	-	644,478
12,905	27,385	470,766	855,200	524,524	9,044	-	676,391
16,854	29,208	491,801	970,726	483,027	10,505	-	346,485
14,653	20,676	663,085	986,510	517,787	11,163	-	330,000
12,507	21,450	610,281	981,010	753,302	18,285	-	247,243
12,373	21,103	691,075	1,157,293	812,850	19,334	-	1,216,123
12,030	27,306	741,461	1,255,312	844,274	18,977	-	769,105
16,683	30,963	763,037	1,450,946	752,513	19,606	-	727,232
11,692	32,541	917,192	1,553,477	881,121	18,723	17,083	706,666

City of Denham Springs

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

Last Ten Years

YEAR	TOTAL	TAXES	LICENSES AND PERMITS	FINES AND FORFEITS	911 SERVICE FEES
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
1997	5,356,854	4,001,014	549,065	173,708	153,783

City of Denham Springs

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Years

YEAR	TOTAL	GENERAL PROPERTY TAXES	ALCOHOLIC BEVERAGE & CABLE T.V.	CHAIN STORE TAX	ELECTRICAL FRANCHISE TAX	SALES TAX
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
1997	4,001,014	131,255	79,430	12,270	377,544	3,182,993

SOURCE: Annual Audited General Purpose Financial Statements.

Schedule 4

INTEREST	MISCELLANEOUS	OTHER FINANCING SOURCES
$ 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
85,202	379,707	14,375

Schedule 4A

TOBACCO TAXES	WRECKER FRANCHISE TAX	VIDEO POKER FEES
$ 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
42,564	1,870	173,088

City of Denham Springs

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

YEAR	TOTAL TAX LEVY[1]	COLLECTIONS	PERCENT OF LEVY COLLECTED	PRIOR YEAR TAX COLLECTIONS	TOTAL TAX COLLECTIONS	RATIO OF TOTAL COLLECTIONS TO TAX LEVY
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%
1997	130,850	129,826	99.22%	1,493	131,319	100.36%

*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.

City of Denham Springs

ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY

Last Ten Years

YEAR	ASSESSED VALUE	ESTIMATED ACTUAL VALUE	RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE*
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
1997	31,914,520	290,132,000	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 RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

YEAR	CITY	PARISHWIDE[1]	SCHOOL DISTRICT #1	PARISH DRAINAGE DISTRICT #1	PARISH RECREATION DISTRICT #3
		Tax Rates	(Mills Per Dollar)		
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
1997	4.10	67.45	53.29	7.03	30.00
			TAX LEVIES		
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
1997	130,850	1,414,565	1,117,601	147,432	629,162

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

[1]Parishwide - 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.

LAW ENFORCEMENT DISTRICT	JUVENILE DETENTION CENTER	TOTAL
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
12.51	3.00	177.38

$ 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
262,360	62,916	3,764,886

City of Denham Springs

SPECIAL ASSESSMENT COLLECTIONS

Last Ten Years

YEAR	ASSESSMENTS BEGINNING OF YEAR	ADDITIONS AND ADJUSTMENTS	COLLECTIONS	ASSESSMENTS END OF YEAR
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
1997	58,304	-	14,112	44,192

[1]Shelly Homesites Improvements Project.
[2]Lakeland Acres Subdivision Paving Project.

SOURCE: Annual Audited General Purpose Financial Statements.

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)

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	$31,914,520

	10% OF ASSESSED VALUATION	35% OF ASSESSED VALUATION
Legal Debt Limitation	$3,191,452	$11,170,082

There are no outstanding bonds secured by ad valorem taxes of the City of Denham Springs as of June 30, 1997.

City of Denham Springs

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

Last Ten Years

YEAR	POPULATION[1]	ASSESSED VALUE[2]	GENERAL OBLIGATION BONDED DEBT	LESS DEBT SERVICE FUND[3]
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	-	-
1997	9,011	31,914,520	-	-

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

NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
$260,497	1.28%	$ 28
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

City of Denham Springs

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

Last Ten Years

YEAR	PRINCIPAL	INTEREST[1]	TOTAL DEBT SERVICE[2]	TOTAL GENERAL GOVERNMENTAL EXPENDITURES[3]	RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES
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	-
1997	-	-	-	5,084,763	-

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

SOURCE: Annual Audited General Purpose Financial Statements.

City of Denham Springs

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 1997

	GROSS DEBT OUTSTANDING	AMOUNTS IN DEBT SERVICE FUND FOR PRINCIPAL	NET DEBT OUTSTANDING	CITY OF DENHAM SPRINGS PERCENT	CITY OF DENHAM SPRINGS SHARE OF DEBT
GOVERNMENTAL UNIT					
City of Denham Springs	$ -	$ -	$ -	100%	$ -
OTHER GOVERNMENTAL AGENCIES					
School District #1	$10,566,608	$1,044,669	$ 9,521,939	45%	$4,284,873
Jail Bonds:	31,517	-	31,517	18%	5,673
	95,217	-	95,217	18%	17,139
	280,000	-	280,000	18%	50,400
Gravity Drainage District No. 1	226,315	197,473	28,842	51%	14,709
Recreation District No. 3	2,700,000	816,027	1,883,973	51%	960,826
Total Other Governmental Agencies	$13,899,657	$2,058,169	$11,841,488		$5,333,620
Total Direct and Over-lapping Debt	$13,899,657	$2,058,169	$11,841,488		$5,333,620
1997 City Population					9,011
Per Capita					$592

