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CITY OF SACRAMENTO, CALIFORNIA

FINANCIAL REPORT

OCTOBER 31, 1987

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

Release Date 11-22-98

Attest:
John A. Mansak
CITY CLERK
Cathy J. Buchanan
Donald J. "Don" Charis
David D. Moore
Daniel D. Walls, Jr.
M. Darrell Yost

CITY OF ZACHARY, LOUISIANA

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JAMES R. DOUGLAS, LTD.

PROFESSIONAL ACCOUNTING CORPORATION

2850 CENTENNIAL, SUITE
547 FARM ROAD, COLLEENVILLE, LOUISIANA
(504) 833-1244

INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members
of the City Council
City of Zachary, Louisiana

We have audited the accompanying general purpose financial statements of the City of Zachary, Louisiana, and the individual fund and account group financial statements of the City as of and for the year ended October 31, 1997, as listed in the accompanying 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.

We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards (1994 Revision), 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 audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Zachary, Louisiana as of October 31, 1997, and the results of its operations and the cash flows of its proprietary fund type for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the 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 Zachary, Louisiana, as October 31, 1997, and the results of operations of each fund and the cash flows of the individual proprietary fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued a report on our consideration of the City's internal control structure and a report on its compliance with laws and regulations, both dated January 23, 1998.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the individual fund and account group financial statements. The accompanying financial information listed in schedules in the table of contents is presented for purposes of analytical analysis and is not a required part of the financial statements of the City of Zachary, Louisiana. Such information is marked "unaudited", and we express no opinion on this information.

The financial information for the preceding year, which is included for comparative purposes, was taken from the financial report for that year in which we expressed an unqualified opinion on the general purpose, individual fund, and account group financial statements of the City of Zachary, Louisiana.

James R. Douglas, CPA
James R. Douglas, L.M.
Certified Public Accountant

January 13, 1998

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

COMBINED BALANCE SHEET - ALL FUND TYPES, ACCOUNT
GENERAL FUND COMPONENT FUNDS

October 31, 2017

ACCOUNT	Governmental Fund Types				Proprietary Fund Types		Account Groups		Totals (Governmental and Proprietary)	
	General Fund		Capital Projects Fund		Enterprise Fund		General Fund		Enterprise Fund	
	Balance	Change	Balance	Change	Balance	Change	Balance	Change	Balance	Change
Cash	343,315	\$ 1,966,113	\$ -	\$ -	\$ 377,428	\$ -	-	\$ -	\$ 1,966,603	\$ -
Receivables	862,117	-	-	-	445,188	-	-	-	294,322	-
Due from other funds	626,628	311,875	-	-	271,811	-	-	-	1,766,628	-
Inventory	311,885	-	-	-	-	-	-	-	211,885	-
Prepaid expenses	52,749	-	-	-	27,522	-	-	-	624,214	-
Other	-	-	-	-	9,372	-	-	-	9,372	-
Due from other funds	459,225	31,798	-	-	89,871	-	-	-	89,871	-
Retained assets:										
Cash	-	-	-	-	146,111	-	-	-	146,111	-
Certificates of deposit	-	-	-	-	85,000	-	-	-	85,000	-
Land	-	-	-	-	31,764	-	1,828,821	-	1,828,821	-
Buildings	-	-	-	-	2,084,788	-	2,084,788	-	2,084,788	-
Improvements other than building	-	-	-	-	9,479,179	-	9,479,179	-	9,479,179	-
Accumulated depreciation	-	-	-	-	(1,343,854)	-	-	-	(1,343,854)	-
Machinery and equipment	-	-	-	-	482,248	-	2,288,111	-	2,288,111	-
Accumulated depreciation	-	-	-	-	(149,324)	-	-	-	(149,324)	-
Accounts receivable from other fund revenues	-	-	-	-	-	-	485,571	-	485,571	-
Total assets	1,766,628	1,819,688	14,122	6,191,148	485,927	6,479,114	485,927	6,479,114	16,482,811	16,482,811

This accompanying note is an integral part of this statement.

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CITY OF BLOOMING, ILLINOIS

COMBINED BALANCE SHEET - ALL FUNDS-TYPE, ACCOUNT

BUDGET AND COMMERCE (BUDGET) CONTINUITY

October 31, 2017

LIABILITIES AND FUND EQUITY	Governmental Fund Types		Proprietary Fund Type Enterprise Fund	Account Groups		Total (non-restricted assets) Primary Government	City Court of Stocking	Totals (non-restricted assets) All parties Fund
	General Fund	Special Revenue Fund		Capital Projects Fund	General Fund			
Liabilities								
Accounts Payable	\$ 203,028	\$ 608	-	4,164	-	\$ 248,800	-	\$ 248,800
Compensated Absence	-	-	-	41,899	-	41,899	-	41,899
Other payables	126,072	-	-	41,007	152,184	319,263	-	319,263
Due to other funds	21,798	-	49,649	311,556	-	482,903	-	482,903
Payable from restricted assets -								
Contingency Deposits	-	-	-	195,115	-	195,115	-	195,115
Contributions of individuals	-	-	-	-	175,373	175,373	-	175,373
Non-payable	-	-	-	-	51,588	51,588	-	51,588
Total liabilities	350,927	608	49,649	645,152	268,762	1,368,141	-	1,368,141
Fund equity								
Contributed capital	-	-	-	2,531,298	-	2,531,298	-	2,531,298
Revolving for asset improvement	-	1,619,285	-	-	-	1,619,285	-	1,619,285
Investment in general fund assets	-	-	-	-	6,478,104	6,478,104	41,340	6,478,104
Bonded savings - restricted	-	-	-	1,001,166	-	1,001,166	-	1,001,166
Fund balance - unrestricted (deficit)	1,289,524	-	(75,453)	-	-	1,214,071	19,650	1,233,721
Total fund equity	1,289,524	1,619,285	(75,453)	3,531,811	6,478,104	14,738,942	41,340	14,800,151
Total liabilities and fund equity	1,740,451	1,620,893	11,197	4,101,149	6,484,504	14,753,883	41,340	14,800,201

The accompanying notes are an integral part of this statement.

CONDENSED STATEMENTS OF REVENUES, COMMITTEES, AND CHARGES IN FUND
BALANCES - ALL GOVERNMENTAL FUND TYPES AND COMPONENT UNITS
Year Ended October 31, 2007

	General Fund		Special Revenues Fund		Capital Projects Fund		Totals (Governmental only) Primary Government		Totals (Governmental only) Reporting Entity	
									City Court of Zachry,	
Revenues										
Taxes	\$ 1,244,000	\$ 608,500	\$ -	\$ -	\$ -	\$ -	\$ 1,852,500	\$ -	\$ 1,852,500	
Licenses and permits	148,150	-	-	-	-	-	148,150	-	148,150	
Intergovernmental	426,864	-	-	16,128	-	-	442,992	-	442,992	
Charges for services	275,315	-	-	-	-	-	275,315	-	275,315	
Contributions	420,420	-	-	-	-	-	420,420	-	420,420	
Fees	68,290	-	-	-	-	-	68,290	-	68,290	
Miscellaneous	70,125	48,798	-	-	-	-	118,923	86,484	205,407	
Total revenues	<u>3,257,058</u>	<u>667,300</u>	-	<u>16,128</u>	-	-	<u>3,937,886</u>	<u>86,484</u>	<u>4,024,370</u>	
Expenditures										
General government	1,176,000	-	-	-	-	-	1,176,000	80,000	1,256,000	
Public safety	1,410,000	-	-	-	-	-	1,410,000	-	1,410,000	
Police	900,100	-	-	-	-	-	900,100	-	900,100	
Fire	509,900	-	-	-	-	-	509,900	-	509,900	
Street	190,150	127,692	-	-	-	-	317,842	-	317,842	
Sanitation	128,708	-	-	-	-	-	128,708	-	128,708	
Public service	360,150	-	-	-	-	-	360,150	-	360,150	
Capital outlay	-	-	-	180,112	-	-	180,112	2,614	182,726	
Total expenditures	<u>3,135,300</u>	<u>127,692</u>	-	<u>180,112</u>	-	-	<u>3,345,604</u>	<u>2,614</u>	<u>3,348,218</u>	

(CONTINUED)

This accompanying note is an integral part of this statement.

CITY OF SACRAMENTO, CALIFORNIA

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COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES AND COMPONENT FUNDS (CONTINUED)
 Year Ended December 31, 1997

	General Fund	Special Revenue Fund	Capital Projects Fund	Intercommunal (intercommunal only) Primary Government	City Court of Machinery	Totals (intercommunal only) Reporting Unit
Excess (deficiency) of revenues over expenditures	1,07,489	29,251	(261,965)	(129,267)	48,794	60,302
Other financing sources						
Transfers from (to) other funds	40,000			55,000	(58,000)	37,000
Excess (deficiency) of revenues and other resources over expenditures	(192,489)	419,311	(198,965)	(44,267)	(9,206)	(45,361)
Fund balances, beginning	1,432,492	3,196,479	394,500	1,856,864	30,068	1,767,199
Fund balances, ending	1,240,003	3,615,790	(79,465)	1,812,597	29,862	1,201,897

The accompanying notes are an integral part of this statement.

