

CITY OF SPRINGHILL, LOUISIANA

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FINANCIAL STATEMENTS

June 30, 1997

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Release Date: **FEB 25 1998**

CITY OF SPRINGHILL, LOUISIANA

June 30, 1997
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June 30, 1997
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Independent Auditor's Report

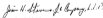
The Honorable Johnny Harrington, Mayor
and Board of Aldermen
City of Springhill
Springhill, Louisiana

We have audited the accompanying general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Springhill, Louisiana, as of and for the year ended June 30, 1997, as found in the table of contents. These financial statements are the responsibility of the City of Springhill, Louisiana, management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the City of Springhill, Louisiana, as of June 30, 1997, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements referred to in the first paragraph taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Schedule of Expenditures of Federal Government, and Non-Profit Organizations*, and the accompanying financial information based on supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements of the City of Springhill, Louisiana. Such information has been subjected to the audit by procedures applied in the audit of the general purpose, combining, and individual fund and account group financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds and account groups taken as a whole.


Certified Public Accountant

October 3, 1997

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF SPRINGFIELD, ILLINOIS

Financial Statement Series - For Fiscal Year ended December 31, 2007
 June 26, 2008

| | Governmental Fund Type | | | | Proprietary Fund Type | Account Types | | Total | |
|--|------------------------|------------------|----------------|------------------|-----------------------|---------------------|-------------------|-------------------|------------------|
| | General | Special Revenue | Debt | Capital Projects | | General Fund Assets | Liabilities | | |
| ASSETS | | | | | | | | | |
| Cash and cash equivalents | 613,713 | 621,664 | 166,095 | 266,330 | 176,976 | | 2,179,887 | 1,887,294 | |
| Investments, at cost | 113,000 | | | | 121,200 | | 288,000 | 220,000 | |
| Receivables: | | | | | | | | | |
| Taxes | 46 | 27,687 | | | | | 17,540 | 43,125 | |
| Commodities | | | | | | | 43,125 | | |
| Trade accounts | 24,900 | 18,301 | | | | | 61,609 | 67,225 | |
| Inventories | | | | | | | 2,856 | 2,859 | |
| Other | | 796 | | | | | 310 | 284,810 | |
| Due from other funds | | 210 | | | | | 21,343 | 281,742 | |
| Inventories, at cost | | 18,343 | | | | | 9,967 | 8,285 | |
| Receivable assets: | | | | | | | | | |
| CMAA | | | | | | | | | |
| Investments, at cost | | 1,240,687 | | | 666,046 | | 3,672,751 | 2,344,559 | |
| Advanced interest received | | | | | 20,200 | | 28,088 | 28,088 | |
| Liabilities | | | | | 125 | | 116 | 117 | |
| Prepayments | | | | | 113,687 | | 113,687 | 113,687 | |
| Vouchers | | | | | 5,675,712 | | 5,675,712 | 5,675,712 | |
| Improvements other than buildings | | | | | | | 113,687 | 113,687 | |
| Equipment | | | | | | | 5,448,026 | 5,615,716 | |
| Utility plant and equipment | | | | | 27,142 | | 1,079,432 | 1,600,926 | |
| Accumulated depreciation | | | | | 4,388 | 1,692,684 | 4,206,926 | 7,219,826 | |
| Unamortized bond issue cost | | | | | 4,286,691 | | 11,811,870 | 11,811,870 | |
| Advanced available for Debt Service Fund | | | | | 6,202,076 | | | 6,202,076 | |
| Assets to be provided from All related costs | | | | | | | 55,158 | 55,158 | |
| Total assets | 784,629 | 3,300,439 | 186,095 | 266,330 | 3,613,124 | 4,302,664 | 1,239,244 | 1,229,244 | 1,878,164 |
| | | | | | | 1,682,800 | 41,792,482 | 25,958,482 | |

LIABILITIES AND FUND-EQUITY

| | Governmental Fund Types | | | Proprietary Fund Types | Account Groups | | Totals | |
|--|-------------------------|------------------|--------------|------------------------|------------------|-----------|---------------------|------------------------|
| | General | Special Accounts | Debt Service | | Capital Projects | Exempting | General Fund Assets | General Long-term Debt |
| Liabilities | | | | | | | | |
| Accounts payable | 41,811 | 15,311 | | 100,000 | | | | 219,473 |
| Accrued liabilities | 17,763 | | | 1,000 | | | | 19,763 |
| Prepaid assessments | | | | 32 | | | | 32 |
| Due to other funds | 24,763 | | 336 | 16,000 | | | | 41,763 |
| Due to other governments | | | | | | | | 24,763 |
| Portion from restricted assets: | | | | | | | | |
| Advanced interest payable | | | | 41,381 | | | | 41,381 |
| Money deposits | | | | 76,260 | | | | 76,260 |
| Bonds payable | | | | 4,079,000 | | 1,800,000 | | 5,879,000 |
| Fund liabilities | 60,410 | 14,511 | 328 | 4,770,712 | | 1,870,000 | | 12,575,661 |
| Fund equity: | | | | | | | | |
| Contributed capital | | | | 528,200 | | | | 528,200 |
| Investment in general fund assets | | | | | | 6,412,842 | | 6,412,842 |
| Unreserved | | | | 2,078,128 | | | | 2,078,128 |
| Reserved for perpetual care fund interest | | | | 1,000 | | | | 1,000 |
| Reserved for debt service | | 2,071,879 | 366,317 | | | | | 2,438,196 |
| Reserved for insurance | | | | | | | | |
| Reserved for public, fire, and recreation | | | | | | | | |
| Unreserved | 496,200 | | | | | | | 496,200 |
| Total retained earnings and fund balances | 713,373 | 2,071,879 | 168,293 | 2,079,328 | | | | 4,073,473 |
| Total fund equity | 713,373 | 2,071,879 | 168,293 | 2,079,328 | | | | 4,073,473 |
| Total liabilities and fund equity | 811,347 | 4,143,758 | 534,610 | 7,277,656 | | 8,282,842 | | 13,766,603 |

The accounting data are an un-audited copy of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Consolidated Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types Year Ended June 30, 1997

| | Governmental Fund Types | | | | Total | |
|---|-------------------------|---------------------|------------------|---------------------|------------------|------------------|
| | General | Special Revenues | Bond Revenues | Capital Revenues | 1997 | 1996 |
| Revenues | | | | | | |
| Taxes | 3,075,884 | 1,028,884 | 271,970 | | 4,376,738 | 3,944,940 |
| License and permits | 109,411 | | | | 109,411 | 127,074 |
| Fees and royalties | 46,731 | | | | 46,731 | 57,754 |
| Intergovernmental | 1,086,680 | 172,750 | | | 1,259,430 | 1,155,544 |
| Charges for services | 27,108 | | | | 27,108 | 33,475 |
| Off and on payments | 36,179 | | | | 36,179 | 44,444 |
| Miscellaneous revenues | 263,642 | 82,200 | 1,200 | 2,611 | 347,653 | 377,175 |
| Total revenues | <u>4,585,535</u> | <u>1,283,834</u> | <u>273,170</u> | <u>2,611</u> | <u>6,145,150</u> | <u>5,663,132</u> |
| Expenditures | | | | | | |
| Current: | | | | | | |
| Operation of government | 134,410 | 149,076 | 1,484 | | 284,970 | 313,130 |
| Public safety | 498,794 | | | | 498,794 | 517,114 |
| Recreation | 82,706 | | | | 82,706 | 87,211 |
| Groups and classes | 282,500 | | | | 282,500 | 277,244 |
| Waste water | 64,271 | | | | 64,271 | 64,271 |
| Transportation | 29,410 | | | | 29,410 | 27,111 |
| Miscellaneous | 78,471 | | | | 78,471 | 84,111 |
| Capital outlays | | | | | | |
| Current expenditures | 1,000,250 | 250 | | 48,544 | 1,049,044 | 1,214,111 |
| Debt service: | | | | | | |
| Principal retirement | | | 70,000 | | 70,000 | 70,000 |
| Interest and bond charges | | | 179,022 | | 179,022 | 181,111 |
| Total expenditures | <u>2,126,881</u> | <u>179,326</u> | <u>240,576</u> | <u>48,544</u> | <u>2,615,327</u> | <u>2,605,757</u> |
| Excess (deficiency) of revenues over expenditures | <u>2,458,654</u> | <u>1,104,508</u> | <u>32,594</u> | <u>21,067</u> | <u>3,516,823</u> | <u>3,057,375</u> |
| Other financing (capital lease): | | | | | | |
| Opening transfer in | 1,174,000 | | | | 1,174,000 | 1,174,000 |
| Opening transfer out | | (1,164,000) | | | (1,164,000) | (1,164,000) |
| Total other financing resources | <u>1,174,000</u> | <u>(1,164,000)</u> | | | <u>100,000</u> | <u>100,000</u> |
| Excess (deficiency) of revenues and other resources over expenditures and other uses | <u>3,632,654</u> | <u>2,040,508</u> | <u>32,594</u> | <u>21,067</u> | <u>3,726,823</u> | <u>3,157,375</u> |
| Fund balances, beginning | <u>174,673</u> | <u>2,561,233</u> | <u>175,626</u> | <u>153,786</u> | <u>3,065,318</u> | <u>2,777,111</u> |
| Restricted equity funds for | | | | | | |
| Fund balances, ending | <u>549,347</u> | <u>4,601,741</u> | <u>208,220</u> | <u>174,853</u> | <u>5,534,161</u> | <u>5,334,486</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Summary Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget - Actual Basis and Budget - Actual Basis - Supplemental Fund Types
Year Ended June 30, 1981