City of Denham Springs

SUMMARY OF REVENUE BOND COVERAGE

Last Ten Years

Utility Enterprise Fund

YEAR	GROSS REVENUE[1]	OTHER FINANCIAL SOURCES	EXPENSES[2]	OTHER USES[3]	AVAILABLE FOR DEBT SERVICE
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
1997	3,960,407	200,000[5]	3,038,828	-	1,121,579

[1]Total Operating Revenues plus Non-Operating Revenues.

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

[3]Operating Transfers Out.

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

[5]Operating Transfers In.

SOURCE: Annual Audited General Purpose Financial Statements.

DEBT SERVICE REQUIREMENTS			
PRINCIPAL	INTEREST	TOTAL	COVERAGE
$ 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
128,374	241,685	370,059	3.03

City of Denham Springs

DEMOGRAPHICS STATISTICS

Last Ten Years

YEAR	POPULATION[1]	PER CAPITA INCOME[2]	PUBLIC SCHOOL ENROLLMENT[4]	UNEMPLOYMENT LIVINGSTON PARISH[3]	UNEMPLOYMENT LABOR MARKET AREA[3]
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	17,091[5]	18,177	8.5	6.1
1997	9,011	N/A	18,522	6.4	5.5

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

City of Denham Springs

CONSTRUCTION

Last Ten Years

	RESIDENTIAL CONSTRUCTION		COMMERCIAL CONSTRUCTION	
YEAR	NUMBER OF PERMITS	VALUE	NUMBER OF PERMITS	VALUE
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
1997	72	2,471,903	50	11,121,905

SOURCE: Denham Springs Office of Planning and Development.

City of Denham Springs

PRINCIPAL SALES TAX PAYERS

June 30, 1997

TAXPAYER	TYPE OF BUSINESS
Wal-Mart Store	General Merchandise
Winn-Dixie Store	Retail Grocery
Delchamps, Inc. Store	Retail Grocery
Rouse's	Retail Grocery
Walgreens Store	Retail Pharmacy
K&B Louisiana Corp. Store	Retail Pharmacy
Smith Building Supply, Inc.	Retail Hardware
Autozone Store	Retail Auto Parts
Western Auto	Retail Auto Parts
McDonald's (Florida Blvd.)	Retail Food

SOURCE: Livingston Parish School Board - Sales Tax Office.

City of Denham Springs

MISCELLANEOUS STATISTICS

June 30, 1997

Date of Incorporation	May 8, 1903
Form of Government	Mayor - City Council 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	3
Sewers:	
Number of Pumping Stations	27
Type of Treatment System	Rock Reed Filter
Employees:	
Number of Employees	132
Municipal Utilities:	
Number of Gas Customers	4,255
Number of Sewer Customers	4,927
Number of Water Customers	5,837
Number of Waste Disposal Customers	3,121
City Sales Tax Rate	1.5%

Hannis T. Bourgeois, L.L.P.

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November 4, 1997

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

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated November 4, 1997. 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 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 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 Expenditures of Federal Awards 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, L.L.P.

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1997

FEDERAL GRANTOR/ PROGRAM TITLE	FEDERAL CFDA NUMBER	PROGRAM OR AWARD AMOUNT	DISBURSEMENTS/ EXPENDITURES
U.S. Department of Justice- (Cont'd)			
Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice:			
Intelligence Unit (95-B5-B.07-0E22)	16.579	10,000	2,650
Intelligence Unit (96-B5-B.07-0039)	16.579	11,473	6,724
Electronic Equipment Grant (P97-5-029)	16.579	1,202	1,202
Community Policing (95-B5-B.04-0019)	16.579	15,000	2,770
Community Policing (96-B5-B.04-0041)	16.579	16,359	13,688
Gang, Firearms & Street Sales Enforcement (95-B5-B.07-0050)	16.579	8,796	954
Gang, Firearms & Street Sales Enforcement (96-B5-B.07-0038)	16.579	12,253	3,436
Total Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			31,424
Passed Through Louisiana Highway Safety Commission: 1996 Safe and Sober Holidays Campaign (9605-74)	20.600	3,645	1,985
Passed Through Livingston Parish President-Council, Livingston, Louisiana: Church Arson Prevention Grant	16.580	600	250
Passed Through Louisiana Capital District Law Enforcement Council, Inc.: Basic Training	N/A	2,300	2,300
Total U.S. Department of Justice			73,715
Total Federal Financial Assistance			$95,430

HTB Hannis T. Bourgeois, L.L.P.
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November 4, 1997

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

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1997, and have issued our report thereon dated November 4, 1997. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

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

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components

does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Denham Springs in a separate letter dated November 4, 1997.

This report is intended for the use of management 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,

Hannis T. Bourgeois, L.L.P.