COMBINED STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCES - BUDGET (BASIC) AND ACTUAL - GENERAL
 AND SPECIAL REVENUE FUND ITEMS

Year Ended October 31, 1997

Revenues:	General Fund			Special Revenue Fund			Total		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Taxes	\$ 3,170,000	\$ 3,040,000	\$ 130,000	\$ 400,000	\$ 400,000	\$ 0	\$ 3,570,000	\$ 3,440,000	\$ 130,000
Licenses and permits	285,000	348,131	(63,131)	-	-	-	285,000	348,131	(63,131)
Intergovernmental	386,250	438,361	(52,111)	-	-	-	386,250	438,361	(52,111)
Charges for services	543,000	211,374	331,626	-	-	-	543,000	211,374	331,626
Contributions	411,000	470,000	(59,000)	-	-	-	411,000	470,000	(59,000)
Fines	60,000	60,397	(397)	-	-	-	60,000	60,397	(397)
Miscellaneous	20,000	20,112	(112)	1,000	46,250	27,500	14,000	112,500	2,500
Total revenues	4,855,000	4,073,074	781,926	401,000	847,000	152,500	5,256,000	5,512,000	(256,000)
Expenditures:									
General government	1,100,000	1,070,000	30,000	-	-	-	1,100,000	1,070,000	30,000
Public safety									
Police	1,410,000	1,410,000	-	-	-	-	1,410,000	1,410,000	-
Fire	900,000	900,000	-	-	-	-	900,000	900,000	-
Public works	800,000	790,700	9,300	100,000	203,910	203,910	1,000,000	1,000,710	(710)
Sanitation	140,000	140,700	(700)	-	-	-	140,000	140,700	(700)
Other services	240,000	250,250	(10,250)	-	-	-	240,000	250,250	(10,250)
Total expenditures	3,810,000	3,711,750	98,250	100,000	203,910	203,910	3,910,000	3,910,710	(710)
Excess/(deficiency) of revenues over expenditures	(600,000)	(637,750)	37,750	(40,000)	403,090	152,500	(600,000)	(637,710)	60,000

(CONTINUED)

The accompanying notes are an integral part of this statement.

COMPARISONS OF REVENUES, EXPENDITURES, ASSESSMENTS
 FROM BALANCES - BUDGET (GAAP BASIS) AND ACTUAL - FISCAL
 APPROPRIATE FUND TYPES ACCOUNTS
 Year Ended December 31, 1997

	General Fund		Special Revenue Fund		Total	
	Budget	Actual	Budget	Actual	Budget	Actual
Other financing sources (costs)						
Transfers from other funds	40,000	4,000	-	-	40,000	4,000
Transfers to other funds	(200,000)	(50,000)	(111,750)	(211,750)	(171,750)	(171,750)
Other (additions) of increases and other sources over expenditures and other uses	(760,200)	(110,000)	1,500	(70,000)	(750,200)	(106,000)
Fund balance, beginning	1,550,000	1,550,000	1,100,000	1,100,000	2,650,000	2,650,000
Fund balance, ending	249,800	1,240,000	1,600,000	1,029,750	1,849,800	1,879,750

The accompanying notes are an integral part of this statement.

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN RETAINED
EARNINGS - PROPRIETARY FUND TYPE - ENTERPRISE FUNDS
Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Operating revenues:		
Charges for service -		
Water sales	\$ 756,437	\$ 719,815
Gas sales	1,278,749	1,476,743
Sewer service charges	175,825	175,294
Installation charges	27,783	72,833
Miscellaneous revenues	24,871	35,461
Total operating revenues	<u>1,993,671</u>	<u>1,999,952</u>
Operating expenses:		
Water department expenses	388,481	387,336
Gas department expenses	1,076,578	1,031,814
Sewer department expenses	284,247	289,160
General and administrative expenses	125,175	128,851
Depreciation	328,138	279,780
Total operating expenses	<u>1,998,569</u>	<u>1,997,581</u>
Operating income (loss)	<u>(4,898)</u>	<u>2,371</u>
Nonoperating revenues (expenses):		
Interest income	41,863	28,193
Depositors of plant and equipment	1,788	(2,088)
Total nonoperating revenues (expenses)	<u>43,651</u>	<u>26,105</u>
Income before operating transfers	<u>38,753</u>	<u>28,746</u>
Transfers to:		
Capital Project Funds	-	118,475
General Fund	15,000	15,000
Net total net earnings	<u>53,753</u>	<u>113,371</u>
Retained earnings - beginning	<u>2,981,839</u>	<u>2,871,512</u>
Retained earnings - ending	<u>3,035,592</u>	<u>2,984,883</u>

The accompanying notes are an integral part of this statement.

**STATEMENTS OF CASH FLOWS - PROPRIETARY FUND TYPE -
ENTERPRISE FUND**

Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Operating income (loss)	(9,346)	\$ 218,814
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	730,194	279,790
Changes in assets and liabilities -		
Decrease (increase) in receivables	(11,818)	9,268
(Decrease) in accounts payable and other liabilities	(21,428)	(38,809)
Increase (decrease) in due to other funds	(129,829)	453,083
All other, net	1,860	2,338
Net cash provided by operating activities	<u>187,660</u>	<u>925,184</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating transfers	<u>(115,808)</u>	<u>(114,475)</u>
Net cash (used for) noncapital financing activities	<u>(115,808)</u>	<u>(114,475)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Additions to property and equipment	(277,879)	(274,318)
Sale of capital assets	2,281	(2,844)
Net cash (used for) capital and related financing activities	<u>(275,598)</u>	<u>(277,162)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of certificate of deposit	(21,394)	(90,473)
Interest income	<u>41,881</u>	<u>21,293</u>
Net cash provided by (used for) investing activities	<u>20,487</u>	<u>(69,180)</u>
Increase (decrease) in cash and cash equivalents	(12,450)	86,371
Cash and cash equivalents at beginning of year, including restricted accounts (1997 - \$196,482; 1996 - \$178,111)	<u>710,790</u>	<u>634,115</u>
Cash and cash equivalents at end of year, including restricted accounts (1997 - \$298,121; 1996 - \$196,482)	<u>\$87,817</u>	<u>\$310,796</u>

The accompanying notes are an integral part of this statement.

NOTES TO FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the City of Zachary, Louisiana, (City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below.

A. Reporting Entity -

As required by generally accepted accounting principles, the financial statements of the reporting entity include those of the City (the primary government) and its component unit (City Court of Zachary) which is included in the City's reporting entity because of the significance of its operational or financial relationship with the City.

City Court of Zachary - In conformity with generally accepted accounting principles, the financial statements of the Court have been included in the financial reporting entity as a discretely presented component unit. This unit is reported in a separate column to emphasize that they are legally separate from the City. Note 9 presents financial statements of the City Court of Zachary.

The following organization is excluded from the reporting entity:

Zachary Volunteer Fire Department - This potential component unit provides volunteer fire service to the City. Although the City does provide facilities and/or issue financing, it does not exercise direct control over its operations.

B. Fund Accounting -

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 related to certain governmental functions or activities.

A fund is a separate accounting entity with a self-balancing set of accounts. An account group, on the other hand, 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 are classified into two categories: (1) governmental, and (2) proprietary. Each category, in turn, is divided into separate "fund types".

Governmental funds are used to account for all or most of a government's general activities, including special revenue funds (used to account for the proceeds of specific revenue sources (other than capital projects) that are legally restricted to expenditures for specific purposes) and capital projects funds (used to account for major capital expenditures not financed by enterprise funds). The general fund is used to account for all activities of the general government not accounted for in some other fund.

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Services from such activities are provided to outside parties (enterprise funds).

C. Basis of Accounting -

The accounting and financial reporting treatment applied in 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 increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other uses) in net current assets.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

C. Basis of Accounting (continued) -

The proprietary fund is accounted for on a flow-of-economic resources measurement basis. With this measurement focus, all assets and all liabilities associated with the operation of this fund are included on the balance sheet. Paid equity (i.e., all total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) to net total assets.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both 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 be used to pay liabilities of the current period. The City considers property taxes as available if they are received within 30 days after year end. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Dispositions are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual (being held in year-end on behalf of the City) are sales and property taxes which are collected and held by the Parish and fees and various taxes which are collected and held by the State.