| Element: | General Fund | | Various Purposes Accountable | | Special Revenue Fund | | Variance Favorable Adverse |
|--|--------------|-----------|------------------------------------|--------|----------------------|-------------|----------------------------------|
| | Budget | Actual | Budget | Actual | Budget | Actual | |
| Revenues: | | | | | | | |
| Taxes | 311,042 | 315,976 | 8,929 | | 1,958,000 | 1,811,846 | 111,446 |
| Licensing and permits | 566,655 | 196,415 | 67,326 | | | | |
| Fees and forfeitures | 40,000 | 46,175 | 6,150 | | | | |
| Intergovernmental | 1,485,218 | 1,896,690 | 49,452 | | 178,000 | 172,758 | 36,716 |
| Charges for services | 217,400 | 27,110 | (2,100,000) | | | | |
| Oil and gas royalties | 28,800 | 31,175 | 3,175 | | | | |
| Interest income | | | | | 70,000 | 68,000 | (800) |
| Miscellaneous revenue | 128,261 | 183,812 | 34,120 | | | | |
| Total revenues | 3,271,687 | 3,203,233 | (1,950,000) | | 3,000,000 | 2,952,652 | (148,028) |
| Expenditures: | | | | | | | |
| General: | | | | | | | |
| Contract government: | 757,170 | 314,499 | 12,267 | | 161,000 | 169,000 | (10,000) |
| Public safety | 592,758 | 494,298 | 4,054 | | | | |
| Recreation | 92,528 | 95,778 | (2,56) | | | | |
| Streets and airports | 305,050 | 292,591 | 12,528 | | | | |
| Water front | 65,050 | 94,171 | 849 | | | | |
| Transportation | 19,200 | 19,149 | 56 | | | | |
| Maintenance group | 15,010 | 19,443 | (4,434) | | | | |
| Capital outlay | 1,400,000 | 1,800,115 | (600,100) | | | | |
| Total expenditures | 3,250,512 | 3,259,058 | (683,000) | | 183,000 | 201,185 | (28,185) |
| Excess (deficiency) of revenues over expenditures | (23,825) | (11,825) | (280,200) | | 1,817,000 | 1,696,565 | (178,280) |
| Other financing sources (uses): | | | | | | | |
| Bond proceeds | 670,000 | 1,170,896 | 466,896 | | | | |
| Operating transfers in | | | | | 881,124 | 1,130,207 | (422,118) |
| Operating transfers out | | | | | | | |
| Total other financing sources (uses) | (670,000) | 1,170,896 | (466,896) | | 881,124 | (1,341,287) | (422,118) |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 246,140 | 116,128 | 111,912 | | 650,876 | 208,278 | (100,890) |
| Fund balances, beginning | 179,912 | 979,872 | | | 2,996,110 | 3,261,120 | |
| Reballoft equity transfer | | | | | | | |
| Fund balances, ending | 426,052 | 1,196,000 | 111,912 | | 3,647,086 | 3,569,398 | (77,688) |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Continued Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (2004-05) Actual - Comparative Fund Types
Year Ended June 30, 2005

| | Total Revenue Fund | | Variance Favorable (Unfavorable) | Capital Projects Fund | | Variance Favorable (Unfavorable) |
|---|--------------------|----------------|--|-----------------------|-----------------|--|
| | Budget | Actual | | Budget | Actual | |
| Revenues: | | | | | | |
| Taxes | 278,000 | 415,543 | 137,543 | | | |
| Licenses and permits | | | | | | |
| Fees and rebates | | | | | | |
| Intergovernmental | | | | | | |
| Charges for services | 1,000 | 2,887 | 1,887 | 1,400 | 17 | 17 |
| Oil and gas royalties | | | | | | |
| Interest income | | | | | | |
| Miscellaneous revenue | | | | | | |
| Total revenues | <u>281,000</u> | <u>418,430</u> | <u>137,430</u> | <u>1,400</u> | <u>32</u> | <u>32</u> |
| Expenditures: | | | | | | |
| Current: | | | | | | |
| General government | | 508 | (508) | | | |
| Public utility | | | | | | |
| Fireworks | | | | | | |
| Bonds and support | | | | | | |
| Ward cost | | | | | | |
| Transportation | | | | | | |
| Maintenance program | | | | | | |
| Debt service | | | | | | |
| Interest and fiscal charges | 70,000 | 70,000 | | | | |
| Capital projects | 128,400 | 129,404 | 1,004 | | | |
| Total expenditures | <u>198,400</u> | <u>199,404</u> | <u>1,004</u> | <u>41,000</u> | <u>44,342</u> | <u>3,342</u> |
| Excess (deficiency) of revenues over expenditures | <u>82,600</u> | <u>219,026</u> | <u>136,426</u> | <u>78,400</u> | <u>(12,310)</u> | <u>(12,310)</u> |
| Other financing sources (uses): | | | | | | |
| Bond proceeds | | | | 201,600 | | (201,600) |
| Operating transfers in | | | | | | |
| Operating transfers out | | | | | | |
| Total other financing sources (uses) | | | | <u>201,600</u> | | <u>(201,600)</u> |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>82,600</u> | <u>219,026</u> | <u>136,426</u> | <u>78,400</u> | <u>(12,310)</u> | <u>(12,310)</u> |
| Revolving capital transfers | | | | | | |
| Total balances, ending | <u>200,000</u> | <u>438,052</u> | <u>238,052</u> | <u>200,000</u> | <u>(12,310)</u> | <u>(12,310)</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Continued Statement of Revenues, Expenses, and Changes in
Retained Earnings - All Proprietary Fund Types
Year Ended June 30, 1997

| | <u>Enterprise Funds</u> |
|---|-----------------------------|
| Operating revenues: | |
| Charges for services | 666,007 |
| Fees - cemetery lots | 5,900 |
| Assessments | 15,156 |
| Miscellaneous | 8,850 |
| Reversals of bad debt | <u> 31</u> |
| Total operating revenues | 706,044 |
| Cost of jobs sold | <u> 1,721</u> |
| Gross profit | 704,323 |
| Operating expenses: | |
| General and administrative expenses | 56,456 |
| Water department expenses | 303,334 |
| Sewer department expenses | 189,140 |
| Depreciation and amortization | <u> 128,728</u> |
| Total operating expenses | 677,658 |
| Income (Loss) from operations | 26,665 |
| Non-operating revenues: | |
| Interest income | 26,324 |
| Interest and bond charges - bonds | <u> (81,725)</u> |
| Total non-operating revenues | (55,401) |
| Income (Loss) before operating transfers | (28,736) |
| Operating transfers: | |
| Operating transfers in | <u> 287,411</u> |
| Total operating transfers | 287,411 |
| Net income | 258,675 |
| Retained earnings, beginning | 2,299,566 |
| Retained earnings, ending | 2,558,241 |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

**Combined Statement of Cash Flows - All Proprietary Fund Types
Year Ended June 30, 1997**

| | <u>Majority Funds</u> |
|--|---------------------------|
| Cash flows from operating activities: | |
| Net (loss) from operations | _____(83,261) |
| Adjustments to reconcile net loss to net cash provided by operating activities: | |
| Depreciation | 150,358 |
| (Increase) decrease in: | |
| Accounts receivable | 381,660 |
| Inventories | 1,270 |
| Accrued interest receivable | (17) |
| Increase (decrease) in: | |
| Accounts payable | (278,811) |
| Sales tax payable | 57 |
| Bond interest payable | 31,000 |
| Due to other funds | (211,826) |
| Money deposits | _____ <u>8,782</u> |
| Total adjustments | _____ <u>129,284</u> |
| Net cash provided by operating activities | _____ <u>46,023</u> |
| Cash flows from capital and related financing activities: | |
| Purchase of fixed assets | _____ <u>(1,818,888)</u> |
| Transfer from Special Revenue Fund | 208,911 |
| Bond proceeds | 1,288,810 |
| Payment for bond issuance costs | (11,800) |
| Contributed capital - physical asset | 1,800 |
| Bonds redeemed | _____ <u>(80,000)</u> |
| Interest paid | _____ <u>(89,315)</u> |
| Net cash used by capital and related financing activities | _____ <u>(151,182)</u> |
| Cash flows from investing activities: | |
| Interest earned | _____ <u>28,329</u> |
| Net cash provided by investing activities | _____ <u>28,329</u> |
| Net increase in cash | _____ <u>(14,782)</u> |
| Cash and cash equivalents at the beginning of the year (including \$868,111 in restricted accounts) | _____ <u>1,332,800</u> |
| Cash and cash equivalents at the end of the year (including \$902,064 in restricted accounts) | _____ <u>1,218,018</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 2007

I. Summary of Significant Accounting Policies

The City of Springhill, Louisiana was incorporated under the provisions of the Louisiana Act. The City operates under a Mayor-Board of Aldermen form of government.

The accounting and reporting practices of the City of Springhill, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:527 and to the guidelines forth in the Louisiana Municipal chart of Accounting Guide, and to the industry audit guide, *State of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

The following is a summary of significant accounting policies and practices:

- a. **Financial reporting entity.** This report includes all funds and account groups which are controlled by or dependent on the City executive and legislative branches (the Mayor and Board of Aldermen). Control by or dependence on the City was determined on the basis of budget adoption, voting authority, authority to incur debt, election or appointment of governing body, and other general oversight responsibility.

Based on the foregoing criteria, certain governmental organizations are not part of the City and are thus excluded from the accompanying financial statements. This organization is the Ward Court, which is staffed by independently elected officials. Although the City does provide facilities and some of its financing, no control is exercised over its operations.

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

Governmental Fund Types:

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

Special Revenue Funds. Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than special assessments, expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds. Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 1987

1. Summary of Significant Accounting Policies (Continued)

Proprietary Fund Types:

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

General Fixed Assets and General Long-term Debt Account Groups:

General Fixed Assets: The General Fixed Assets Account Group is used to account for fixed assets used in governmental fund type operations for financial purposes. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Depreciated fixed assets are valued at their estimated fair value on the date of disposition. No depreciation is recorded on general fixed assets.