CITY OF DENHAM SPRINGS, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 1997

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November 4, 1997

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

In planning and performing our audit of the general purpose financial statements of the City of Denham Springs, Louisiana, for the year ended June 30, 1997, we considered its internal control in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 4, 1997, on the financial statements of the City of Denham Springs, Louisiana.

FINDING:

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

RECOMMENDATION:

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

FINDING:

Also during our audit work on the Enterprise Fund, it was noted that the customers' accounts receivable balance per the general ledger was not fully reconciled to the Aged Accounts Receivable Subsidiary listing. Therefore, at June 30, 1997, there is an unreconciled difference of $8,027.17.

RECOMMENDATION:

We recommend that the general ledger be reconciled to the Aged Accounts Receivable listing on a monthly basis. By reconciling on a monthly basis, differences can be reconciled in a timely manner. However, it was noted during our audit that the City purchased new accounting software that enables the general ledger to be interfaced with the aged accounts receivable listing. Whenever a transaction occurs on the aged accounts receivable listing, the transaction will be automatically posted to the general ledger. Previously, manual journal entries had to be made in the general ledger to record transactions occurring in the Aged Accounts Receivable listing. By automating the posting of journal entries to the general ledger, it should help in the reconciling process.

FINDING:

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

RECOMMENDATION:

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

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

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

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

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

Respectfully submitted,

Harris T. Bourgeois, L.L.P.

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
EXPENDABLE TRUST		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
36,984	(357,301)	(28,926)	(5,076)	(391,303)
277,585	2,614,499	201,636	24,817	2,840,952
$314,569	$ 2,257,198	$ 172,710	$ 19,741	$ 2,449,649

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, 1997

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
Revenues:			
Taxes	$ 3,944,800	$ 4,001,014	$ 56,214
Licenses and Permits	513,000	549,065	36,065
Fines and Porfeits	161,000	173,708	12,708
911 Service Fees	143,000	153,783	10,783
Interest	65,000	85,202	20,202
Miscellaneous	344,200	379,707	35,507
Total Revenues	5,171,000	5,342,479	171,479
Expenditures:			
Current:			
General Government	1,021,300	957,960	63,340
Public Safety:			
Animal Control	34,520	32,541	1,979
Fire	982,370	917,192	65,178
Police	1,528,720	1,553,477	(24,757)
Highways and Streets	879,200	881,121	(1,921)
Health	20,000	18,723	1,277
Culture and Recreation	21,045	17,083	3,962
Capital Projects	-	-	-
Total Expenditures	4,487,155	4,378,097	109,058
Excess (Deficiency) of Revenues over Expenditures	683,845	964,382	280,537
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	(745,000)	(629,918)	115,082
Transfers In from Component Units	12,000	7,536	(4,464)
Transfers Out to Component Units	(78,000)	(76,748)	1,252
Sale of Assets	7,000	6,839	(161)
Total Other Financing Sources (Uses)	(804,000)	(692,291)	111,709
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	(120,155)	272,091	392,246

(CONTINUED)

CAPITAL PROJECTS FUND TYPES		
BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
$ -	$ -	$ -
-	-	-
-	-	-
-	-	-
25,000	35,013	10,013
-	-	-
25,000	35,013	10,013
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
990,100	1,132,330	(142,230)
990,100	1,132,330	(142,230)
(965,100)	(1,097,317)	(132,217)
545,000	429,918	(115,082)
-	-	-
-	-	-
-	-	-
-	-	-
545,000	429,918	(115,082)
(420,100)	(667,399)	(247,299)

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, 1997

	GENERAL FUND		
	BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
Fund Balances at Beginning of Year	1,600,199	1,600,199	-
Fund Balances at End of Year	$ 1,480,044	$ 1,872,290	$ 392,246

The accompanying notes constitute an integral part of this statement.

CAPITAL PROJECTS FUND TYPES		
BUDGET	ACTUAL	VARIANCE-FAVORABLE (UNFAVORABLE)
688,465	688,465	-
$ 268,365	$ 21,066	$ (247,299)

Exhibit D

City of Denham Springs

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

For the Year Ended June 30, 1997

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Operating Revenues:			
Charges for Services	$3,764,485	$ -	$3,764,485
Sales	-	268,544	268,544
Total Operating Revenues	3,764,485	268,544	4,033,029
Operating Expenses:			
Cost of Sales	-	192,630	192,630
Natural Gas Purchases	834,244	-	834,244
Salaries	728,118	45,780	773,898
Payroll Taxes, Retirement and Group Insurance	139,814	8,819	148,633
Depreciation	490,227	5,012	495,239
Electricity	148,791	-	148,791
Equipment Expenses	110,333	1,175	111,508
Equipment Rental	17,185	-	17,185
Insurance	110,622	4,223	114,845
Maintenance	254,127	1,776	255,903
Meter Reading and Meter Repairs	120,132	-	120,132
Miscellaneous	82,338	530	82,868
Office Expense	31,531	839	32,370
Professional Fees	97,311	-	97,311
Small Tools and Supplies	29,689	677	30,366
Subcontract Disposal Service	270,064	-	270,064
Telephone	26,875	182	27,057
Uniforms	-	818	818
Bad Debts	29,139	-	29,139
Total Operating Expenses	3,520,540	262,461	3,783,001
Operating Income	243,945	6,083	250,028