The accrual basis of accounting is utilized by the proprietary fund type. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

D. Budgets -

Budgets are adopted on a basis consistent with generally accepted accounting principles. Annual appropriated budgets are adopted for the general and special revenue funds. All annual appropriations lapse at fiscal year end.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is not utilized in the governmental funds. Encumbrances outstanding at year end are immaterial and not reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

E. Cash, Cash Equivalents, and Investments -

Cash and cash equivalents include amounts in demand deposits, savings accounts, and certificates of deposit with a maturity date within three months of the date purchased. Certificates of deposit with a maturity date of over three months when purchased are considered investments.

State statutes authorize the City to invest its obligations of the U.S. Treasury and U.S. agencies, certificates of deposit in Louisiana banks, or any other federally insured investment.

F. Short-term Interfund Receivables/Payables -

During the course of operations, numerous transactions occur between individual funds. These receivables and payables are identified as "due from other funds" or "due to other funds" on the balance sheet.

G. Inventories -

Inventory of supplies in the proprietary fund is valued at cost (first-in, first-out).

Purchase of operating supplies by governmental fund types are recorded as expenditures when purchased; inventories of such supplies are not recorded and are not considered by management to be material.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

H. Restricted Assets –

Certain resources set aside for the repayment of customers' deposits are classified as restricted assets on the balance sheet because their use is limited by law.

I. Property, plant, and equipment –

Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group. Public domain (infrastructure) general fixed assets (consisting of certain improvements other than buildings, such as roads, sidewalks, and bridges, are not capitalized. Property, plant, and equipment acquired or constructed for general governmental operations is recorded as an expenditure in the fund making the expenditure and capitalized at cost in the General Fixed Assets Account Group.

Property, plant, and equipment acquired for proprietary funds is capitalized in the fund to which it applies.

Property, plant, and equipment is stated at cost. Assets acquired by gift or bequest are recorded at their fair market value at the date of transfer.

Depreciation of depreciable fixed assets used by proprietary funds is charged to an expense account periodically, and accumulated depreciation is reported on the proprietary funds' balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method of depreciation.

The estimated useful lives for each major class of depreciable fixed assets are as follows:

Structures and improvements	30-50 years
Machinery and equipment	3-25 years

J. Compensated Absences –

Amounts of vested or accumulated vacation leave that are not expected to be liquidated with expendable available financial resources of the general fund are reported in the general long-term debt account group. No expenditure is reported for these amounts. Vested or accumulated vacation leave of proprietary funds is recorded as an expense and liability of those funds at the benefit accrue to employees.

K. Fund Equity –

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from individuals or other funds. Reserves represent those portions of fund equity not appropriate for expenditures.

L. Interfund Transactions –

Advances between funds which are not expected to be repaid are accounted for as receivables. In those cases where repayment is expected, the advances are accounted for through the various due to and due from accounts.

M. Bad Debt –

Uncollectible amounts due for 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 noncollectibility of the particular receivable.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

N. Memorandum Only - Total Columns -

Total columns on the general purpose financial statements are captioned "memorandum only" to indicate that they are presented only to guide the 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 are such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

O. Comparative Data -

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

1. LEGAL COMPLIANCE - BUDGETS

On or before September 1st of each year, the mayor submits to the council a proposed operating budget. At the meeting of the council at which the operating budget is submitted, the council orders a public hearing on it and causes it to be published in the official journal. The budget is adopted not later than the second or last regular meeting of the fiscal year.

The operating budget may be amended to provide for: (1) supplemental appropriations, (2) emergency appropriations, (3) reductions of appropriations, and (4) transfer of appropriations.

Each year, no later than the time of submission of the operating budget, for the coming year, the mayor proposes and submits to the council a capital improvement program covering a period of at least five years.

Expenditures may not legally exceed budgeted appropriations at the activity level. During the year, several supplementary appropriations were necessary. The budget amounts used for comparative purposes in the accompanying financial statements include the supplementary appropriations.

2. CASH, SAVINGS ACCOUNTS, AND CERTIFICATES OF DEPOSIT

As of October 31, 1997, the carrying amount of the City's deposits (including cash, savings accounts, and certificates of deposit) was \$3,968,345. The bank balances of these deposits totaled \$4,204,628 of which \$309,690 were covered by federal depository insurance, and \$3,894,938 was collateralized with securities held by the pledging bank's agent in the bank's name (Category 1).

Even though the pledged securities are consistently collateralized (and Category 1) under the provision of GAAP Statement 3, Louisiana Revised Statute 19:1123 imposes a statutory requirement on the collateral bank to advertise and sell the pledged securities within 30 days of being notified by the City that the third agent has failed to pay deposited funds upon demand.

3. RECEIVABLES

Receivables as October 31, 1997 consist of the following:

	<u>General</u>	<u>Enterprise</u>	<u>Total</u>
Sales tax	\$ 211,823	\$ -	\$ 211,823
Accounts	92,948	379,024	471,972
Cash	-	8,172	8,172
Other receivables	261,824	188,697	450,521
Less allowance for uncollectible accounts	-	(12,808)	(12,808)
	<u>\$664,595</u>	<u>554,985</u>	<u>1,219,580</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

Property taxes are levied as of January 1st on property values assessed as of the same date. The tax levy is mailed during December and the taxes are due on or before December 31st. If taxes are unpaid by June, the property is offered at tax sale and 10 days after the tax sale, a lien is placed on the property.

5. FIXED ASSETS

The following is a summary of changes to the general fixed assets account group during the fiscal year:

	Balance October 31, 1996	Additions	Deletions	Balance October 31, 1997
Land	\$ 1,718,793	\$ 184,908	\$ -	\$ 1,903,701
Buildings and improvements	2,183,958	125,858	-	2,309,796
Construction in progress	44,768	32,315	77,408	-
Equipment	1,257,588	468,330	118,633	1,599,285
	<u>5,204,087</u>	<u>791,411</u>	<u>215,711</u>	<u>6,479,787</u>

The following is a summary of proprietary fund type, enterprise fund fixed assets at October 31, 1997:

Land	\$ 28,761
Structures and improvements	6,777,461
Machinery and equipment	638,298
New gas system	2,345,385
New sewer system	178,115
	<u>10,178,010</u>
Less accumulated depreciation	<u>(5,792,438)</u>
	<u>4,385,572</u>

6. LONG-TERM DEBT

The following is a summary of debt transactions of the City for the year ended October 31, 1997:

	Certificates of Indebtedness	Note Payable	Total
Debt outstanding, November 1, 1996	\$429,512	\$ -	\$429,512
Addition of new debt	-	85,000	85,000
Payments	(150,619)	(15,000)	(165,619)
Debt outstanding, October 31, 1997	<u>278,893</u>	<u>69,999</u>	<u>348,892</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

During the year ended October 31, 1995, \$900,000 in Certificates of Indebtedness, Series 1994, were issued by the City to provide for additional fire protection facilities. These Certificates are secured by a pledge and dedication of the excess of annual revenues above statutory, secondary and general charges. The Certificates, which bear interest at the rate of 7%, are subject to prepayment at any time at a price equal to the principal amount thereof plus accrued interest to the date of prepayment.

During the year ended October 31, 1997, the City purchased the Railroad Depot at a cost of \$20,000. The Act of Sale provided for a downpayment of \$17,000 and the balance of \$3,000 to be paid equally over a five year period with interest at 6% annually. The Act of Sale provides that the seller may, upon 90 days notice, demand payment in full.

Presented below is a summary of debt service requirements in maturity by year:

Year Ending October 31,	Principal	Interest	Total
1998	\$ 139,471	\$ 7,368	\$ 146,839
1999	15,000	5,264	20,264
2000	15,000	2,448	17,448
2001	15,000	1,532	16,532
2002	17,448	836	18,284
	\$412,919	\$15,508	\$428,427

7. CONTINGENT LIABILITIES

Various claims and lawsuits are pending against the City. The City Attorney has advised in due all material claims have been considered in the insurer for the City and that the dollar amount claimed by the plaintiffs does not exceed the policy limits.

8. RETIREMENT COMMITMENTS

Municipal Police Employees' Retirement System (MPERS):

Plan Description and Provisions -

All of the City's full-time police employees participate in the MPERS, a multiple-employer, cost-sharing pension plan. The payroll for employees covered by the MPERS for the year ended October 31, 1997, was \$658,817 of which \$79,118 was state supplemental pay; the City's total payroll was \$737,935.

Employees attaining age 55 with 12 years of creditable service or age 60 with 30 years of creditable service, are entitled to a monthly benefit of 1.17% of their average monthly earnings as defined in the plan for each year of creditable service. Active employees with five years of service who become disabled receive up to 60% of their average final compensation at the time of disability. Disability benefits are paid until the earlier of death, recovery from disability or attainment of normal retirement age. If an employee dies, his surviving spouse and minor children receive payments, not to exceed 60% of the member's average final compensation.