General Long-term Debt: The General Long-term Debt Account Group is used to account for long-term liabilities to be financed from government funds.

6. **Basis of Accounting:** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present revenues (i.e., revenues and other financing sources) and disbursements (i.e., expenditures and other financing uses) in net current assets.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and liabilities associated with the operations of these funds are included on the balance sheet. Fixed equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present revenues (i.e., revenues and discounts (e.g., discounts), in net total assets.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available in net current assets. Taxpayer-assessed gross receipts, and sales taxes are considered "measurable" when in the hands of collecting governments and are recognized as revenue at that time. Grants, interlocal transfers, property taxes, and garbage collection fees are deemed to be measurable to accrual.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. An exception to this general rule is principal and interest on long-term debt is recognized when due.

All Proprietary Funds are accounted for using the accrual basis of accounting. Their revenues are recognized when they are earned, and their expenses are recognized when they are incurred.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 2007

1. Summary of Significant Accounting Policies (Continued)

D. **Budget and Budgetary Accounting.** The City follows these procedures in establishing the budgetary data in these financial statements:

1. The City Clerk prepares a proposed budget which is submitted to the Mayor and Board of Aldermen 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 revenue-earning accounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. Such amendments were not material in relation to the original appropriations.

E. **Bad Debt.** Uncollectible receivables due for the customers' utility and all other debts receivable are recognized as bad debts through the use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable.

F. **Property, Plant, and Equipment.** Fixed assets used in governmental fund type operations (general fund assets) accounted for in the General Fixed Assets Account Group are recorded as capital assets in the governmental fund types when purchased. The City has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements. The depreciation has been provided on general fund assets.

All fixed assets are stated at historical cost. Depreciated fixed assets are stated at their estimated fair value on the date donated.

Property, plant and equipment which consist of assets of the Enterprise Funds are recorded at cost, and depreciation is computed thereon under the straight-line method of depreciation based on the estimated useful lives of the individual assets.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
 Page 30, 1997

1. Summary of Significant Accounting Policies (Continued)

The estimated useful lives are as follows:

| | |
|------------------------------|-------------|
| Utility Fund: | |
| Furniture and fixtures | 5-8 years |
| Equipment | 5 years |
| Automotive equipment | 3-5 years |
| Utility plant | 18-30 years |
| | |
| Country Fund: | |
| Equipment | 3-5 years |
| Improvements | 10-20 years |

G. Investments. Inventory of rimstone lots in the Proprietary Fund and gasoline investments in the general fund are valued at cost (first-in, first-out).

H. Investments. Legal investments by municipalities are restricted according to Louisiana Revised Statute 39:1271. All of the City's investments are in income-bearing time deposits.

I. Compensated Absence. The City requires employees to use their vacation time within one year of their anniversary date or it is forfeited. Vacation time is earned and is paid to the employee upon termination. Such pay is not upon termination and, therefore, is not subject to accrual.

As of June 30, 1997, the liability for accrued vacation time is \$9,210, which is recorded \$7,558 in the General Fund, and \$1,652 in the Utility Fund.

J. Comparative Data. Comparative costs for the prior year have been presented in the accompanying general purpose financial statements in order to provide an understanding of the City's financial position and operations. However, presentation of prior year amounts by fund type have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

K. Total Columns on Condensed Statements. Total columns on the condensed statements (overlays are excluded (Miscellaneous Only) is indicated that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a fiscal station. Inter-fund eliminations have not been made in the aggregation of this data.

L. Statement of Cash Flows. For the purposes of the Statement of Cash Flows, the Enterprise Funds consider all highly liquid investments (including restricted assets) with a maturity of three months or less to be cash equivalents.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1997

2. Cash

Deposits. At June 30, 1997, the carrying amount of the City's deposits was \$1,874,238 and the bank balance was \$4,155,433. Of the total bank balance \$200,000 was covered by insured depository institutions and \$1,961,433 was covered by collateral held by the City's two subleasing bank agents, in the City's name.

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

| Collateral Description | 1 | 2 | 3 | Carrying Amount | Market Value |
|--|------------------|---|---|------------------|------------------|
| FIDC Insurance | 200,000 | | | 200,000 | 200,000 |
| Obligations of U.S. Treasury or Agencies | 3,634,830 | | | 3,159,071 | 3,904,598 |
| Obligations of State of Louisiana | 311,413 | | | 313,203 | 303,873 |
| Totals | 4,146,243 | | | 3,672,274 | 4,408,471 |

3. 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 annually 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 assessors of Webster Parish.

For the year ended June 30, 1997, taxes of \$607,895 were levied on property with assessed values totaling \$46,762,569 and were dedicated as follows:

| | |
|---------------------------------|--------------------|
| General operating purposes | 7.11 mills |
| Retirement of bond indebtedness | 13.00 mills |
| | 20.11 mills |

There was \$46 in taxes receivable at June 30, 1997, which were residential collectibles.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1997

4. Restricted Assets-Proprietary Fund Type

Restricted assets were applicable to the following at June 30:

| | 1997 | 1996 |
|-----------------------------|----------------|----------------|
| Cash | 892,064 | 883,301 |
| Investments | 28,088 | 28,088 |
| Accrued interest receivable | 116 | 117 |
| Total | 920,268 | 940,506 |

5. Changes in General Fixed Assets:

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

| | Balance July 1, 1996 | Additions | Deletions | Balance June 30, 1997 |
|-----------------------------------|-------------------------|------------------|-----------|--------------------------|
| Land | 137,637 | | | 137,637 |
| Buildings | 3,873,712 | | | 3,873,712 |
| Improvements other than buildings | 3,578,644 | 1,849,855 | | 5,428,500 |
| Equipment | 1,893,525 | 38,731 | | 1,932,256 |
| Total general fixed assets | 9,483,518 | 1,888,586 | | 11,372,104 |

Fixed asset values have not been estimated, however, the source of funds for acquisitions of fixed assets prior to 1997 cannot reasonably be determined.

A summary of proprietary fund type property, plant and equipment at June 30, 1997, follows:

| | |
|--------------------------------------|------------------|
| Water and Sewer Fund: | |
| Fixed assets | 22,000 |
| Furniture and fixtures | 36,956 |
| Equipment | 421,116 |
| Automotive equipment | 58,324 |
| Utility plant | 2,388,612 |
| Total | 3,187,008 |
| Less: accumulated depreciation | (1,788,244) |
| Total Water and Sewer Fund | 1,398,764 |
| Cemetery Fund: | |
| Improvements other than buildings | 37,142 |
| Equipment | 4,298 |
| Total | 41,440 |
| Less: accumulated depreciation | (11,234) |
| Total Cemetery Fund | 30,206 |
| Net Assets - Enterprise Funds | 1,428,970 |

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1997

4. Changes in Long-term Debt:

The following is a summary of the long-term debt transactions of the City of Springhill, Louisiana, for the year ended June 30, 1997:

| | General Obligations | Enterprise | Total |
|--------------------------------|------------------------|------------|-----------|
| | Bond Fund | Fund | |
| Bonds payable at June 30, 1996 | 1,879,800 | 3,168,631 | 5,048,431 |
| New bond issues | | 1,250,523 | 1,250,523 |
| Bonds retired | (76,000) | (118,000) | (194,000) |
| Bonds payable at June 30, 1997 | 1,803,800 | 4,401,154 | 6,204,954 |

Bonds payable at June 30, 1997, are composed of the following individual issues:

General Obligations:

| | |
|---|-----------|
| \$2,200,000 general obligation bonds dated August 8, 1992; due in annual installments through March 1, 2023; interest at 5% to 11%; secured by levy and collection of ad valorem taxes. | 1,803,800 |
| \$4,800,000 sales tax bond dated June 29, 1994; due in annual installments beginning March 1, 1997 through March 1, 2014; interest at 2.45% plus a .50% service fee; secured by a 1% sales tax passed in 1994. Drawn against this bond are being used to fund construction of water improvements. | 4,401,154 |
| | 6,204,954 |

Less unamortized bond costs _____ 623,263

Total 5,581,691

The annual requirements to amortize all debts outstanding at June 30, 1997, including interest payments of \$1,158,046 and \$1,558,669 are as follows for sales tax and general obligation, respectively:

| Year Ended June 30 | Sales Tax | General Obligations | Total |
|--------------------------|------------------|------------------------|-------------------|
| 1998 | 421,836 | 97,658 | 519,494 |
| 1999 | 424,231 | 105,552 | 529,783 |
| 2000 | 421,939 | 109,561 | 531,500 |
| 2001 | 419,211 | 104,998 | 524,209 |
| 2002 | 411,346 | 105,624 | 516,970 |
| 2003-2007 | 2,382,835 | 95,186 | 2,478,021 |
| 2008-2012 | 1,859,549 | 982,586 | 1,852,135 |
| 2013-2016 | 1,680,112 | 403,180 | 1,683,292 |
| Totals | <u>7,959,932</u> | <u>2,158,148</u> | <u>10,118,080</u> |

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 1987

7. **Dedication of Proceeds and Flow of Funds - 2 1/2% Sales and Use Tax:**

Dedication of Sales Tax Proceeds. Proceeds of the 1% sales and use tax are dedicated to the following purposes:

Constructing, acquiring, expanding, improving, operating, and maintaining sewers and sewerage disposal works, waterworks, garbage collection and waste disposal facilities, fire departments systems and related facilities, public parks and recreational facilities, streets, alleys, sidewalks and bridges, purchasing and acquiring the necessary land, equipment and furnishings for the above-said public works, building improvements and facilities, and for the payment of salaries of non-elected municipal employees, or for any one or more of said purposes; and a 1/2% tax to be subject to funding two bonds by the City in the manner authorized by Sub-Part D, Part I, Chapter 6, Title 34 of the Louisiana Revised Statutes of 1974 (R.S. 37:1, et. seq.)