(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, 1997

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Nonoperating Revenues:			
Interest	$ 183,845	$ -	$ 183,845
Miscellaneous	12,077	310	12,387
Total Nonoperating Revenues	195,922	310	196,232
Nonoperating Expenses:			
Interest	241,685	-	241,685
Amortization of Bond Redemption Premium	8,515	-	8,515
Total Nonoperating Expenses	250,200	-	250,200
Net Income before Operating Transfers	189,667	6,393	196,060
Operating Transfers In	200,000	-	200,000
Net Income	389,667	6,393	396,060
Retained Earnings at Beginning of Year	8,506,871	48,884	8,555,755
Retained Earnings at End of Year	$8,896,538	$ 55,277	$8,951,815

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES

For the Year Ended June 30, 1997

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Cash Flows From Operating Activities:			
Operating Income	$ 243,945	$ 6,083	$ 250,028
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:			
Depreciation	490,227	5,012	495,239
Provision for Bad Debts	29,139	-	29,139
Miscellaneous Revenues	12,077	310	12,387
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	33,362	-	33,362
(Increase) Decrease in Other Receivables	(27,443)	-	(27,443)
(Increase) Decrease in Unbilled Utility Sales	6,826	-	6,826
(Increase) Decrease in Due from Other Funds	(170,262)	(2,365)	(172,627)
(Increase) Decrease in Due from Government Agencies	(122,495)	-	(122,495)
(Increase) Decrease in Inventory	(13,960)	(7,854)	(21,814)
(Increase) Decrease in Prepaid Expenses	(2,914)	(196)	(3,110)
Increase (Decrease) in Accounts Payable	142,641	16,481	159,122
Increase (Decrease) in Retainage Payable	40,137	-	40,137
Increase (Decrease) in Accrued Salaries and Wages	10,921	-	10,921

(CONTINUED)

City of Denham Springs

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

For the Year Ended June 30, 1997

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Increase (Decrease) in Due to Other Funds	(16,873)	7,577	(9,296)
Increase (Decrease) in Other Current Liabilities	28,369	-	28,369
Increase (Decrease) in Other Accrued Expenses	-	2,686	2,686
Increase (Decrease) in Accumulated Unpaid Vacation	(2,886)	-	(2,886)
Net Cash Provided by Operating Activities	680,811	27,734	708,545
Cash Flows From Noncapital Financing Activities:			
Operating Transfers In	200,000	-	200,000
Net Cash Provided by Noncapital Financing Activities	200,000	-	200,000
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	(1,047,538)	(8,015)	(1,055,553)
(Increase) Decrease in Restricted Assets	(96,973)	-	(96,973)
Increase (Decrease) in Liabilities Payable from Restricted Assets	24,687	-	24,687

City of Denham Springs

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

For the Year Ended June 30, 1997

	PROPRIETARY FUND TYPES		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)
	ENTERPRISE	INTERNAL SERVICE	
Principal Paid on Bonds	(128,374)	-	(128,374)
Grant - Louisiana Department of Transportation	122,496	-	122,496
Impact Fees - Developers	23,682	-	23,682
Interest Paid on Revenue Bonds	(245,205)	-	(245,205)
Net Cash Used in Capital and Related Financing Activities	(1,347,225)	(8,015)	(1,355,240)
Cash Flows From Investing Activities:			
Net Sale (Purchase) of Investments	140,000	-	140,000
Interest Income	183,845	-	183,845
Net Cash Provided by (Used in) Investing Activities	323,845	-	323,845
Net Increase (Decrease) in Cash and Cash Equivalents	(142,569)	19,719	(122,850)
Cash and Cash Equivalents - Beginning of Year	274,935	5,643	280,578
Cash and Cash Equivalents - End of Year	$ 132,366	$ 25,362	$ 157,728
Schedule of Noncash Investing, Capital and Financing Activities:			
Amortization of Deferred Bond Expense	$ 8,515	$ -	$ 8,515

The accompanying notes constitute an integral part of this statement.

(1) Summary of Significant Accounting Policies -

A. Financial Reporting Entity

The City of Denham Springs "the City" was incorporated May 8, 1903, under the provisions of R.S. 33:321-48. The City operates under a Mayor - City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), highways and streets, health and social services, culture-recreation, education, public improvements, planning and zoning, and general administrative services.

As required by generally accepted accounting principles, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Each discretely presented component unit has a June 30, 1997 year end.

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

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

1. Appointing a voting majority of an organization's governing body, and

   a. The ability of the City to impose its will on that organization and/or

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 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, 1997.

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, 1997.

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.

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 City Council appoints the board members of the agency. The agency is fiscally independent from the City, issues its own debt, approves its budgets, and sets its rates and charges. The primary government has no authority to remove board members, designate management, or approve or modify rates. The City is not obligated in any manner for the debt issues of this agency.

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:

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 nonexpendable trust funds.

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.

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

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

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, 1997 are comprised of certificates of deposits with maturities greater than 90 days when purchased and U.S. Treasury Mutual Funds.