If a member's employment is terminated before the member is eligible for any other benefits under MPERS, the member shall receive a refund of his member contributions.

Description of Funding Policy -

Covered employees are required by state statute to contribute 1.5% of their salary to MPERS. The City is required by this statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirement for the year ended October 31, 1997, was \$138,870 which consisted of \$39,184 from the City and \$99,686 from employees.

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. RETIREMENT COMMITMENTS (CONTINUED)

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to assist users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among governmental pension plans and employers. The MPERS does not conduct separate measurements of assets and pension benefit obligations for individual employees. The pension benefit obligation at June 30, 1997 for the MPERS as a whole, determined through an actuarial valuation performed as of that date, was \$939.4 million. The MPERS net assets available to benefit on that date (valued at cost) was \$375.8 million, resulting in an unfunded pension benefit obligation of \$563.6 million. The City's contribution represented .05% of total contributions required of all participating employees.

Mandatory Retirement System (FRS)

Plan Description and Provisions -

All of the City's full-time fire employees participate in the FRS, a multiple-employer, cost-sharing pension plan. The payroll for employees covered by the FRS for the year ended October 31, 1997, was \$211,684 (of which \$30,877 was state supplemental pay); the City's total payroll was \$179,158.

Employees attaining age 55 completing 17 or more continuous years of service are entitled to a monthly benefit of 1.07% of their average monthly earnings as defined in the plan for each year of continuous service. The plan provides early retirement at the age of 50 and the completion of 20 years of continuous service. Active employees who become disabled receive between 60 and 75 percent of their monthly earnings in effect at the time of disability as provided in the plan, reduced by any public disability benefits to which the member is entitled. Disability benefits are paid until the earlier of death, recovery from disability or attainment of normal retirement age. If an active employee dies prior to being eligible to retire, his designated beneficiary receives payments, net to exceed two-thirds the member's annual earnings at date of death. The beneficiary receives monthly payments until his/her death or remarriage.

If a member's employment is terminated before the member is eligible for any other benefits under FRS, the member shall receive a refund of his member contributions of 8%.

Description of Funding Policy -

Covered employees are required by state statute to contribute 8% of their salary to FRS. The City is required by this statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirement for the year ended October 31, 1997 was \$30,815 which consisted of \$28,194 from the City and \$2,629 from employees.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases, and used to be payable in the future as a result of employee service to date. The measure is the actuarial present value of credited projected benefits and is intended to assist users assess the plan's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among governmental pension plans and employers. The FRS does not conduct separate measurements of assets and pension benefit obligations for individual employees. The pension/benefit obligation at June 30, 1997, for the FRS as a whole, determined through an actuarial valuation performed as of that date,

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. RETIREMENT COMMITMENTS (CONTINUED)

was \$122.4 million. The PERS net assets available for benefits on that date (valued at cost) were \$477.7 million. The City's contribution represented 45% of total contributions required of all participating employees.

Municipal Employees' Retirement System of Louisiana (MERS)**Plan Description and Provisions -**

All of the City's full-time general employees participate in the MERS, a multiple-employer, cost-sharing pension plan. The payroll for employees covered by the MERS for the year ended October 31, 1997, was \$1,219,000; the City's total payroll was \$1,276,110.

Employees attaining the age of 60 with ten years of creditable service, age 55 with 20 years of creditable service or any age with 30 years of creditable service, are entitled to a monthly benefit of 3% of their average monthly earnings as defined in the plan for each year of creditable service. The plan permits early retirement as a cost saver upon satisfying years of service requirements. Active employees who become disabled receive 2% of their average monthly earnings in effect at the time of disability, as defined in the plan for each year of creditable service. Disability benefits are paid until the earlier of death, recovery from disability, or attainment of normal retirement age. If an employee dies, his surviving spouse and/or children receive a lump-sum payment, not to exceed 60% of the member's final compensation. The surviving, unmarried spouse or a member eligible for normal retirement receives the initial lump sum followed by monthly payments for life.

If a member's employment is terminated before the member is eligible for any other benefits under MERS, the member shall receive a refund of his member contributions.

Description of Funding Policy -

Covered employees are required by state statute to contribute 9.25% of their salary to MERS (the City is currently paying 4% of the required contribution). The City is required by this statute to contribute the remaining amount necessary to pay benefits when due. The contribution requirements for the year ended October 31, 1997, was \$156,148, which consisted of \$432,658 from the City and \$21,499 (2.25% of covered payroll) from employees.

The amount reported below as "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effect of projected salary increases, estimated to be payable in the future as a result of employee service to date. The measure is the actuarial present value of limited projected benefits and is intended to assist users assess the plan's funding status on a going concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among governmental pension plans and employers. The MERS does not conduct separate measurements of assets and pension benefit obligations for individual employers. The pension benefit obligation at June 30, 1996, the latest date for which information is available for the MERS as a whole, determined through an actuarial valuation performed as of that date, was \$777.3 million. The MERS net assets available for benefits on that date (valued at cost) were \$218.5 million, resulting in an unfunded pension benefit obligation of \$558.8 million. The City's contribution represented 4% of total contributions required of all participating employees.

Louisiana State Employees' Retirement System (LASERS)**Plan Description and Provisions -**

The Judge of the City Court of Zachary participates in the Louisiana State Employees Retirement System (LASERS), a cost-sharing, multiple-employer public employees retirement system (PERS). The Judge's salary paid by the City Court for the year ended October 31, 1997, was \$21,107 (the City paid \$1,000 during its fiscal year ended October 31, 1997).

Only the City Court Judge participates in the System. Participants may retire with full benefits at ages ranging from age 55 upon completing 20 years of creditable service to age 68 upon completing 10 years of creditable service. The basic annual retirement benefit for substantially all members is equal to 2.5% of average compensation times the number of

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. RETIREMENT COMMITMENTS (CONTINUED)

years of creditable service plus \$100. Participants who became members of the System on or after July 1, 1990, are not eligible for the \$100 addition to the annual retirement benefit formula. Average compensation is defined as the member's 12-month annual covered compensation for the period of 70 consecutive months of employment during which the member's 12-month annual covered compensation was greatest. The maximum annual retirement benefit cannot exceed the least of 80% of average compensation or certain specified dollar amounts of actuarially determined monthly limits which vary depending upon the member's age at retirement. Benefits fully vest on reaching 10 years of service. The System also provides death and disability benefits. Benefits are established by state statute.

Description of Funding Policy –

Covered employees are required by state statute to contribute 11.5% of their salary to the Plan. The City Court and City were required by the same statute to contribute 11.5% (10% effective July 1, 1997) of covered employees' salaries. The City Court's contribution requirements for the year ended October 31, 1997, was \$1,703 which consisted of \$1,481 from the Court and \$2,220 from the Judge. The City's contribution requirements for the year ended October 31, 1997, was \$1,688 which consisted of \$640 from the City and \$1,048 from the Judge.

The "pension benefit obligation" is a standardized disclosure measure of the present value of pension benefits, adjusted for the effects of projected salary increases and post-retiree benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited pension benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among PERC and employees. The System does not make separate measurements of assets and pension benefits only since for individual departments within the State of Louisiana. The pension benefit obligation at June 30, 1997, for the City alone as a whole, determined through an actuarial valuation performed as of that date, was \$6,497.4 million. The System's net assets available for benefits on that date, were \$4,338.4 million, resulting in an unfunded pension benefit obligation of \$2,159.0 million. The Court's 1997 contribution represented less than one percent of total contributions required of all participating entities.

Trend Information –

Ten-year historical trend information governing the MERIT, IMPERS, FLIP, and LAGEREY program is accumulating sufficient assets to pay benefits when due is presented in the June 30, 1997 (94) comprehensive annual financial report.