On November 21, 1983, the voters of the City of Springhill, Louisiana approved the collection of an additional 1% percent sales tax.

The proceeds of the 1/2% sales tax are dedicated to the following purposes:

Constructing, acquiring, expanding, improving, operating, and maintaining sewers and sewerage disposal works, waterworks, garbage collection and waste disposal facilities, fire departments systems and related facilities, public parks and recreational facilities, streets, alleys, sidewalks and bridges, purchasing and acquiring the necessary land, equipment and furnishings for the above-said public works, building improvements and facilities; and for the payment of salaries of non-elected municipal employees of the above departments; or for any one or more of the above said purposes.

In November, 1986, the voters of the City of Springhill, Louisiana approved the collection of an additional 1% sales tax.

The proceeds of the 1% sales tax are dedicated to the following purposes:

To the attainment of public improvement bonds the proceeds of which are to be used in constructing, acquiring, expanding, improving, and maintaining sewers and sewers and sewerage disposal works.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1997

I. Pension Plans:

Substantially all employees of the City of Springhill, Louisiana are members of the following statewide retirement systems: Municipal Employees Retirement System of Louisiana or Municipal Police Employees Retirement System of Louisiana. These systems are cost-sharing, multiple-employer defined benefit pension plans administered by separate boards of trustees. Pertinent information relative to each plan follows:

Municipal Employees Retirement System of Louisiana (System):

A. Plan Description.

The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the municipality are members of Plan A.

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 50 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joint months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7907 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 835-4838.

B. Funding Policy.

Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Springhill, Louisiana is required to contribute at an actuarially determined rate. The current rate is 8.75 percent of annual covered payroll. The contribution requirements of plan members and the City of Springhill, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:283, the employer contribution rate is determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Springhill, Louisiana contributions to the System under Plan A for the year ending June 30, 1997, was \$78,158, equal to the required contributions for the year.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 1997

8. Pension Plan: (Continued)

Municipal Police Employees Retirement System of Louisiana (System)

A. Plan Description.

All full-time police department employees engaged in law enforcement may participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 10 years of creditable service are entitled to a retirement benefit payable monthly for life, equal to 2 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 30-consecutive or joint months that produce the highest average. Employees who terminate with at least 10 years of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages stated and previously and receive the benefits accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8405 United Plaza Boulevard, Baton Rouge, Louisiana 70809-1298, or by calling (504) 928-7411.

B. Funding Policy.

Plan members are required by state statute to contribute 3.5 percent of their annual covered salary and the City of Springhill, Louisiana is required to contribute an actuarially determined rate. The current rate is 9.8 percent of annual covered payroll. The contribution requirements of plan members and the City of Springhill, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:100, the employee contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Springhill, Louisiana contributions to the System for the year ending June 30, 1997, was \$21,867, equal to the required contribution for the year.

9. Commitments and Contingencies

Various claims and lawsuits are pending against the City. In the opinion of management, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1997

10. **Interfund Assets/Liabilities:**

Due from/to Other Funds Balances at June 30, 1997, were as follows:

| | Due from Other Funds | Due to Other Funds |
|----------------------|----------------------------|--------------------------|
| General Fund | 35,343 | |
| Special Revenue Fund | | |
| State Service Funds | | 138 |
| Enterprise Funds | | 35,005 |
| Capital Projects | | |
| | 35,343 | 35,343 |

11. **Interfund Operating Transfers:**

Individual fund operating transfers for fiscal year 1997, were as follows:

| | Transfers In | Transfers Out |
|----------------------|--------------|---------------|
| General Fund | 1,179,886 | |
| Special Revenue Fund | | 1,343,583 |
| Enterprise Fund | 293,511 | |
| | 1,343,397 | 1,343,583 |

12. **Proprietary Fund:**

System Information:

| | Water and Sewer Fund | Cemetery Fund | Total |
|-------------------------------------|-------------------------|------------------|-----------|
| Operating revenues | 473,294 | 24,571 | 498,425 |
| Depreciation and amortization | (152,866) | 948 | (152,414) |
| Operating income (loss) | (150,983) | 3,825 | (147,655) |
| Net income (loss) | (213,940) | 4,833 | (214,407) |
| Property, plant and equipment - net | 5,497,454 | 1,556 | 5,500,010 |
| Net working capital | 1,088,739 | 86,216 | 1,203,955 |
| Total equity | 3,054,873 | 82,711 | 3,437,442 |

Special rate adjustment: Real estate for the new cemetery was purchased at a cost of \$8,000 in October, 1997. Based on the assumption that 3,334 lots could be obtained from this area, \$2.39 was allocated as cost per lot sold. During 1998, the cost of remaining usable lots was reallocated at a cost of \$2.07 per lot. New real estate was added to the cemetery in 1992 at a cost of \$3,500. Based on the assumption that 168 lots could be obtained from this new area \$24.89 is allocated as cost per lot sold. During 1998, the cemetery was redeveloped, creating an additional 54 usable lots. The cost of all remaining lots was allocated at \$6.90 per lot.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements

June 30, 1997

12. Proprietary Fund (Continued)

During 1994, new real estate was added to the cemetery at a cost of \$1,500, and additional costs for surveying and staking to the amount of \$486 were incurred in 1995. Based on the assumption that 210 lots could be obtained from this area, \$14.76 was allocated as cost per lot sold. During 1995, new real estate was added to the cemetery at a cost, including staking and survey costs, of \$6,500. Based on the assumption that 182 lots could be obtained from this area, \$35.74 was allocated as cost per lot sold.

FINANCIAL STATEMENTS OF INDIVIDUAL
FUNDS AND ACCOUNT GROUPS

GENERAL FUND

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

CITY OF SPRINGHILL, LOUISIANA

General Fund - Comparative Balance Sheet
June 30, 1997 and 1996

ASSETS

| | <u>1997</u> | <u>1996</u> |
|-------------------------------|----------------|----------------|
| Cash: | | |
| General Fund | 603,713 | 421,041 |
| Payroll | | |
| State revenue | | |
| Oil and gas production | | |
| Total cash | <u>603,713</u> | <u>421,041</u> |
| Investments, at cost | <u>112,880</u> | <u>80,880</u> |
| Receivables: | | |
| Accrued interest | 796 | 785 |
| Due from other funds | 65,043 | 149,813 |
| All other accounts receivable | 46 | |
| Government | 24,800 | |
| Other | <u>238</u> | |
| Total receivables | <u>90,913</u> | <u>150,399</u> |
| Gas and oil inventory | <u>9,678</u> | <u>1,778</u> |
| Total assets | <u>717,000</u> | <u>654,000</u> |

LIABILITIES AND FUND BALANCE

| | | |
|---|----------------|----------------|
| Current liabilities: | | |
| Accounts payable - general creditors | 41,851 | 49,371 |
| Due to other governments | 34,743 | 23,981 |
| Accrued expenses | <u>12,765</u> | <u>18,475</u> |
| Total liabilities | <u>89,359</u> | <u>91,827</u> |
| Fund balances: | | |
| Reserved for inventory | | |
| Unreserved | <u>211,800</u> | <u>578,322</u> |
| Total fund balance | <u>211,800</u> | <u>578,322</u> |
| Total liabilities and fund balance | <u>299,159</u> | <u>670,149</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

General Fund - Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP BASIS) and Actual

Year Ended June 30, 1997

With Comparative Actual Amounts for Year Ended June 30, 1996

| | 1997 | | Variance Favorable (Unfavorable) | 1996 Actual |
|---------------------------------|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Revenues: | | | | |
| Ad valorem taxes | 118,547 | 119,128 | 581 | 118,367 |
| Airport gasoline revenue | 13,500 | 18,179 | 4,679 | 16,568 |
| Fees tax | 14,000 | 14,483 | 483 | 15,129 |
| Beer license | 1,635 | 1,635 | | 1,635 |
| Civil Cases bond | 8,000 | 10,500 | 2,500 | 8,500 |
| Fines and forfeitures | 40,000 | 48,203 | 8,203 | 52,248 |
| Franchise tax | 103,000 | 143,908 | 40,908 | 109,522 |
| Garbage collection - net | 238,900 | 18,875 | (217,025) | 4,891 |
| Governmental activities: | | | | |
| Federal awards | 889,344 | 1,008,880 | 119,536 | 1,489 |
| State awards | 432,025 | 432,076 | 51 | 841,871 |
| Other government awards | 37,868 | 37,364 | (504) | 4,312 |
| Interest income | 7,000 | 10,433 | 3,433 | 10,633 |
| Miscellaneous income | 8,758 | 11,680 | 2,922 | 7,495 |
| Motor vehicle fee | 14,700 | 13,544 | (1,156) | 14,324 |
| Police department funds | | 13,995 | 13,995 | 17,283 |
| Occupational licenses | 150,000 | 131,240 | (18,760) | 164,499 |
| Oil and gas royalties | 28,000 | 31,179 | 3,179 | 35,696 |
| Other grants and contributions | | 3,155 | 3,155 | 1,898 |
| Fees and impositions | 5,000 | 6,540 | 1,540 | 6,210 |
| Excavation department revenues | 8,536 | 13,158 | 4,622 | 13,969 |
| State revenue - miscellaneous | 1,700 | 1,622 | (78) | 1,700 |
| Tax penalties and interest | 700 | 628 | (72) | 900 |
| Telephone fee | 28,000 | 28,790 | (790) | 28,790 |
| Value added revenue | 87,800 | 87,800 | 0 | 92,082 |
| Total revenues | 2,372,692 | 2,752,248 | 379,556 | 2,315,737 |
| Expenditures: | | | | |
| General government | 327,192 | 314,488 | 12,704 | 321,488 |
| Public safety | 581,750 | 488,286 | 92,464 | 463,258 |
| Recreation | 91,300 | 80,776 | (10,524) | 75,780 |
| Streets and airport | 386,830 | 282,381 | 104,449 | 272,924 |
| Waste cost | 65,050 | 64,231 | 819 | 64,899 |
| Transportation | 79,308 | 18,549 | 60,759 | 57,640 |
| Maintenance garage | 75,905 | 78,451 | (2,546) | 81,422 |
| Capital outlay | 1,408,082 | 1,800,245 | (392,163) | 881,821 |
| Total expenditures | 2,756,512 | 2,289,865 | 466,647 | 2,281,181 |