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

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, 1997, the liability for compensated absences is $240,683. The amounts applicable to the Enterprise Fund of $26,835 and Internal Service Fund of $2,503 have been recorded in those funds and the amount applicable to the General Fund of $211,345 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.

8. Fund Equity -

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

9. Memorandum Only - Total Columns -

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

10. Comparative Data/Reclassifications -

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

11. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 12, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only six (6) participants in the program as of June 30, 1997.

COBRA Benefits -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 1997, there are no participants in the program.

12. Accounting for Special Assessment Project -

Special Assessment Projects are accounted for in accordance with guidelines recommended by Statement No. 6 of the Governmental Accounting Standards Board.

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

The only Special Assessment Debt outstanding at June 30, 1997, is the balance of $79,926 due on the 1993 Paving Certificates issued to pay the cost of the construction of street paving improvements along certain portions of certain streets in the Lakeland Acres Subdivision.

13. Use of Estimates -

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

(2) Stewardship, Compliance and Accountability -

A. Budgetary Information

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

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

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.

3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.

4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.

5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.

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

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

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 1997, the City Council approved the increase in the original expenditures and Transfers Out of the General Fund from $5,023,390 to $5,310,155 and an increase in the Capital Projects Funds from $928,100 to $990,100. The amended budgets for the General Fund and the Capital Projects Funds are presented in the Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual.

Of the total increase in the General Fund Budget of $286,765, an additional amount of $20,000 was budgeted to be transferred from the General Fund to be used by the Capital Projects Funds for drainage. In addition, in the General Fund the budget was increased by $24,885 for salaries and benefits in various departments, by $162,750 for additional equipment purchases, by $28,700 for repairs and maintenance in various departments, by $21,045 for expenditures for the Main Street Program, by $14,450 for increases in insurance premiums and by $14,935 for various other miscellanous expenditures of the general fund.

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 1997, expenditures exceeded appropriations by more than 5% in the following area:

	BUDGET	ACTUAL	UNFAVORABLE VARIANCE
Drainage Improvements Capital Projects Fund	$569,100	$765,570	$196,470

This unfavorable variance was caused by the negotiations and subsequent purchase of the required right-of-ways for the Miller Diversion Canal Project in the amount of $195,134. Although the Council approved the purchase, they failed to amend the Drainage Improvements Capital Projects Budget for the purchase prior to June 30, 1997. These amounts, however, are included in the project's overall budget.

(3) Deposits and Investments -

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

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

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

A. Deposits - Primary Government

City deposits (including demand deposit accounts and all certificates of deposits) at June 30, 1997, for the primary government of the City of Denham Springs are summarized as follows:

	CARRYING AMOUNT	BANK BALANCE
Category 1	$4,920,474	$5,166,963
Category 2	-	-
Category 3	1,750	-
Total	$4,922,224	$5,166,963

(CONTINUED)

	CARRYING AMOUNT	BANK BALANCE
Balance Sheet Classification:		
Cash and Cash Equivalents	$ 458,280	$ 703,019
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	4,463,944	4,463,944
	$4,922,224	$5,166,963

The City's bank balances at June 30, 1997, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

B. Investments - Primary Government

The City is authorized by LRS 39:1211-1245 and 33:2955 to invest monies in the following:

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

City investments (excluding certificates of deposits with maturities of greater than 90 days) for the primary government at June 30, 1997, are categorized below in order to give an indication of the level of risk assumed by the entity at year-end.

	CARRYING AMOUNT	MARKET VALUE
At June 30, 1997, the City had no Securities Subject to Categorization	$ -	$ -
Investments not Subject to Categorization:		
Governmental Securities		
Mutual Fund	487,424	487,424
Deferred Compensation		
Mutual Funds and Annuities Administered by an Independent Plan Administrator	54,325	54,325
Total	$ 541,749	$ 541,749

In accordance with GASB Codification Section I50.165, these investments are not categorized above because they are not evidenced by securities that exist in physical or book entry form.

C. Deposits - Discretely Presented Component Units

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 1997, are categorized below in three levels of credit risk as explained in section (a) of this note above:

	CATEGORY 1	CATEGORY 2	CATEGORY 3	BANK BALANCE	CARRYING AMOUNT
City Court of Denham Springs - Ward II -					
Demand Deposits	$168,291	$ -	$ -	$168,291	$137,167
Certificates of Deposits with Maturities Greater than 90 Days	134,189	-	-	134,189	134,189
Total City Court of Denham Springs - Ward II	302,480	-	-	302,480	271,356

	CATEGORY 1	CATEGORY 2	CATEGORY 3	BANK BALANCE	CARRYING AMOUNT
Marshall of City Court of Denham Springs - Ward II -					
Demand Deposits	17,728	-	-	17,728	11,694
Certificates of Deposits with Maturities Greater than 90 Days	10,765	-	-	10,765	10,765
Total Marshall of City Court of Denham Springs - Ward II	28,493	-	-	28,493	22,459
Total Component Units	$330,973	$ -	$ -	$330,973	$293,815