B. CITY COURT OF ZACHRY

The financial statements of the City Court of Zachry (a directly presented component unit) follow:

COMBINED BALANCE SHEET – FUND TYPE AND ACCOUNT GROUP

October 31, 1997

	Governmental Fund Type	General Fund Account Group	Total (non-revenue only)
ASSETS			
Cash	\$ 29,898	\$ -	\$ 29,898
Equipment	-	81,363	81,363
Total assets	29,898	81,363	81,313
FUND EQUITY			
Investment in general fund assets	-	81,363	81,363
Fund balance – unreserved	29,898	-	29,898
Total fund equity	29,898	81,363	81,313

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

B. CITY COURT OF ZACHARY (CONTINUED)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE - GOVERNMENTAL FUND TYPE - GENERAL
Year ended December 31, 1997

Revenues:

Criminal court collections	\$ 179,444
Garage/rentals collected	50,000
Court cost	<u>20,000</u>
Total revenues	<u>249,444</u>

Expenditures:

Current -	
Intergovernmental	84,833
Furniture of jurisdictions, rotations, etc.	30,000
General government	45,000
Capital outlay	<u>2,167</u>
Total expenditures	<u>161,999</u>

Excess of revenues over expenditures	87,444
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Other financing ways:

Transfers to other funds	<u>150,000</u>
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Excess (deficiency) of revenues and other sources over expenditures	(62,556)
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Fund balance, beginning	<u>21,000</u>
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Fund balance, ending	<u>58,444</u>
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CHANGES IN GENERAL FIXED ASSETS

A summary of changes in General Fixed Assets follows:

Balance, October 31, 1996	\$ 80,749
Additions	<u>7,000</u>
Balance, October 31, 1997	<u>87,749</u>

RELATED PARTY TRANSACTIONS

The City of Zachary, Louisiana incurs expenditures on behalf of the Court. These expenditures include compensation to Court personnel along with the related pension cost and employee benefits. During the City's fiscal year ended October 31, 1997, the following expenditures were paid on behalf of the Court:

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. CITY COURT OF ZACHARY (CONTINUED)

Court expenses	\$17,287
Judge's salary	7,800
Prosecutor's salary	30,083
Marshal's salary	30,183
	<u>85,353</u>

The Court makes distributions to the City. During the year ended October 31, 1995, the following distributions were made on behalf of the City.

Fees	\$67,897
Marshal	4,538
Article 887 C	2,118
Article 887 D	3,008
Probation	119
Contestants fee	1,489
Marshal (payroll)	3,738
	84,910
Transfer to General Fund	<u>31,078</u>

10. SUBSEQUENT EVENTS

The City Council made an appropriation of \$600,000 to be paid during the current fiscal year to the Black-Gates program. A contract was awarded in the amount of \$321,185.19 to Industrial Enterprises, Inc. for street improvements. An additional contract was awarded in the amount of \$107,228 to Blasco Corp. for a sewer project. The majority of the contract payments will be made during the fiscal year to end October 31, 1996.

**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 SACRAMENTO, CALIFORNIA
 GENERAL FUND

Page 26

BALANCE SHEETS
 October 31, 1997 and 1998

	<u>1997</u>	<u>1998</u>
ASSETS		
Cash	\$ 145,313	\$ 444,368
Savings accounts	305,217	188,108
Certificates of deposit	676,878	675,156
Sales tax receivable	311,833	300,398
Other receivables	52,989	54,363
Due from other funds	<u>409,875</u>	<u>458,810</u>
Total assets	<u>1,761,005</u>	<u>1,945,003</u>
LIABILITIES AND FUND BALANCE		
Liabilities		
Accounts payable	281,838	302,763
Other payables	136,577	300,331
Due to other funds	<u>21,780</u>	<u>141,008</u>
Total liabilities	<u>439,195</u>	<u>744,102</u>
Fund balance:		
Unreserved - undesignated	<u>1,321,810</u>	<u>1,200,901</u>
Total liabilities and fund balance	<u>1,761,005</u>	<u>1,945,003</u>

The accompanying notes are an integral part of this statement.

STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN
 FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL
 Year Ended October 31, 1997
 (With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues				
Taxes	\$ 3,219,000	\$ 3,188,400	\$ 30,600	\$ 2,968,083
Licenses and permits	359,000	348,150	(10,850)	383,798
Intergovernmental	916,717	498,864	(417,853)	321,043
Charges for services	365,800	279,715	(86,085)	368,368
Commissions	418,000	419,854	1,854	458,048
Fees	60,500	66,257	5,757	75,345
Miscellaneous	99,880	79,418	(20,462)	119,797
Total revenues	<u>4,555,817</u>	<u>4,871,894</u>	<u>316,077</u>	<u>4,135,159</u>
Expenditures				
General government	1,536,270	1,574,983	38,713	1,309,382
Public utility -				
Police	1,431,280	1,431,950	670	1,314,571
Fire	861,980	833,139	(28,841)	838,756
Sanita	893,880	793,753	(100,127)	895,888
Sanitation	328,880	328,788	(92)	278,899
Debt service	289,270	289,270	-	289,280
Total expenditures	<u>3,441,380</u>	<u>3,221,793</u>	<u>(219,587)</u>	<u>3,509,346</u>
Excess (deficiency) of revenues over expenditures	<u>(885,563)</u>	<u>(349,899)</u>	<u>535,664</u>	<u>(373,912)</u>
Other financing sources (uses):				
Transfers from City-Count	46,000	58,000	12,000	-
Transfers from Utility Fund	13,000	13,000	-	(13,000)
Transfers to Capital Projects Fund	(294,811)	-	(294,811)	-
Total other financing sources (uses)	<u>(234,811)</u>	<u>71,000</u>	<u>(305,811)</u>	<u>(13,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>(782,174)</u>	<u>(278,899)</u>	<u>503,275</u>	<u>(386,912)</u>
Fund balance, beginning	<u>1,453,083</u>	<u>1,413,083</u>	<u>-</u>	<u>1,463,071</u>
Fund balance, ending	<u>670,909</u>	<u>1,134,184</u>	<u>463,275</u>	<u>1,076,159</u>

The accompanying notes are an integral part of this statement.

STATEMENTS OF REVENUES COMPARED TO BUDGET (GAAP BASED)
Year Ended October 31, 1997
(With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Taxes				
Ad valorem - industrial	\$ 14,000	\$ 13,504	(496)	\$ 21,526
Ad valorem - other	87,000	89,742	2,742	86,784
Sales tax	1,100,000	1,111,357	11,357	1,056,181
	<u>1,214,000</u>	<u>1,214,603</u>	<u>2,603</u>	<u>2,064,491</u>
Licenses and permits				
Occupational license	270,000	271,493	1,493	148,642
Building permits	40,000	25,498	(14,502)	47,899
Motorist assistance license	3,000	4,800	1,800	4,200
Electrical permits	15,000	14,876	(124)	30,370
Other contractor license	5,100	5,813	713	6,535
Other permits	20,000	(6,021)	(26,021)	21,067
	<u>353,100</u>	<u>348,153</u>	<u>(4,947)</u>	<u>241,793</u>
Intergovernmental				
911 operations	50,000	50,000	-	50,000
Video-poker revenue	60,000	50,111	(9,889)	58,970
Telephone tax	48,000	45,898	(2,102)	45,898
Alcoholic beverage tax	11,000	5,840	(5,160)	12,700
Beer tax	21,000	17,808	(3,192)	21,000
City - parish street maintenance	80,000	41,000	(39,000)	41,000
Grant - Fire Department	-	-	-	10,000
Grant - Police Department	164,777	161,280	(3,497)	-
Grant - D.A.R.E.	26,000	17,581	(8,419)	-
Grant - Rural Development	89,000	-	(89,000)	-
Grant - J.R.C.	11,500	3,001	(8,499)	31,681
Transportation fund	23,000	23,573	573	23,271
	<u>525,177</u>	<u>426,143</u>	<u>(99,034)</u>	<u>311,641</u>
Charges for services				
Refuse collection charges	300,000	309,644	9,644	283,809
Refuse billing fees	5,000	6,891	1,891	3,109
	<u>305,000</u>	<u>316,535</u>	<u>11,535</u>	<u>286,918</u>
Commissions				
Cable franchise fee	20,100	30,888	10,788	47,416
Sale of electricity	200,000	204,684	4,684	201,208
Sale of insurance	25,500	28,178	2,678	24,220
	<u>245,600</u>	<u>263,750</u>	<u>18,150</u>	<u>472,844</u>
Fees				
	<u>68,500</u>	<u>68,197</u>	<u>(303)</u>	<u>70,000</u>

STATEMENTS OF REVENUES COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
 Year Ended October 31, 1997
 (With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Miscellaneous:				
Interest income	\$ 33,000	\$ 37,000	\$ (4,170)	\$ 45,415
City cost	-	7,219	7,219	14,183
Marshall's fund	9,080	9,238	158	13,695
Chain store tax	-	-	-	2,690
Sale of equipment	3,000	9,714	6,714	8,300
Food Plant	-	4,874	4,874	3,691
Investigative fund	-	1,000	1,000	2,480
All other	14,500	35,580	21,280	21,512
	<u>57,580</u>	<u>135,121</u>	<u>(77,541)</u>	<u>118,783</u>