(Continued)

CITY OF SPRINGHILL, LOUISIANA

General Fund - Statement of Revenues, Expenditures and
Changes in Fund Balance - Budget (GAAP BASED) and Actual
Year Ended June 30, 1997
With Comparative Actual Amounts for Year Ended June 30, 1996

| | 1997 | | Variance Percentage | 1996 Actual |
|--|-----------|-------------|------------------------|----------------|
| | Budget | Actual | | |
| Excess (deficiency) of revenues over (under) expenditures | (124,160) | (1,805,658) | (145.5%) | (698,264) |
| Other financing sources (uses) | | | | |
| Operating transfers in: | | | | |
| Transfers from Sales Tax Fund | 573,000 | 1,159,000 | 202.3% | 1,182,000 |
| Total operating transfers in | 573,000 | 1,159,000 | 202.3% | 1,182,000 |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 248,840 | 152,228 | 61.2% | 173,844 |
| Fund balance, beginning | 578,871 | 578,872 | | 498,846 |
| Revised equity transfers | | | | 21,182 |
| Fund balance, ending | 827,711 | 731,128 | 88.3% | 718,872 |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

General Fund - Statement of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1991
 With Comparative Actual Amounts for
 Year Ended June 30, 1990

| | 1991 | | Variance Favorable (Unfavorable) | 1990 Actual |
|---|----------------|----------------|--|----------------|
| | Budget | Actual | | |
| Administrative | | | | |
| Attorney and engineering fees | 1,000 | | 1,000 | (75) |
| Audit | 15,000 | 15,000 | | 15,000 |
| Drug testing | 3,000 | 2,412 | (112) | 2,000 |
| Fuel debt expense | | 180 | (180) | 40 |
| Books and subscriptions | 7,000 | 7,279 | 279 | 7,071 |
| Education expense | 31 | 31 | | |
| Equipment rental and repair | 6,900 | 6,650 | (250) | 6,701 |
| Health, and fee and veterans department | 2,251 | 2,259 | 212 | 2,520 |
| Insurance | 28,700 | 28,845 | 710 | 28,831 |
| Judicial and public building expense | 4,500 | 4,489 | 11 | 3,417 |
| Landfill and dumping fee | 3,700 | 3,500 | (200) | 5,700 |
| Meeting and convention expense | 18,000 | 17,223 | 777 | 8,600 |
| Miscellaneous | 8,400 | 8,430 | 2,000 | 6,701 |
| Municipal building expense | 5,000 | 4,203 | 440 | 6,050 |
| Payroll taxes | 12,500 | 8,540 | 3,952 | 12,800 |
| Printing and publications | 4,000 | 2,278 | 1,622 | 1,000 |
| Reirement administration fees | 32,000 | 28,170 | 3,844 | 32,000 |
| Salaries | 150,500 | 158,403 | 87 | 158,700 |
| Stationery and supplies | 5,000 | 5,761 | (761) | 15,240 |
| Tax account | 3,600 | 3,600 | | 3,000 |
| Utilities | 34,000 | 28,820 | 820 | 27,511 |
| Total administrative | <u>377,150</u> | <u>316,448</u> | <u>12,702</u> | <u>321,490</u> |
| Fire and police | | | | |
| Auto | 20,000 | 18,000 | 1,400 | 20,000 |
| Civil defense | 1,200 | 1,080 | 10 | 1,100 |
| Dog catcher supplies | 2,000 | 2,211 | (211) | 1,000 |
| Books and subscriptions | 50 | 100 | (100) | 100 |
| Insurance | 81,000 | 81,300 | (1,000) | 75,270 |
| Materials and supplies | 18,000 | 1,871 | 8,000 | 7,500 |
| Miscellaneous | 10,000 | 8,332 | 2,000 | 2,000 |
| Payroll taxes | 25,000 | 23,885 | (300) | 22,601 |
| Police investigations and DEA expense | 5,000 | 6,000 | (1,500) | 5,600 |
| Police salaries and equipment repair | 3,500 | 3,201 | 70 | 5,100 |
| Reirement administration fees | 20,000 | 21,807 | 33 | 15,000 |
| Salaries | 200,000 | 201,270 | (6,070) | 208,170 |
| Training expense | 2,500 | 4,202 | (2,000) | 3,100 |
| Uniforms | 7,000 | 8,789 | 201 | 6,070 |
| Utilities | 15,000 | 13,100 | 1,000 | 15,270 |
| Total fire and police | <u>602,750</u> | <u>498,296</u> | <u>4,654</u> | <u>580,710</u> |

(Continued)

CITY OF SPRINGHILL, LOUISIANA

General Fund - Statement of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1997
 With Comparative Actual Amounts for
 Year Ended June 30, 1996

| | 1997 | | Variance Favorable (Unfavorable) | Per Actual |
|---------------------------------------|---------|---------|--|---------------|
| | Budget | Actual | | |
| Recreation: | | | | |
| Auto, truck and motor | 200 | 307 | (107) | 77 |
| Insurance | 7,000 | 8,000 | 1,000 | 5,200 |
| Materials and supplies | 6,000 | 7,340 | (1,340) | 5,900 |
| Miscellaneous | 500 | 352 | 148 | |
| Payroll taxes | 2,000 | 2,254 | (254) | 1,777 |
| Repairs, building and grounds | 18,500 | 18,654 | (154) | 9,247 |
| Salaries | 29,000 | 31,814 | (2,814) | 28,050 |
| Utilities | 28,000 | 26,241 | 1,759 | 26,589 |
| Total recreation | 81,200 | 83,326 | (2,126) | 75,707 |
| Streets and airports: | | | | |
| Airport expenses, including fuel cost | 31,700 | 29,852 | 1,848 | 28,500 |
| Auto, truck and motor | 24,000 | 24,157 | (157) | 18,177 |
| Insurance | 40,000 | 38,327 | 1,673 | 37,400 |
| Materials and supplies | 80,000 | 80,317 | (317) | 22,237 |
| Miscellaneous | 2,000 | 2,094 | (94) | 1,000 |
| Payroll taxes | 7,000 | 6,750 | 250 | 6,000 |
| Salaries | 60,000 | 61,984 | 1,984 | 79,279 |
| Street and traffic lights | 69,000 | 69,728 | (728) | 69,417 |
| Utilities, airport | 8,000 | 8,300 | (300) | 8,217 |
| Total streets and airport | 302,600 | 292,362 | 10,238 | 272,507 |
| Ward court: | | | | |
| Fees and other expenses | 2,150 | 2,115 | 35 | 2,115 |
| Insurance | 11,000 | 11,266 | (266) | 11,200 |
| Judge retirement | 3,000 | 3,248 | (248) | 3,248 |
| Journal of floor | | | | 2,400 |
| Payroll taxes | 3,000 | 3,000 | 000 | 2,885 |
| Salaries | 41,000 | 42,848 | (1,848) | 41,325 |
| Utilities | 1,700 | 1,652 | 48 | 1,700 |
| Total ward court | 65,850 | 64,231 | 1,619 | 64,825 |
| Transportation: | | | | |
| Insurance | 4,000 | 4,000 | 000 | 3,700 |
| Miscellaneous | | 80 | (80) | |
| Payroll taxes | 1,000 | 971 | 29 | 807 |
| Salaries | 12,000 | 12,772 | (772) | 11,660 |
| Van expenses | 1,500 | 1,242 | 258 | 1,200 |
| Total transportation | 19,500 | 19,345 | 155 | 17,647 |

(Continued)

CITY OF SPRINGHILL, LOUISIANA

General Fund - Statement of Expenditures Compared to Budget (GAAP Basis)
 Year Ended June 30, 1997
 With Comparative Actual Amounts for
 Year Ended June 30, 1996

| | 1997 | | Variance Favorable (Unfavorable) | 1996 Actual |
|---------------------------------|------------------|------------------|--|------------------|
| | Budget | Actual | | |
| Maintenance garage | | | | |
| Inventory | 18,548 | 9,848 | 900 | 12,527 |
| Materials and supplies | 11,880 | 11,265 | (615) | 12,754 |
| Miscellaneous | 3,500 | 3,500 | (1,874) | 70 |
| Payroll taxes | 3,087 | 3,004 | 83 | 3,881 |
| Salaries | 38,750 | 41,270 | (1,520) | 42,197 |
| Traffic expense | 3,800 | 3,704 | 96 | 5,110 |
| Utilities | 4,380 | 3,704 | 676 | 3,589 |
| Total maintenance garage | 78,845 | 79,695 | (850) | 82,027 |
| Capital outlays | | | | |
| General government | | | | 21,179 |
| Parks and recreation | | 35,804 | (39,838) | (3,934) |
| Parks | | 22,087 | (21,087) | 20,000 |
| Storm and drainage | | 654,137 | (654,137) | 858,504 |
| Airport | 1,408,083 | 1,184,873 | 223,210 | 2,059 |
| Total capital outlays | 1,408,083 | 1,896,901 | (488,127) | 903,676 |
| Total expenditures | 2,196,928 | 2,676,596 | (479,668) | 1,985,703 |

The accompanying notes are an integral part of the financial statements.