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

D. Deposits and Investments Summary

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

	PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL
Cash and Cash Equivalents:			
Deposits	$ 456,530	$ 148,861	$ 605,391
Cash on Hand	1,750	-	1,750
Total Cash and Cash Equivalents	458,280	148,861	607,141
Investments:			
Certificates of Deposits with Maturities Greater than 90 Days	4,028,944	144,954	4,173,898

(CONTINUED)

	PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL
Investments in Deferred Compensation:			
Deferred Compensation, Mutual Funds and Annuities	54,325	-	54,325
Restricted Assets - Investments:			
Certificates of Deposit with Maturities Greater than 90 Days	435,000	-	435,000
Governmental Securities Mutual Funds	487,424	-	487,424
Total Restricted Assets-Investments	922,424	-	922,424
Total Cash, Cash Equivalents and Investments at June 30, 1997	$5,463,973	$ 293,815	$5,757,788

(4) Ad Valorem Taxes -

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

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

For the year ended June 30, 1997, taxes of 4.10 mills were levied on property with assessed valuations totaling $31,914,520 and were dedicated to general purposes.

Total taxes levied were $130,850. Taxes receivable at June 30, 1997, consisted of the following:

Taxes Receivable - Current Roll	$ 1,024
Taxes Receivable - Prior Years	1,574
	2,598
Allowance for Uncollectible Taxes	2,598
	$ -

(5) Receivables -

Receivables as of June 30, 1997, including the applicable allowances for uncollectible accounts, are as follows:

	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	TRUST	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL REPORTING ENTITY
Receivables:								
Interest	$ 3,263	$ -	$ 7,542	$ 61,676	$ 91	$ 72,572	$ 3,411	$ 75,983
Ad Valorem Taxes	2,598	-	-	-	-	2,598	-	2,598
Royalties	8,031	-	-	-	-	8,031	-	8,031
Franchise Taxes	80,018	-	-	-	-	80,018	-	80,018
Special Assessments	-	44,192	-	-	-	44,192	-	44,192
Accounts	-	-	-	143,286	2,050	145,336	-	145,336
Other	1,933	-	-	8,662	-	10,595	280	10,875
Gross Receivables	95,843	44,192	7,542	213,624	2,141	363,342	3,691	367,033
Less: Allowance for Uncollectibles	(2,598)	-	-	(8,000)	-	(10,598)	-	(10,598)
Net Receivables	$ 93,245	$44,192	$ 7,542	$205,624	$ 2,141	$352,744	$ 3,691	$356,435

(6) Due From Other Governments -

Due from Other Governments as of June 30, 1997, consists of the following:

	GENERAL	ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL REPORTING ENTITY
Livingston Parish School Board:					
Sales Tax Collections	$114,079	$ -	$114,079	$ -	$114,079
State of Louisiana:					
Department of Education	3,320	-	3,320	-	3,320
Department of Transportation and Development	-	122,495	122,495	-	122,495
Other	5,273	-	5,273	2,552	7,825
Video Poker Fees	37,291	-	37,291	-	37,291
Alcoholic Beverage Tax	5,600	-	5,600	-	5,600
Tobacco Tax	10,643	-	10,643	-	10,643
Police Grants	30,337	-	30,337	-	30,337

	GENERAL	ENTERPRISE	TOTAL PRIMARY GOVERNMENT	COMPONENT UNITS	TOTAL REPORTING ENTITY
Livingston Parish:					
Communications District	20,794	-	20,794	-	20,794
Fire Protection District No. 5	1,000	-	1,000	-	1,000
Livingston Parish Council:					
Fire Insurance Commissions	16,723	-	16,723	-	16,723
Funding	-	-	-	300	300
Totals	$245,060	$122,495	$367,555	$ 2,852	$370,407

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

	INTERFUND RECEIVABLES	INTERFUND PAYABLES
Primary Government:		
General Fund	$ 32,439	$ 15,097
Debt Service Fund	-	298
Capital Projects Funds:		
Street Overlay	17,903	-
Drainage Improvements	-	178,718
Building Renovations	244	-
Enterprise Fund	170,262	26,573
Internal Service Fund	26,572	26,734
Trust Fund	-	-
Total Primary Government	247,420	247,420
Component Units:		
City Court of Denham Springs - Ward II		
General Fund	250	-
Agency Funds:		
Criminal Docket	-	250
Total Component Units	250	250
Total Primary Government and Component Units	$247,670	$247,670

(CONTINUED)

	DUE (TO)/ FROM PRIMARY GOVERNMENT	DUE (TO)/ FROM COMPONENT UNIT
Primary Government:		
General Fund	$ -	$ 8,922
Total Primary Government	-	8,922
Component Units:		
City Court of Denham Springs - Ward II:		
Agency Funds:		
Criminal Docket Fund	(11,352)	-
Marshall of City Court of Denham Springs - Ward II	2,430	-
Total Component Units	(8,922)	-
Total Primary Government and Component Units	$ (8,922)	$ 8,922