CITY OF LACHARY, LOUISIANA
GENERAL FUND

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STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS)
Year Ended October 31, 1997
(With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
General government:				
Salaries	\$ 34,500	\$ 33,333	\$ 6,167	\$ 35,000
Office expense	11,500	11,000	45	9,633
Electricity	2,000	682	1,298	1,833
City Hall vehicle	1,100	1,073	25	70
Supplies and maintenance	7,500	7,523	(23)	8,030
Insurance	200,000	189,228	40,641	231,300
Medical	4,500	4,291	189	5,494
P.L.C.A. tax	9,000	30,078	(17,078)	8,883
Capital outlays	96,130	33,800	37,230	71,000
Telephone	2,500	2,498	2	2,000
Amusement and fee	3,000	3,049	1	5,035
Code book expense	3,000	4,733	283	8,831
Dues, donations, and subscription	3,700	3,639	61	3,290
Civil defense - expense	500	-	500	-
- salary	4,200	4,200	44	4,860
Recreation - expense	70,000	66,294	3,706	60,337
- salary	2,000	2,071	239	1,071
- Z.A.P.	6,000	6,440	360	5,830
- capital outlays	212,000	211,891	2,909	240,470
Music enrichment program	1,800	1,800	300	1,300
Cultural Day Camp	1,800	344	1,256	1,470
Miscellaneous	9,000	9,021	1,079	2,400
Insurance	10,000	14,765	735	17,833
Audit	11,233	11,233	3	9,935
Health insurance	7,000	7,003	67	5,091
Attorney - retainer	9,000	9,048	32	5,630
Inspection - expense	10,500	10,036	731	10,600
- salary	70,000	65,323	4,677	65,323
Assistant attorney	3,000	3,751	49	4,770
Working conditions	1,200	1,023	47	933
L.M.A. Commission	6,000	5,890	880	5,236
Public relations	11,000	11,889	31	6,277
Mayor's proper breakfast	1,500	1,280	214	1,314
Animal control fee	11,000	11,800	-	12,000
Official journal	9,000	7,684	1,216	7,188
Food party	1,000	4,538	(3,538)	5,800
Electric expense	1,000	-	1,000	-
Historical village - expense	50,500	51,430	3,880	50,400
- property	17,000	17,800	-	1,700
Legal fee	15,000	9,287	5,413	8,091
Court expense	17,500	17,287	211	10,644
		(30,000)		

STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
Year Ended October 31, 1997
(With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
General government (continued)	\$	\$	\$	\$
Mayor's salary	7,200	7,018	182	6,888
Chief of court salary	26,500	26,628	(128)	21,811
Probation officer	1,000	1,000	-	1,268
Prosecutor salary	12,000	10,187	1,813	9,888
Marshal's salary	11,000	10,285	715	10,000
Identification - expense	44,000	30,494	13,506	15,812
Senior citizen-center	11,000	11,581	481	10,015
Civil service - benefits	1,200	1,400	200	1,284
- fire and police	1,200	1,211	11	1,042
Planning and zoning	1,000	1,429	371	612
Unemployment tax	1,500	267	1,233	1,115
Insurance-automobile	4,000	2,800	1,200	4,800
Sales tax collection fee	16,500	16,112	388	16,169
SA returns tax collection fee	200	48	152	10
Contracts and services	4,100	4,864	764	2,894
Travel, schools, etc.	1,200	1,111	89	1,127
Economic development	12,000	12,887	887	7,808
Continuity center	12,000	11,894	106	11,052
Tutoring program - E.S.S.	3,100	2,789	311	2,683
- N.W.A.S.	4,000	2,508	1,492	1,693
- E.S.S.	3,100	3,100	-	3,074
- S.P.S.	2,500	2,679	179	2,788
J.A.S. program	11,500	11,944	444	-
D.C.L. expense	12,000	10,587	1,413	9,128
Salaries - salary	27,980	28,122	(142)	26,271
- expense	30	24	6	-
- secretary	21,200	21,421	221	22,264
- telephone	4,000	3,181	819	2,871
- vehicle expense	3,000	2,499	501	1,801
- miscellaneous	1,000	835	165	809
- maintenance	9,200	9,161	39	8,612
- travel	1,000	1,287	287	917
- health insurance	8,000	6,474	1,526	4,382
A.B.C. Board - salary	1,800	1,800	-	1,493
- secretary	1,400	1,285	115	1,247
- expense	400	-	400	-
Council - salary	11,000	10,868	132	20,851
- miscellaneous	3,000	271	2,729	889
- clerk's salary	7,100	7,616	516	7,410
- telephone	500	187	313	158
- travel	1,500	258	1,242	628

(CONTINUED)

STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
Year Ended October 31, 1997
(With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
General government (continued):				
Council (continued):				
- retirement	\$ 4,000	\$ 3,991	\$ 909	\$ 4,004
- health insurance	16,750	16,712	38	16,128
Contingency	1,800	-	1,800	2,478
	<u>1,536,710</u>	<u>1,374,993</u>	<u>161,717</u>	<u>1,363,182</u>
Public safety - police:				
Salaries	844,900	845,038	(138)	808,211
Office expense	15,750	15,643	107	18,567
Stationery	22,800	22,823	23	22,498
Vehicle expense	63,800	58,876	4,924	72,587
Supplies and maintenance	14,500	11,688	2,812	20,998
Uniforms	18,000	17,987	13	18,715
Telephone	12,500	11,420	1,080	10,898
Investigative fund	1,300	1,304	(44)	1,300
Reserve deposits	7,200	7,297	(97)	7,285
Miscellaneous	3,200	6,186	(2,986)	6,814
911 dispatcher salary	34,000	41,887	(7,887)	48,311
911 expense	200	43	157	-
Reasons	63,800	63,808	(8)	66,400
U.S. grant	29,600	29,724	(124)	-
Health insurance	90,000	101,529	(11,529)	77,076
Contract and services	3,600	3,580	20	3,600
Travel, schools, and seminars	8,500	7,714	786	8,481
Capital outlay	171,000	194,447	(23,447)	140,643
Contingency	100	-	100	-
D.A.R.E.	8,720	8,671	49	8,101
	<u>1,852,230</u>	<u>1,832,938</u>	<u>19,292</u>	<u>1,784,971</u>
Public safety - fire:				
Salaries	429,700	430,682	(982)	388,082
Office expense	7,800	7,866	(66)	7,015
Electricity	18,000	8,680	9,320	12,077
Vehicle expense	45,000	44,815	185	25,688
Supplies and maintenance	22,000	21,238	762	23,418
Basic unit	15,000	10,197	4,803	13,687
EMT incentive pay	8,000	6,730	1,270	8,815
Uniforms	4,300	2,879	1,421	4,732
Telephone	8,800	6,170	2,630	6,205
Communication grant	-	21,976	(21,976)	25,868
Miscellaneous	9,500	9,089	411	4,397

(CONTINUED)

STATEMENTS OF EXPENDITURES COMPARED TO BUDGET (GAAP BASIS) - CONTINUED
 Year Ended October 31, 1997
 (With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Public safety - fire (continued)				
Retirement	\$ 19,000	\$ 20,315	\$ 1,315	\$ 15,550
Health insurance	57,500	57,298	202	57,000
Volunteer benefits	19,000	6,448	12,552	5,190
Contracts and services	5,000	1,475	3,525	2,512
Training	3,000	1,117	1,883	1,320
Fire provisions	-	-	-	8,277
Special services	500,000	180,167	319,833	41,926
Capital outlay	1,000	278	722	1,140
Contingency			38,241	635,750
	<u>621,000</u>	<u>321,250</u>		
Streets				
Salaries	191,000	191,586	(586)	172,115
Office expense	2,900	831	1,969	2,815
Electricity	148,000	148,970	(970)	128,571
Vehicle expense	45,000	44,288	712	31,900
Supplies and maintenance	83,000	84,007	(907)	78,442
Telephone	1,100	3,190	7	1,764
Interest/expense	11,100	18,214	986	12,578
Salaries	21,000	21,148	851	20,793
Health insurance	26,000	25,958	42	21,281
Contracts and services	1,500	3,285	215	4,000
Capital outlay	221,200	229,581	(8,381)	221,200
Debt/expense	30,000	18,628	11,372	-
Travel, schools, and seminars	4,800	1,892	48	310
Contingency	1,000	167	833	-
	<u>675,000</u>	<u>701,704</u>	<u>(26,704)</u>	<u>616,688</u>
Sanitation				
Landfill charges	4,000	1,782	118	1,996
Contracts and services	114,000	114,836	1,074	112,300
	<u>118,000</u>	<u>116,618</u>	<u>1,392</u>	<u>114,296</u>

The accompanying notes are an integral part of this statement.

STREET IMPROVEMENT SPECIAL REVENUE FUND

To account for specific revenues that are legally restricted to expenditures for particular purposes.