SPECIAL REVENUE FUND

Sales Tax Fund - To account for the receipt and use of the proceeds of the City's 1% sales and use tax. These taxes are dedicated to constructing, acquiring, extending, improving, operating, and maintaining streets and sewerage disposal works, waterworks, garbage collection and waste disposal facilities, fire department stations and related facilities, public parks and recreational facilities and streets, alleys, sidewalks and bridges; purchasing and acquiring the necessary land, equipment and furnishings for the abovesaid public works building improvements and facilities, title to which improvements shall be in the public; and for the payment of salaries of non-elected municipal employees; or for any one or more of said purposes; and such tax to be subject to funding time bonds by the City in the manner authorized by Sub-Part D, Part 1, Chapter 6, Title 23 of the Louisiana Revised Statutes of 1990 (R.S. 2711, et. seq.)

To account for the receipt and use of the proceeds of the City's 1/2 percent sales and use tax. The proceeds of the 1/2 percent sales tax are dedicated to constructing, acquiring, extending, improving, operating and maintaining fire department stations and related facilities, police department stations and related facilities and public parks and recreational facilities; purchasing and acquiring the necessary land, equipment and furnishings for the abovesaid buildings, improvements and facilities; and for the payment of salaries of non-elected municipal employees of the above departments; or for any one or more of the above said purposes.

To account for the receipt and use of the proceeds of the City's 1% sales and use tax. These taxes are dedicated to constructing, acquiring, extending, improving, operating and maintaining streets and sewer disposal works, water works, and waste disposal facilities. Such tax to be subject to funding time bonds by the City in the manner authorized by the Louisiana revised statutes of 1990.

Louisiana Community Development Block Grant(LCDBG) - To account for the receipt and use of a Grant in the total amount of \$807,370.00 per contract dated September 23, 1994. These funds are to be expended over a three year period to rehabilitate qualifying low income houses in the City.

CITY OF SPRINGHILL, LOUISIANA

Special Revenue Fund - Combining Balance Sheet
June 30, 2007 and 1996

| | 2007 | 1996 |
|--|------------------|------------------|
| ASSETS | | |
| | 2007 | 1996 |
| Current assets - unrestricted: | | |
| Cash | 923,904 | 665,046 |
| Accounts receivable - government | 18,351 | 18,351 |
| Accounts receivable - sales tax | 12,487 | 12,487 |
| Total current assets - unrestricted | 954,742 | 695,884 |
| Current assets - restricted: | | |
| Cash | 2,540,687 | 2,861,248 |
| Total current assets - restricted | 2,540,687 | 2,861,248 |
| Due from other funds | 200,806 | 200,806 |
| Total assets | 3,696,235 | 3,958,138 |
| | | |
| Liabilities and Fund Equity | | |
| Accounts payable | 18,351 | 18,351 |
| Fund balances: | | |
| Unreserved | 1,000,781 | 956,956 |
| Reserved for debt service | 2,072,879 | 1,938,648 |
| Reserved for police, fire, and recreation | 496,588 | 300,511 |
| Total liabilities and fund equity | 3,696,235 | 3,958,138 |

The accompanying notes are an integral part of the financial statements.

DEBT SERVICE FUNDS

General Obligation Bonds-1892 - To accumulate monies for the payment of \$2,300,000 of general obligation bonds, which are serial bonds due in annual installments, plus interest, through maturity in 2012. Debt service is financed by the levy of a specific ad valorem tax.

CITY OF SPRINGHILL, LOUISIANA

Debt Service Funds - Continuing Balance Sheet
June 30, 1997

With Comparative Totals for June 30, 1996

| | | 1997 | 1996 | |
|---|--|------------------------|----------------|----------------|
| | | General Obligations | Totals | |
| | | Bonds | 1997 | 1996 |
| ASSETS | | | | |
| Cash | | 185,892 | 188,092 | 126,444 |
| Certificates of deposit | | | | |
| Accrued interest receivable | | | | |
| Total assets | | <u>185,892</u> | <u>188,092</u> | <u>126,444</u> |
| LIABILITIES AND FUND BALANCE | | | | |
| Liabilities: | | | | |
| Due to general fund | | 318 | 318 | 1,212 |
| Total liabilities | | <u>318</u> | <u>318</u> | <u>1,212</u> |
| Fund balance: | | | | |
| Unreserved | | | | |
| Reserved for debt service | | 185,574 | 187,774 | 125,232 |
| Total fund balance | | <u>185,574</u> | <u>187,774</u> | <u>125,232</u> |
| Total liabilities and fund balance | | <u>185,892</u> | <u>188,092</u> | <u>126,444</u> |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Water Service Funds - Combining Statement of Revenues,
Expenditures and Changes in Fund Balances
Budget (GAAP Basis) and Actual - General and Special Revenue Fund Types
Year Ended June 30, 1997
With Comparative Totals for Year Ended June 30, 1996

| | 1997 | | | 1996 Actual |
|--|----------------|----------------|--|----------------|
| | Budget | Actual | Variance Favorable (Unfavorable) | |
| Revenues | | | | |
| Ad valorem taxes | 218,000 | 217,963 | (37) | 217,618 |
| Interest income | 2,000 | 2,960 | 960 | 2,990 |
| Total revenues | <u>220,000</u> | <u>220,923</u> | <u>(1,077)</u> | <u>220,608</u> |
| Expenditures | | | | |
| Bonds paid | 76,000 | 76,000 | | 66,000 |
| Interest paid | 118,000 | 118,653 | 653 | 136,708 |
| Flying squirrel fees | 1,340 | 1,340 | | 508 |
| Ind debt | | 328 | 328 | 1,907 |
| Total expenditures | <u>195,640</u> | <u>196,321</u> | <u>(319)</u> | <u>185,123</u> |
| Excess (deficiency) of revenues over expenditures | 24,360 | 24,602 | 242 | 35,485 |
| Fund balances, beginning | 138,636 | 138,636 | | 138,636 |
| Residual equity transfer | | | | 127,162 |
| Fund balances, ending | <u>163,036</u> | <u>163,238</u> | <u>202</u> | <u>265,798</u> |

The accompanying notes are an integral part of the financial statements.

ENTERPRISE FUNDS

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

Cemetery Fund - To account for the provision of a perpetual care publicly-owned cemetery. All activities necessary to provide service 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 SPRINGHILL, LOUISIANA

Combining Balance Sheet - All Proprietary Fund Types
 June 30, 1997
 With Comparative Totals for June 30, 1996

| ASSETS | Utility | Cemetery | Totals | |
|--|------------------|---------------|------------------|------------------|
| | Fund | Fund | 1997 | 1996 |
| Current assets - unrestricted: | | | | |
| Cash | 80,645 | 54,247 | 134,892 | 189,280 |
| Money market account | 38,180 | | 38,180 | 37,204 |
| Investments, at cost | 112,000 | 11,080 | 123,080 | 131,800 |
| Receivables: | | | | |
| Accounts receivable (trade) | 90,600 | 1,272 | 91,872 | 87,821 |
| Accounts receivable - other | | | | |
| Government | | | | 282,810 |
| Accrued interest | 1,366 | 21 | 1,387 | 1,330 |
| Investments, at cost | | 2,304 | 2,304 | 6,600 |
| Current assets - unrestricted | 312,891 | 71,824 | 384,715 | 711,278 |
| Current assets - restricted: | | | | |
| Cash | 871,936 | 26,738 | 898,674 | 892,111 |
| Investments | 28,080 | | 28,080 | 30,000 |
| Accrued interest receivable | 116 | | 116 | 117 |
| Current assets - restricted | 899,932 | 26,738 | 926,670 | 922,228 |
| Total current assets | 1,212,823 | 98,562 | 1,311,393 | 1,633,506 |
| Property, plant and equipment: | | | | |
| Improvements other than | | | | |
| Buildings | | 27,142 | 27,142 | 32,142 |
| Equipment | | 6,948 | 6,948 | 6,948 |
| Utility, plant, and equipment | 8,198,898 | | 8,198,898 | 7,218,804 |
| Accumulated depreciation and amortization | (1,788,540) | (61,534) | (1,850,074) | (1,682,175) |
| Total property, plant and equipment | 6,410,358 | 7,556 | 6,417,914 | 5,675,719 |
| Total assets | 2,122,181 | 86,118 | 2,208,299 | 2,309,225 |

| LIABILITIES AND FUND | State | County | Totals | |
|---|------------------|---------------|------------------|------------------|
| | Fund | Fund | 2007 | 2006 |
| Current liabilities - payable from unrestricted assets: | | | | |
| Accounts payable | 178,503 | 1,798 | 180,301 | 402,703 |
| Prepaid assessments | | 87 | 87 | |
| Sales tax payable | 1,004 | | 1,004 | 967 |
| Due to General Fund | 38,000 | | 38,000 | 18,903 |
| Due to Sales Tax Fund | | | | 220,826 |
| Total current liabilities - payable from unrestricted assets | 217,507 | 1,785 | 219,292 | 703,419 |
| Current liabilities - payable from restricted assets: | | | | |
| Accrued interest payable | 43,305 | | 43,305 | 27,388 |
| Minor deposits | 70,388 | | 70,388 | 80,738 |
| Total current liabilities - payable from restricted assets | 113,693 | | 113,693 | 108,126 |
| Long-term debt: | | | | |
| Bond payable - Series 1995 | 4,279,658 | | 4,279,658 | 3,312,670 |
| Total long-term debt | 4,279,658 | | 4,279,658 | 3,312,670 |
| Total liabilities | 4,307,858 | 1,785 | 4,309,643 | 6,118,215 |
| Fund equity: | | | | |
| Contributed capital | 448,978 | 38,509 | 487,487 | 876,448 |
| Realized earnings (deficit): | | | | |
| Unreserved | 2,444,646 | 33,432 | 2,478,078 | 2,492,078 |
| Reserved for perpetual care | | 1,028 | 1,028 | 580 |
| Total fund equity | 3,093,622 | 72,969 | 3,166,591 | 3,379,086 |
| Total liabilities and fund equity | 7,312,180 | 94,754 | 7,406,934 | 7,136,121 |