	TRANSFERS IN	TRANSFERS OUT
Primary Government:		
General Fund	$ 7,536	$706,666
Capital Projects Fund:		
Street Overlay	137,500	-
Drainage Improvements	283,423	-
Building Renovations	8,995	
Enterprise Fund	200,000	-
Total Primary Government	637,454	706,666
Component Units:		
City Court of Denham Springs - Ward II:		
General Fund	45,175	-
Special Revenue Funds:		
Witness Fee Fund	-	246
Public Service Work Fund	-	7,662
Marshall of City Court of Denham Springs - Ward II:		
General Fund	31,945	-
Total Component Units	77,120	7,908
Total Primary Government and Component Units	$714,574	$714,574

(8) Changes in General Fixed Assets -

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

	BALANCE JUNE 30, 1996	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1997
Land	$ 571,271	$ -	$ -	$ 571,271
Land Improvements	25,467	8,950	-	34,417
Buildings	3,361,117	107,055	-	3,468,172
Equipment	1,960,705	310,377	(47,501)	2,223,581
Furniture and Fixtures	47,136	-	-	47,136
Incomplete Construction	69,959	110,325	(92,284)	88,000
Total Primary Government	$6,035,655	$536,707	$(139,785)	$6,432,577

Incomplete construction for general fixed assets consists of the construction of a new class A pumper for the fire department. Total cost of the new truck under contract is $168,344 and is expected to be completed in August 1997.

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

	BALANCE JUNE 30, 1996	ADDITIONS	DELETIONS	BALANCE JUNE 30, 1997
City Court of Denham Springs - Ward II: Equipment	$139,863	$ 15,525	$(22,190)	$133,198
Marshall of City Court of Denham Springs - Ward II: Equipment	76,542	2,300	-	78,842
Total Component Units	$216,405	$ 17,825	$(22,190)	$212,040

The following is a summary of proprietary fund type property, plant, and equipment for the Primary Government at June 30, 1997:

	ENTERPRISE	INTERNAL SERVICE
Land	$ 159,575	$ -
Land Improvements	-	14,057
Gas System	2,936,789	-
Water System	5,159,766	-
Sewer System	9,072,310	-
Buildings	144,347	65,822
Transportation Equipment	365,635	-
E.D.P. Equipment	99,508	-
Furniture and Fixtures	8,838	-
Other Equipment	513,924	58,598
Incomplete Construction	846,749	-
Total	19,307,441	138,477
Less: Accumulated Depreciation	(7,450,119)	(102,958)
Net	$11,857,322	$ 35,519

Incomplete construction in the Enterprise Fund consists of the relocation of underground utilities in the area of Vincent Road and Pete's Highway in the amount of $630,356 and the construction of a new water tower on Pete's Highway $216,393. Total estimated costs of the projects are $680,000 and $600,000, respectively. Both projects should be complete by December 31, 1997.

(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, 1997, are as follows:

DESCRIPTION/PURPOSE	ORIGINAL ISSUE AMOUNT	INTEREST RATE	FINAL MATURITY	BALANCE June 30, 1997
1989 Utility Revenue Refunding Bonds - Proceeds Used to Defease Prior Revenue Bonds	$3,062,876	11.00%	04-01-2016	$2,100,764

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

DUE DATES	PRINCIPAL	INTEREST	TOTAL
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
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	91,487	5,032	96,519
Total Revenue Bonds	$2,100,764	$2,123,634	$4,224,398

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.

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:

	SINKING FUND	RESERVE FUND	CONTINGENCY FUND	TOTAL
Required Balance	$ 90,955	$167,646	$167,646	$426,247
Actual Balance	100,259	182,355	204,810	487,424
Excess	$ 9,304	$ 14,709	$ 37,164	$ 61,177

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.

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, 1997, 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:

DUE DATES	PRINCIPAL	INTEREST	TOTAL
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	13,321	773	14,094
	$ 79,926	$ 16,318	$ 96,244

Prior Year Bond Defeasance. There are no outstanding balances on any prior-year bond defeasance as of June 30, 1997.

Summary of Changes in Long-Term Debt:

	BALANCE JUNE 30, 1996	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1997
General Long-Term Debt Account Group:				
1993 Certificates of Indebtedness	$ 93,247	$ -	$ (13,321)	$ 79,926
Accumulated Unpaid Vacation - Net	169,208	42,137	-	211,345
Total General Long-Term Debt Account Group	262,455	42,137	(13,321)	291,271
Enterprise Fund:				
1989 Utility Revenue Refunding Bond	2,229,138	-	(128,374)	2,100,764
Total Changes in Long-Term Debt	$2,491,593	$ 42,137	$(141,695)	$2,392,035

(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, 1997, was $53,680 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, 1997, customers' deposits amounted to $423,207 and the balance of the certificate of deposit amounted to $435,000 and is included as a Restricted Asset on the Balance Sheet.