CITY OF ZACHRY, LOUISIANA
STREET IMPROVEMENT SPECIAL REVENUE FUND

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BALANCE SHEETS
OCTOBER 31, 1997 AND 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash	\$ 1,000,215	\$ 349,615
Certificates of deposit	111,875	909,287
Due from General Fund	<u>11,709</u>	<u>141,008</u>
Total assets	<u>1,123,800</u>	<u>1,400,910</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts payable	683	576
Fund balance - Designated for street improvement	<u>1,029,281</u>	<u>1,149,174</u>
Total liabilities and fund balance	<u>1,029,964</u>	<u>1,200,000</u>

The accompanying notes are an integral part of this statement.

CITY OF ZACHARY, LOUISIANA
STREET IMPROVEMENT SPECIAL REVENUE FUND

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STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND
BALANCE

Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Taxes -		
Sales tax	\$ 686,985	\$ 536,330
Other -		
Interest	<u>40,796</u>	<u>37,832</u>
Total revenues	<u>627,781</u>	<u>574,162</u>
Expenditures:		
Street	<u>221,931</u>	<u>191,835</u>
Excess of revenues over expenditures	405,850	382,327
Fund balance, beginning	<u>1,199,474</u>	<u>799,117</u>
Fund balance, ending	<u>1,605,324</u>	<u>1,181,444</u>

The accompanying notes are an integral part of this statement.

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

Year Ended October 31, 1997

(With Comparative Actual Amounts for Year Ended October 31, 1996)

	1997		Variance - Favorable (Unfavorable)	1996 Actual
	Budget	Actual		
Revenues:				
Taxes -				
Sales tax	\$ 408,580	\$ 486,983	\$ 78,403	\$ 356,315
Other -				
Interest	18,000	40,798	22,798	17,859
Total revenues	<u>426,580</u>	<u>527,781</u>	<u>101,201</u>	<u>374,174</u>
Expenditures:				
Street	<u>228,200</u>	<u>227,972</u>	<u>228</u>	<u>181,839</u>
Excess of revenues over expenditures	198,380	419,811	194,511	488,157
Appropriation to Block Grant project	(212,750)	-	222,750	-
Fund balance, beginning	<u>1,709,474</u>	<u>1,709,474</u>	<u>-</u>	<u>799,117</u>
Fund balance, ending	<u>1,496,724</u>	<u>1,649,285</u>	<u>417,369</u>	<u>1,199,474</u>

CAPITAL PROJECTS FUND

To account for major capital expenditures not financed by Enterprise Funds.

CITY OF MONROE, LOUISIANA
CAPITAL PROJECTS FUND - BLOCH GRANT

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BALANCE SHEETS
October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Cash	\$ <u>20,137</u>	\$ <u>241,540</u>
LIABILITIES AND FUND EQUITY		
Liabilities		
Due to General Fund	<u>57,410</u>	<u>17,614</u>
Fund balance (deficit)	<u>(37,273)</u>	<u>223,927</u>
Total liabilities and fund balance	<u>\$ 20,137</u>	<u>\$ 241,541</u>

The accompanying notes are an integral part of this statement.

CITY OF ZACHARY, LOUISIANA
CAPITAL PROJECTS FUND - BLOCK GRANT

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STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE
Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Revenues:		
Capital grants -- city/parish government	\$ 36,128	\$ 241,653
Interest	-	4,967
Total revenues	<u>36,128</u>	<u>246,620</u>
Expenditures:		
Capital outlays	<u>125,115</u>	<u>121,208</u>
Excess (deficiency) of revenues over expenditures	<u>(88,987)</u>	<u>125,412</u>
Other financing sources:		
Transfer from other funds	<u>-</u>	<u>118,478</u>
Excess (deficiency) of revenues and other financing sources over expenditures	<u>(88,987)</u>	<u>215,417</u>
Fund balance (deficit), beginning	<u>264,867</u>	<u>(30,983)</u>
Fund balance (deficit), ending	<u>(24,919)</u>	<u>284,434</u>

The accompanying notes are an integral part of this statement.

**ENTERPRISE FUND
UTILITY FUND**

To account for the provision of water, gas, 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.

BALANCE SHEETS

October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
ASSETS		
Current assets:		
Cash	\$ 187,428	\$ 187,168
Savings account	449,198	401,991
Certificates of deposit	303,879	310,479
Accounts receivable, net of allowance for uncollectible amounts (1997 - \$11,880; 1996 - \$10,000)	367,313	330,407
Other receivables	9,172	11,819
Inventory, at cost (FIFO)	89,677	79,496
Total current assets	<u>1,396,577</u>	<u>1,358,359</u>
Restricted assets:		
Customer deposits -		
Cash	146,151	136,485
Certificates of deposit	68,600	68,600
Total restricted assets	<u>214,751</u>	<u>205,085</u>
Property and equipment, at cost:		
Land	29,761	29,761
Structures and improvements	6,377,461	6,330,860
Machinery and equipment	618,298	601,471
New gas system	2,348,884	2,348,881
New sewer system	236,111	236,111
	<u>10,030,515</u>	<u>9,547,114</u>
Less accumulated depreciation	(5,761,438)	(5,493,798)
Total property and equipment, at cost	<u>4,269,077</u>	<u>4,053,316</u>
Total assets	<u>6,280,405</u>	<u>5,614,760</u>

**CITY OF ZACHARY, LOUISIANA
UTILITY FUND**

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**BALANCE SHEETS
October 31, 1997 and 1996**

	<u>1997</u>	<u>1996</u>
LIABILITIES AND FUND EQUITY		
Liabilities:		
Current liabilities (payable from current assets):		
Accounts payable	\$ 41,183	\$ 63,940
Componated amounts	33,889	38,483
Accrued expenses	63,097	53,964
Due to other funds	113,956	451,782
Total current liabilities (payable from current assets)	<u>452,125</u>	<u>688,169</u>
Current liabilities (payable from restricted assets):		
Customer deposits	195,215	186,130
Total current liabilities (payable from restricted assets)	<u>195,215</u>	<u>186,130</u>
Total liabilities	<u>647,340</u>	<u>874,299</u>
Fund equity:		
Contributed capital	1,565,768	1,561,768
Retained earnings - unreserved	1,881,081	1,881,828
Total fund equity	<u>3,446,849</u>	<u>3,443,596</u>
Total liabilities and fund equity	<u>4,121,140</u>	<u>4,274,895</u>

The accompanying notes are an integral part of this statement.

STATEMENTS OF REVENUE, EXPENSES, AND CHANGES IN RETAINED EARNINGS

Years Ended October 31, 1997 and 1996

Presented on page 11 of financial report.

STATEMENTS OF CASH FLOWS

Years Ended October 31, 1997 and 1996

Presented on page 12 of financial report.

STATEMENTS OF OPERATING EXPENSES BY DEPARTMENT
 Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
Water department expenses:		
Salaries	148,750	138,066
Office expense	3,983	5,945
Electricity	79,793	68,209
Equipment maintenance	13,438	15,797
Supplies	113,536	136,384
Telephone	3,829	6,063
Miscellaneous	11,637	11,527
Retirement	34,763	31,821
Health insurance	21,847	20,284
Contract/services	25,211	28,287
	<u>525,887</u>	<u>587,336</u>
Gas department expenses:		
Salaries	138,338	120,378
Office expense	6,374	7,261
Electricity	1,248	5,832
Equipment maintenance	10,838	12,810
Supplies	36,830	27,736
Fuel/oil of gas	798,744	741,118
Telephone	1,129	1,328
Miscellaneous	11,479	12,157
Retirement	14,365	13,852
Health insurance	22,148	19,042
Contract/services	33,152	28,581
	<u>1,028,578</u>	<u>1,023,034</u>
Sewer department expenses:		
Salaries	131,007	121,252
Office expense	4,804	4,538
Electricity	24,283	26,882
Equipment maintenance	9,022	8,838
Supplies	77,888	81,259
Telephone	1,341	932
Miscellaneous	39,594	11,295
Retirement	7,283	6,811
Health insurance	11,884	9,617
Contract/services	7,339	1,402
	<u>297,242</u>	<u>277,807</u>

STATEMENTS OF OPERATING EXPENSES BY DEPARTMENT (CONTINUED)
Years Ended October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General and administrative expenses:		
Insurance	\$ 71,870	\$ 68,799
Computer expense	11,867	10,917
Collection expense	781	850
Audit	11,212	9,915
Miscellaneous expense	6,391	5,884
Bad debts	11,234	15,996
F.I.C.A. expense	8,090	8,888
Unemployment cost	267	1,215
Gas/Mtg maintenance	5,445	4,266
Contingency	-	879
	<u>152,752</u>	<u>155,811</u>

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF Zachary, Louisiana
 GENERAL FIXED ASSETS ACCOUNT GROUP

Page 48

STATEMENTS OF GENERAL FIXED ASSETS
 October 31, 1997 and 1996

	<u>1997</u>	<u>1996</u>
General fixed assets, at cost:		
Land	\$1,820,621	\$ 1,710,791
Buildings and improvements	3,049,788	3,181,938
Construction in progress	-	44,761
Equipment	<u>2,123,791</u>	<u>1,927,180</u>
Total general fixed assets	<u>\$6,413,154</u>	<u>\$5,994,634</u>
Investment in general fixed assets:		
General Fund revenues	3,786,908	3,170,788
Federal grants	198,108	198,108
State grants	608,779	608,779
Contributions	878,458	878,458
Transfers from Utility Fund	148,614	148,614
City-Parish grants	5,000	5,000
Certificates of indebtedness	<u>800,000</u>	<u>800,000</u>
Total investment in general fixed assets	<u>\$6,413,154</u>	<u>\$5,994,634</u>

The accompanying notes are an integral part of this statement.