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Combining Statement of Revenues, Expenses,
and Changes in Retained Earnings - All Proprietary Fund Types
June 30, 1997
With Comparative Totals for June 30, 1996

| | Utility | Cemetery | Totals | |
|---|------------------|---------------|------------------|------------------|
| | Fund | Fund | 1997 | 1996 |
| Operating revenues: | | | | |
| Charges for service | 444,087 | | 444,087 | 305,154 |
| Sales - cemetery lots | | 8,988 | 8,988 | 10,150 |
| Assessments | | 15,136 | 15,136 | 15,540 |
| Miscellaneous | 8,877 | | 8,877 | |
| Reversals of bad debts | | 91 | 91 | 50 |
| Total operating revenues | 472,534 | 24,377 | 497,911 | 530,724 |
| Cost of lots sold | | (1,724) | (1,724) | (2,822) |
| Gross profit | 472,534 | 21,981 | 493,227 | 528,126 |
| Operating expenses: | | | | |
| General and administrative expenses | 40,881 | 16,475 | 57,356 | 32,114 |
| Water department expense | 301,214 | | 301,214 | 301,587 |
| Sewer department expense | 189,147 | | 189,147 | 83,553 |
| Depreciation and amortization | 120,819 | 348 | 121,167 | 77,575 |
| Total operating expenses | 652,061 | 17,323 | 669,384 | 594,829 |
| Income (loss) from operations | (159,563) | 3,657 | (155,906) | 24,889 |
| Non-operating revenues (expenses): | | | | |
| Interest income | 15,513 | 1,683 | 17,196 | 15,285 |
| Miscellaneous | | | | 6,434 |
| Income and fiscal charges - bonds | (81,278) | | (81,278) | (211) |
| Total non-operating revenues | (65,765) | 1,683 | (64,082) | 15,812 |
| Operating transfers: | | | | |
| Operating transfers in | 303,511 | | 303,511 | 658,129 |
| Total operating transfers | 303,511 | | 303,511 | 658,129 |
| Net income (Loss) | (11,818) | 6,340 | (11,477) | 708,101 |
| Retained earnings (deficit), beginning | 2,543,731 | 27,839 | 2,597,581 | 1,895,440 |
| Prior period adjustment | | | | |
| Retained earnings, ending | 2,544,821 | 34,179 | 2,579,124 | 2,603,541 |

CITY OF SPRINGHILL, LOUISIANA

Combining Statement of Cash Flows - All Proprietary Fund Types

June 30, 1997

With Comparative Totals for June 30, 1996

| | Utility Fund | Cemetery Fund | Totals | |
|---|-----------------|------------------|-------------|-------------|
| | 1997 | 1996 | 1997 | 1996 |
| Cash flows from operating activities: | | | | |
| Net income (loss) from operations | 1,029,588 | 5,628 | 1,035,216 | 29,816 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | | | |
| Depreciation | 150,049 | 548 | 150,597 | 73,314 |
| Increase (decrease) in: | | | | |
| Accounts receivable - trade - net | 4,860 | 723 | 5,583 | 3,796 |
| Accounts receivable - other governments | 285,810 | | 285,810 | (185,331) |
| Inventories | | 1,274 | 1,274 | 2,561 |
| Accrued interest receivable | (38) | - | (38) | (159) |
| Increase (decrease) in: | | | | |
| Accounts payable | (279,879) | 87 | (279,802) | (10,156) |
| Sales tax payable | 37 | | 37 | - |
| Bond interest payable | 31,858 | | 31,858 | 22,581 |
| Due to other funds | (230,836) | | (230,836) | 89,119 |
| Minor deposits | 4,780 | | 4,780 | 6,717 |
| Total adjustments | (31,211) | 2,432 | (28,779) | (199,021) |
| Net cash provided by operating activities | 1,098,297 | 8,060 | 1,106,357 | 1,095,174 |
| Cash flows from noncapital financing activities: | | | | |
| Miscellaneous income | | | | 6,451 |
| Net cash provided by noncapital financing activities | | | | 6,451 |
| Cash flows from capital and related financing activities: | | | | |
| Purchase of fixed assets | (1,028,898) | | (1,028,898) | (1,511,114) |
| Bond Proceeds | 1,299,535 | | 1,299,535 | 1,349,317 |
| Payments of bond issuance costs | (11,680) | | (11,680) | (31,661) |
| Transfer from Sales Tax Fund | 289,511 | | 289,511 | 858,146 |
| Contributed capital - perpetual rate | | 1,800 | 1,800 | 5,901 |
| Bonds refunded | (188,088) | | (188,088) | |
| Interest paid | (88,221) | | (88,221) | (74,114) |
| Net cash used by capital and related financing activities | 149,261 | 1,800 | 151,061 | 1,660,907 |
| Cash flows from investing activities: | | | | |
| Interest earned | 26,311 | 1,815 | 28,126 | 19,305 |
| Net cash provided by investing activities | 26,311 | 1,815 | 28,126 | 19,305 |
| Net increase (decrease) in cash | (25,622) | 10,865 | (14,757) | 811,374 |
| Cash and cash equivalents at beginning of the year (including \$900,310 in restricted accounts) | 1,158,287 | 24,511 | 1,252,898 | 369,361 |
| Cash and cash equivalents at end of the year (including \$912,864 in restricted accounts) | 1,132,665 | 35,376 | 1,218,041 | 1,171,895 |

The accompanying notes are an integral part of the financial statements.

GENERAL FIXED ASSETS

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

CITY OF SPRINGHILL, LOUISIANA

**Statement of General Fixed Assets
June 30, 1991 and 1990**

| | <u>1991</u> | <u>1990</u> |
|--|-------------------------|-------------------------|
| General Fixed assets: | | |
| Land | 117,600 | 117,600 |
| Buildings | 1,473,712 | 1,473,712 |
| Improvements other than buildings | 3,438,908 | 3,218,644 |
| Equipment | <u>1,833,680</u> | <u>1,833,910</u> |
| Total general fixed assets: | <u><u>6,863,900</u></u> | <u><u>6,643,866</u></u> |
| Investments in general fixed assets: | | |
| Property acquired - source of funds unknown* | 786,264 | 786,264 |
| Bond issue of 1939 | 173,893 | 173,893 |
| Bond issue of 1961 | 70,536 | 70,536 |
| Bond issue of 1965 | 500,000 | 500,000 |
| Bond issue of 1992 | 1,598,438 | 1,598,438 |
| General Fund revenues | 2,202,596 | 1,503,263 |
| Federal Revenue Sharing Fund | 613,162 | 613,162 |
| Sales Tax Fund | 329,866 | 303,778 |
| Utility Fund | 3,133 | 3,179 |
| Federal Grants | 303,879 | 444,815 |
| State Grants | 1,123,164 | 348,008 |
| Contributions M. Webster Ind. Park | 78,672 | 78,672 |
| Contributions Anthony Bryan Inc. | <u>3,508</u> | <u>3,500</u> |
| Total investment in general fixed assets: | <u><u>8,312,962</u></u> | <u><u>8,423,995</u></u> |

* The source of funds for property acquired prior to 1958 cannot be determined.

The accompanying notes are an integral part of the financial statements.

CITY OF SPRINGHILL, LOUISIANA

Statement of Changes in General Fixed Assets
For the Years Ended
June 30, 1997 and 1998

| | Land | Buildings | Improvements Other than Buildings | Equipment | Total |
|--|---------|-----------|---|-----------|-----------|
| General fixed assets, beginning of year | 117,687 | 1,673,112 | 1,573,453 | 1,270,301 | 4,634,553 |
| Additions: | | | | | |
| General fixed revenues | | | 100,590 | 16,260 | 211,850 |
| Federal grants | | | 72,147 | 251 | 72,398 |
| Sales price | | | 160,125 | | 160,125 |
| Contributions M. Webster Memorial Park | | | 50,000 | | 50,000 |
| Sales tax revenue | | | | 22,182 | 22,182 |
| Total additions | | | 1,483,052 | 38,733 | 1,864,587 |
| Retirements: | | | | | |
| General fixed revenues | | | | | |
| Total retirements | | | | | |
| General fixed assets, end of year | 117,687 | 1,673,112 | 3,048,402 | 1,609,034 | 6,448,235 |

This statement may vary slightly in amount from the financial statements.

GENERAL LONG-TERM DEBT

To account for unamortized principal amounts of general long-term debt expected to be financed from governmental type funds. Payments of maturing obligations, including interest, are accounted for in the debt service fund.

CITY OF SPRINGHILL, LOUISIANA

**Statement of General Long-Term Debt
June 30, 1997**

| | 1997 General Obligation Bonds |
|--|--|
| Amount available in Debt Service Funds for debt retirement | 110,716 |
| Amount to be provided from all other resources | <u>1,738,284</u> |
| Total available and to be provided | <u>1,849,000</u> |
| General long-term obligations payable: | |
| Bonds payable | <u>1,800,000</u> |
| Total general long-term debt payable | <u>1,800,000</u> |

The accompanying notes are an integral part of the financial statements.