(12) Retirement Commitments -

A. Plan Descriptions, Contribution Information, and Funding Policies

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:

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

	MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA	MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA	FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA
Eligibility to Participate	All permanent employees working at least 35 hours per week, not covered by another pension plan, and under age 60 at date of employment and are paid wholly or in part from City funds; all elected municipal officials are also eligible to participate; all employees of the City are members of Plan B.	All full-time police department employees engaged in law enforcement are required to participate in the System.	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.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	5.00%	7.50%	8.00%
City's Contribution Rate (Percent of Covered Payroll	3.25%	9.00%	9.00%

	MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA	MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA	FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA
Period Required to Vest	10 years	12 years	12 years
Benefits and Eligibility for Distribution (Full-Time)	At or after age 60 with at least 10 years of creditable service or at or after 55 with at least 30 years of creditable service, 2% of final average salary multiplied by the years of creditable service; at least 10 years but less than 30 years of creditable service, may take early retirement benefits reduced 3% for each year retirement precedes age 60; in any case monthly retirement benefits can not exceed 100% of final average salary	25 years of creditable service at any age or has 20 years of creditable service and is age 50 or has 12 years of creditable service and is age 55, 3 1/3% of average salary multiplied by the years of creditable service not to exceed 100% of final salary; early retirement, 20 years of service regardless of age, 3 1/3% of average salary multiplied by creditable service actuarially reduced for retirement prior to age 50	20 years or more of creditable service and attained age 50 or 12 years of service and age 55 or 25 years of service at any age, 3 1/3% of average salary multiplied by the years of creditable service not to exceed 100% of final salary
Deferred Retirement Option	Yes, 30 years creditable service	Yes, 25 years of creditable service regardless of age or 20 years of creditable service and attaining the age of 50	Yes, after completing 20 years of creditable service
Provisions for:			
Cost of Living Adjustments (Normal Retirement)	Yes	Yes	Yes
Death (Duty, Non-Duty, Post Retirement)	Yes	Yes	Yes
Disability (Duty, Non-Duty)	Yes	Yes	Yes
Cost of Living Allowances	Yes	Yes	Yes

B. Trend Information -

Contributions required by State statue:

FISCAL YEAR	MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA		MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA		FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA	
	REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED	REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
1995	$120,454	98%	$102,681	100%	$47,647	100%
1996	$134,785	97%	$109,520	100%	$64,000	100%
1997	$122,975	95%	$121,390	100%	$92,223	100%

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

(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.

(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

	BALANCE JUNE 30, 1996	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1997
ASSETS				
Cash - Civil Docket	$ 18,243	$ 84,495	$ (80,088)	$ 22,650
Cash - Criminal Docket	62,312	592,365	(575,440)	79,237
Total Assets	$ 80,555	$676,860	$(655,528)	$101,887
LIABILITIES				
Due to Other Funds	$ 250	$ 1,696	$ (1,696)	$ 250
Due to Primary Government	-	11,352	-	11,352
Bonds Paid in Advance of Trial - Civil	17,984	84,136	(79,470)	22,650
Bonds Paid in Advance of Trial - Criminal	62,321	579,676	(574,362)	67,635
Total Liabilities	$ 80,555	$676,860	$(655,528)	$101,887

(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, 1997, is as follows:

Operating Revenues	$ 3,764,485
Depreciation	490,227
Operating Income	243,945
Net Income	389,667
Current Capital Contributions	146,178
Fixed Asset Additions	1,047,538
Net Working Capital	2,519,335
Total Assets	15,891,388
Bonds Payable	2,100,764
Total Equity	12,744,342

(19) Risk Management -

The City is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to help governmental entities obtain various forms of insurance coverage at affordable rates, the Louisiana Municipal Association formed the Louisiana Municipal Risk Management Agency Liability Program in 1986. The City has obtained its (1) Worker's Compensation, (2) General Liability, (3) Law Enforcement Liability, (4) Public Officials Liability and (5) Business Auto Liability coverages for the past number of years from the program. The City pays an annual premium for each type of coverage it obtains from the pool. The agreement for formation of the Louisiana Municipal Risk Management Agency Liability Program provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies. It is not possible for the City to estimate the possibility of additional losses, if any, to be borne by the City.

The City continues to carry commercial insurance for all other risks of loss, including (1) Public Official Bonds, (2) Public Employee Blanket Bond, (3) Valuable Papers and Records coverage, (4) Fire and Extended Coverage and (5) Flood Insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

(20) Subsequent Events -

On August 14, 1997, the City awarded the contract for the construction of the Miller Canal Diversion in the amount of $1,245,940. Total estimated cost of the project is $1,950,000 of which approximately $1,210,000 will be paid from a State Grant, $150,000 will be received from the Livingston Parish Gravity Drainage District #1, and the balance of approximately $590,000 will be borne by the City. At June 30, 1997, the City has already expended approximately $420,000 of its share of the total cost of the project.

In 1989, an experimental sewer oxidation pond was completed based on certain specifications approved by the United States Environmental Protection Agency. Because it was experimental, the EPA agreed to fund a major portion of the project. In addition, the EPA agreed that if the project was not working properly within a specified period of time and it was because of the experimental design of the pond, that it would assist the City to renovate and correct the problems. In March 1997, the EPA executed a cooperative agreement offering Federal assistance for the wastewater treatment facilities project. It was not until October 1997, that the approval from the State of Louisiana, Department of Environmental Quality was received. Total estimated costs of the Wastewater Treatment Facility Renovations are $3,600,000 of which $3,500,000 will be funded by the Federal assistance award. At June 30, 1997, no costs have been incurred.