CITY OF Zachary, Louisiana
 GENERAL FIXED ASSETS ACCOUNT GROUP

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STATEMENT OF CHANGES IN GENERAL FIXED ASSETS
 Year Ended October 31, 2007

	<u>Land</u>	<u>Buildings and Improvements</u>	<u>Construction in Progress</u>	<u>Equipment</u>	<u>Total</u>
General fixed assets, beginning of year	<u>\$ 3,713,731</u>	<u>\$ 3,185,830</u>	<u>\$ 46,365</u>	<u>\$1,877,988</u>	<u>\$ 8,823,814</u>
Additions:					
General Fund revenues	<u>151,808</u>	<u>123,898</u>	<u>31,735</u>	<u>489,750</u>	<u>797,291</u>
Deletions:					
General Fund revenues	<u>-</u>	<u>-</u>	<u>77,188</u>	<u>138,621</u>	<u>215,811</u>
General fixed assets, end of year	<u>3,865,539</u>	<u>3,309,728</u>	<u>-</u>	<u>2,229,114</u>	<u>9,404,381</u>

The accompanying notes are an integral part of this statement.

**GENERAL LONG-TERM DEBT
ACCOUNT GROUP**

To account for amounts expected to be paid from governmental type funds. Payments are made by the General Fund.

CITY OF Zachary, Louisiana
 GENERAL LONG-TERM ACCOUNT GROUP

STATEMENTS OF GENERAL LONG-TERM DEBT
 October 31, 2022
 (With Comparative Totals for October 31, 2021)

	Fiscal 2022	Fiscal 2021
Amount to be provided for the retirement of general long-term debt: Assumes to be provided from:— general account.	\$ 409,877	\$ 508,809
General long-term debt payable	-	-
Estimated liability for compounded interest	161,184	181,188
Contributions of bondholders	-	428,213
Notes payable	(8,000)	-
	<u>\$ 409,877</u>	<u>\$ 508,809</u>

The accompanying notes are an integral part of this statement.

SUPPLEMENTARY INFORMATION

SCHEDULE OF INSURANCE IN FORCE (UNAUDITED)
Quarter 11, 1997

<u>Insurer</u>	<u>Expires</u>	<u>Type Coverage</u>	<u>Limits</u>
Louisiana Workers Compensation	January 1, 1998	Workers Compensation	Statutory
Georgis Insurance Company	November 1, 1997	Building and Contents General Liability	Property - \$4,250,000 Liability - \$1,000,000
Louisiana Municipal Risk Management Agency Self-Insurance Fund	November 1, 1997	Automobile Liability Policy	Liability - \$500,000
Audubon Indemnity Company	November 1, 1997	Automobile Physical Damage Policy	\$275,000
Georgis Insurance Company	November 1, 1997	Public Officials Errors and Omissions	Liability - \$1,000,000
Georgis Insurance Company	November 1, 1997	Law Enforcement Liability Policy	Liability - \$1,000,000
Trinity Universal Insurance Company	November 1, 1997	Employer Dishonest Blastic Fidelity Insurance	\$75,000
Georgis Insurance Company	November 1, 1997	Computer Printer	\$107,121
Georgis Insurance Company	November 1, 1997	Mobile Equipment Floater	\$120,914
Harford Life Insurance Company	July 13, 1998	Accident Policy Surrender Policy	Medical - \$10,000
Harford Life Insurance Company	July 17, 1998	Accident Insurance Volunteer Fireman	Medical \$50,000
Life Insurance Company of North America	July 1, 1998	Cost-Related Alternative Endorsing Program Volunteer Accident	Medical - \$25,000

SCHEDULE OF UTILITY RATES AND STATISTICS (UNAUDITED)

October 31, 1997

Gas and water rates in effect at the end of the current year were as follows:

Gas

INSIDE CITY LIMITS		OUTSIDE CITY LIMITS	
1 MCF Minimum charge -	\$ 11.00	1 MCF Minimum charge -	\$ 11.00
1-3 MCF	\$ 7.70 per MCF	3-4 MCF	\$ 6.42 per MCF
4-10 MCF	\$ 7.38 per MCF	5-9 MCF	\$ 7.81 per MCF
10-45 MCF	\$ 6.80 per MCF	10-19 MCF	\$ 7.64 per MCF
46-100 MCF	\$ 6.23 per MCF	Over 10 MCF	\$ 7.72 per MCF
Over 100 MCF	\$ 5.86 per MCF		

Water

	INSIDE CITY LIMITS	OUTSIDE CITY LIMITS
First 1,000 gallons	Minimum charge - \$5.00	Minimum charge - \$5.00
1,000-3,000 gallons	\$1.19 per thousand	\$1.00 per thousand
3,000-5,000 gallons	\$.89 per thousand	\$1.21 per thousand
Over 5,000 gallons	\$.81 per thousand	\$1.00 per thousand

The number of gas customers at year end, the amount billed, and other customer statistics are as follows:

	Year Ended October 31,	
	1997	1996
Gas sales	\$ 1,074,749	\$ 1,476,343
Gas purchased	\$ 794,744	\$ 100,111
MCF gas sold	173,993	182,264
Number of customers at year end	2,591	2,218
MCF gas purchased	182,661	200,837
MCF gas unaccounted for	6,798	18,773
Average monthly billing per customer	\$ 44.23	\$ 48.49

Water customer data are as follows:

Water sales	\$ 799,417	\$ 774,073
Thousands of gallons of water sold	614,811	608,060
Number of customers at year end	4,970	4,868
Average monthly billing per customer	\$ 15.21	\$ 11.54

JAMES R. DOUGLAS, LTD.
PROFESSIONAL ACCOUNTING CORPORATION

8820 CONFIDENTIAL DRIVE
SUITE 1000 MONROE, LOUISIANA 70001
PHONE 987-8948

INDEPENDENT AUDITORS' REPORT ON COMPLIANCE

To the Honorable Mayor and Members
of the City Council
City of Zachary, Louisiana

We have audited the general purpose financial statements of the City of Zachary, Louisiana, and the individual fund and account group financial statements in- of and for the year ended October 31, 1997, and have issued our report thereon dated January 13, 1998.

We conducted our audit in accordance with generally accepted auditing standards, and 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 general purpose financial statements are free of misstatement.

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

The results of our tests disclosed no instances of noncompliance that are required to be reported herein under Government Auditing Standards.

This report is intended for the information of the Mayor, City Council, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

January 13, 1998

James R. Douglas, Ltd.
James R. Douglas, Ltd.
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT ON THE INTERNAL CONTROL STRUCTURE

To the Honorable Mayor and Members
of the City Council
City of Zachary, Louisiana

We have audited the general purpose financial statements of the City of Zachary, Louisiana, and the individual fund and account group financial statements as of and for the year ended October 31, 1997, and have issued our report thereon dated January 15, 1998.

We conducted our audit in accordance with generally accepted auditing standards and *Comptroller 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 misstatement.

The management of the City of Zachary, Louisiana, is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, care and judgment by management are required to assure the imposed benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded, errors free from unauthorized use or disposition, and that transactions are detected in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, certain misstatements may nevertheless occur and not be detected. Also, perception of any evaluation of the structure in future periods is only in part the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing our audit of the financial statements of the City for the year ended October 31, 1997, we obtained an understanding of the internal control structure. With respect to the internal control structure, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, we do not express such an opinion.

We noted one condition involving the internal control structure and its operation that we consider to be a reportable condition under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the City's ability to record, process, summarize, and report financial data consistent with the transactions of management in the financial statements.

The City (due to the size of the accounting staff) is not large enough to permit an adequate segregation of employee duties for effective internal accounting control.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in accounts 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 examination of the internal control structure would not necessarily disclose all matters in the internal control structure 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, we believe that the reportable condition noted above is a material weakness.

This report is intended solely for the information of the Mayor and City Council, management, and the Louisiana Legislative Auditor. However, this report is a matter of public record and its distribution is not limited.

January 15, 1998

James R. Douglas, Ltd.

James R. Douglas, Ltd.
Certified Public Accountants