SUPPLEMENTARY INFORMATION

CITY OF SPRINGHILL, LOUISIANA

Combined Schedule of Investments - All Funds
All Funds as of June 30, 2007

| | <u>Interest Rate</u> | <u>Maturity Date</u> | <u>Book Value</u> |
|---|--------------------------|--------------------------|-----------------------|
| General Fund | | | |
| Certificate of deposit - Springhill Bank and Trust | 4.25% | 07/18/07 | 18,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.25% | 07/18/07 | 18,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.25% | 07/18/07 | 18,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.50% | 12/11/07 | 28,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.50% | 12/11/07 | 28,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.50% | 12/11/07 | 28,000 |
| Certificate of deposit - Springhill Bank and Trust - Insullitory Account | 5.00% | 06/17/07 | 25,000 |
| Total General Fund | | | <u>112,000</u> |
| Utility Fund | | | |
| Unsecured | | | |
| Certificate of deposit - Springhill Bank & Trust | 4.25% | 08/25/07 | 28,000 |
| Certificate of deposit - Springhill Bank & Trust | 4.25% | 08/25/07 | 28,000 |
| Certificate of deposit - Citicorp Bank and Trust | 4.50% | 08/18/07 | 28,000 |
| Certificate of deposit - Citicorp Bank and Trust | 4.50% | 08/17/07 | 32,000 |
| Total unsecured | | | <u>112,000</u> |
| Secured | | | |
| Certificate of deposit - Springhill Bank and Trust | 4.50% | 11/12/07 | 28,000 |
| Total Utility Fund | | | <u>140,000</u> |
| Country Fund | | | |
| Certificate of deposit - Springhill Bank and Trust | 4.25% | 08/14/07 | 1,000 |
| Certificate of deposit - Springhill Bank and Trust | 4.50% | 10/28/07 | 10,000 |
| Total Country Fund | | | <u>11,000</u> |
| Total Investments - All Funds | | | <u>263,000</u> |

CITY OF SPRINGHILL, LOUISIANA

Combined Schedule of Bonds Payable - All Funds

June 30, 1997

| | Maturity | | Face Amount | Annual Serial Payments | Final Maturity Date | Bonds | | |
|----------------------------------|------------|---------|----------------|------------------------------|---------------------------|-----------|-----------|-------------|
| | Date | Amount | | | | Issued | Retired | Outstanding |
| 1992 General Obligation Bonds | 05 to 11-9 | \$1,914 | \$895,183 | None | 05/05/12 | 2,200,000 | 76,000 | 1,895,000 |
| 1993 Sales Tax Bonds | 1-97B | \$1,911 | \$622,993 | None | 05/05/15 | 4,625,155 | 186,000 | 4,439,155 |
| Less: Unamortized Bond Cost | | | | | | | | 155,200 |
| | | | | | | 7,000,000 | 4,425,155 | 2,500,000 |
| | | | | | | | | 4,579,450 |
| | | | | | | | | 4,264,450 |

CITY OF SPRINGHILL, LOUISIANA

Utility Fund - Statement of Operating Expenses for the
Years Ended June 30, 1997 and 1996

| | Water Department | | Sewer Department | | Administration | |
|--|------------------|---------|------------------|--------|----------------|--------|
| | 1997 | 1996 | 1997 | 1996 | 1997 | 1996 |
| Auto and truck expense | 18,887 | 12,897 | | | | |
| Bond fund charges | | | | 132 | | |
| Insurance | 21,668 | 17,241 | 8,791 | 8,791 | 31,782 | 28,128 |
| Louisiana water fees | 3,904 | 3,960 | | | | |
| Miscellaneous | 503 | 837 | 8,688 | 2,118 | 6,687 | 6,688 |
| Payroll taxes | 12,493 | 11,298 | | | 2,548 | 2,695 |
| Training | | | | | | |
| Radio expense | | 223 | | | | |
| Repairs and maintenance - buildings and equipment | | | | 158 | | |
| Salaries | 146,738 | 147,348 | | | | |
| Sewer fee expense | | | 11,784 | 1,482 | | |
| Stationery and supplies | | | | | 8,092 | 9,771 |
| Supplies and materials | 43,000 | 52,344 | 24,874 | 22,811 | | |
| Utilities | 54,817 | 68,839 | 44,283 | 17,580 | | |
| Wastewater Treatment Plant expense | | | 2,148 | | | |
| Water and sewer analysis and engineering fees | | | 8,971 | 8,280 | | |
| Water and expense | 9,851 | 4,438 | | | | |
| Water test and tank, repairs and services | | | | | | |
| Totals | 337,373 | 311,382 | 92,120 | 32,822 | 42,462 | 46,582 |

CITY OF SPRINGHILL, LOUISIANA

Schedule of Mayor's and Aldermen's
Compensation and Reimbursed Expenses
For the Year Ended June 30, 1997

| | <u>Compensation</u> | <u>Expenses</u> | <u>Total</u> |
|-------------------|---------------------|-----------------|---------------|
| Mayor Harington | 23,708 | 3,366 | 27,074 |
| Alderman Baker | 4,800 | | 4,800 |
| Alderman Baskhead | 4,800 | 1,356 | 6,156 |
| Alderman Brown | 4,800 | 634 | 5,434 |
| Alderman Hillman | 4,800 | | 4,800 |
| Alderman McMillan | 4,800 | 1,384 | 6,184 |
| Total | <u>53,708</u> | <u>6,740</u> | <u>60,448</u> |

The accompanying notes are an integral part of the financial statements.

OTHER REPORTS

Jim H. Stevens, Jr. & Company, L.L.P.

Certified Public Accountants

308 E. Church Street
Springhill, Louisiana 71302

Jim H. Stevens, Jr., C.P.A.

Bill W. Smith, CPA

Dwight L. Pugh, CPA

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

The Honorable Johnny Floerington, Mayor
and Board of Aldermen
City of Springhill
Springhill, Louisiana

We have audited the general purpose financial statements and the combining, individual fund, and account group financial statements of the City of Springhill, Louisiana as of and for the year ended June 30, 1997, and have issued our report thereon dated October 3, 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 of Springhill, Louisiana'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 these provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings and questioned costs as item 97-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Springhill, Louisiana'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. However, we noted a certain matter involving the internal control over financial reporting, and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the City of Springhill, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 97-1.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe none of the reportable conditions described above is a material weakness.

This report is intended for the information of the legislative auditors, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

John H. Adams & Company, L.L.P.
Certified Public Accountants

October 3, 1997

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Johnny Elmington, Mayor
and Board of Aldermen
City of Springhill
Springhill, Louisiana

Compliance

We have audited the compliance of the City of Springhill, Louisiana with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended June 30, 1997. The City of Springhill, Louisiana's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City of Springhill, Louisiana's management. Our responsibility is to express an opinion on the City of Springhill, Louisiana's compliance based on our audit.

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

In our opinion, the City of Springhill, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1997.

Internal Control Over Compliance

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

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

This report is intended for the information of the legislative auditor, management and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.


Certified Public Accountants

October 3, 1997

CITY OF SPRINGHILL, LOUISIANA

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1987

| Federal Grantor/Pass-Through Program Title | Federal CFDA Number | Pass-Through Grantee's Number | Program or Award Account | Beginning Balance at July 1, 1986 | Receipts or Revenue Recognized | Disburse- ments/ Expens- ed | Ending Balance at June 30, 1987 |
|---|---------------------------|-------------------------------------|--------------------------------|---|--------------------------------------|--------------------------------------|---------------------------------------|
| U.S. Department of Housing & Urban Development | | | | | | | |
| Community Development Block Grant (Small Cities) | 14-319 | 87A | 287,370 | | 154,568 | 154,568 | |
| Environmental Protection Agency | 66-418 | 87A | 4,880,000 | | 1,481,480 | 1,481,480 | |
| Department of Transportation | 20-106 | 87A | 952,373 | | 952,373 | 952,373 | |
| Department of the Military | | | | | | | |
| Office of Emergency Preparedness | (Miscellaneous) | 87A | 200,274 | | 200,274 | 200,274 | |
| Department of Justice | | | | | | | |
| Civil Trust Program | (Miscellaneous) | 87A | 54,867 | | 14,867 | 14,867 | |
| | | | | | <u>2,999,512</u> | <u>2,999,512</u> | |

CITY OF SPRINGHILL, LOUISIANA

Notes to Schedule of Federal Financial Assistance

June 30, 1997

- A. The accompanying Schedule of Federal Financial Assistance presents the activity of all the City of Springhill, Louisiana's federal awards programs. The City's reporting entity is defined in Note 1 to the financial statements.
- B. The Community Development Block Grant revenue is recorded in a Special Revenue Fund as intergovernmental revenue with the expenditures recorded in the appropriate department.

The Environmental Protection Agency program monies is recorded as a fund payable in the Water and Sewer Utility Enterprise fund. As disbursements are made the fund assets are capitalized.

CITY OF SPRINGHILL, LOUISIANA

Schedule of Findings and Questioned Costs June 30, 1997

Section I - Summary of Auditor's Results

Financial Statements

Type of Report Issued

Unqualified

Were all material errors corrected reporting:

Internal weaknesses identified?

No

Reportable conditions identified not considered to be material weaknesses?

Yes

97-11 The City is in violation of LSA-R.S. 48:1809 in its General Fund, Special Revenue Funds and Capital Project Fund. The budget was not amended for capital outlays in excess of original projections.

Federal Awards

Internal control over major programs

Internal weaknesses identified?

No

Reportable conditions identified not considered to be material weaknesses?

None reported

Type of auditor's report issued on compliance for major programs

Unqualified

Any audits (including disclosures that are required to be reported in accordance with Circular A-111, Section 101(a))

No

Identification of major programs:

CFDA Number

Division of Federal Programs

30-100

Department of Transportation

Unknown

Department of the Military - Office of Emergency Preparedness

60-101

Environmental Protection Agency

Dollar threshold used to distinguish between Type A and Type B programs

Nil/nil

Auditor qualified as a low-risk auditor

Yes

Section II - Financial Statement Findings

No matters were reported.

Section III - Federal Award Findings and Questioned Costs

No matters were reported.