

99 JUL 2 AM: 41

OFFICIAL  
FILE COPY

**DO NOT SEND OUT**

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

CITY OF WESTWEGO, LOUISIANA  
ANNUAL FINANCIAL REPORT  
DECEMBER 31, 1998

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

Release Date ~~JUL 28 1999~~

CITY OF WESTWEGO, LOUISIANA

DECEMBER 31, 1998

T A B L E O F C O N T E N T S

	<u>Page</u>
INDEPENDENT AUDITOR'S REPORT	i-ii
GENERAL PURPOSE FINANCIAL STATEMENTS	
Combined balance sheet - all fund types and account group.....	2-3
Statement of revenues, expenditures, and changes in fund balance - governmental fund type - general fund.....	4
Statement of revenues, expenditures, and changes in fund balance - budget (GAAP Basis) and actual - general fund. ....	5
Combined statement of revenues, expenses, and changes in retained earnings/fund balance - proprietary fund type and similar trust fund.....	6-7
Combined statement of cash flows - proprietary fund type and similar trust fund .....	8
Notes to financial statements.....	9-21
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS	
<u>General fund</u>	
Comparative balance sheet.....	24
Statement of revenues, expenditures and changes in fund balance - budget (GAAP Basis) and actual.....	25
Statement of expenditures, compared to budget (GAAP Basis)...	26-29
<u>Enterprise funds</u>	
Combining balance sheet.....	31-32
Combining statement of revenues, expenses, and changes in retained earnings.....	33-34
Combining statement of cash flows.....	35
Waterworks:	
Comparative balance sheet.....	36-37
Comparative statement of revenues, expenses and changes in retained earnings.....	38
Comparative statement of cash flows.....	39

CITY OF WESTWEGO, LOUISIANA

DECEMBER 31, 1998

T A B L E O F C O N T E N T S  
(continued)

	<u>Page</u>
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS (continued)	
<u>Enterprise funds - continued</u>	
Sewerage:	
Comparative balance sheet.....	40
Comparative statement of revenues, expenses and changes in accumulated deficit.....	41
Comparative statement of cash flows.....	42
<u>Fiduciary fund</u>	
Police pension and relief trust fund:	
Comparative balance sheet.....	44
Comparative statement of revenues, expenses and changes in fund balance.....	45
Comparative statement of cash flows.....	46
SUPPLEMENTARY INFORMATION	
Schedule of compensation paid to members of the City Council.....	48
COMPLIANCE AND INTERNAL CONTROL	
Report on compliance and on internal control over financial reporting based on an audit of financial statements performed in accordance with <i>Governmental</i> <i>Auditing Standards</i> .....	50-51

**UZEE, BUTLER, ARCENEUX & BOWES**

CERTIFIED PUBLIC ACCOUNTANTS  
2067 PAXTON STREET  
HARVEY, LOUISIANA 70058

(504) 347-0441  
FAX (504) 347-0467

DOUGLAS L. UZEE, CPA  
(1926 - 1988)  
JAMES L. BUTLER, CPA  
N. PAUL ARCENEUX, CPA  
PATRICK J. BOWES, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

**INDEPENDENT AUDITOR'S REPORT**

The Honorable Mayor and  
Members of the City Council  
City of Westwego, Louisiana

We have audited the accompanying general purpose financial statements of the City of Westwego, Louisiana, as of December 31, 1998, and for the year then ended, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Westwego's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose 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 Westwego, Louisiana, at December 31, 1998, and the results of its operations and cash flows of its proprietary fund types and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 1999 on our consideration of the City of Westwego's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

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

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana  
June 23, 1999

GENERAL PURPOSE FINANCIAL STATEMENTS

CITY OF WESTWEGO, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP  
 December 31, 1998  
 (With Comparative Totals for December 31, 1997)

	Governmental Fund Type	Proprietary Fund Type	Fiduciary Fund Type		General Account Group	Totals (Memorandum Only)	
			Pension Trust	Trust		1998	1997
<b>ASSETS AND OTHER DEBITS</b>							
Assets:							
Cash	\$ 387,983	\$ 261,919	\$ 12,644	\$ -0-	\$ 662,546	\$ 667,387	
Certificates of deposit	472,673	53,112	144,513	-0-	670,298	1,127,635	
Property tax receivable	837,179	-0-	-0-	-0-	837,179	806,126	
Receivables - other	169,347	206,439	-0-	-0-	375,786	321,727	
Due from other funds	1,201,318	-0-	-0-	-0-	1,201,318	789,502	
Due from other governments	411,192	-0-	-0-	-0-	411,192	393,562	
Restricted assets:							
Cash	-0-	29,946	-0-	-0-	29,946	26,700	
Certificates of deposit	-0-	374,264	-0-	-0-	374,264	359,645	
Property, plant and equipment - net	-0-	8,459,394	-0-	4,473,981	12,933,375	11,926,238	
<b>Total assets and other debits</b>	<b>\$ 3,479,692</b>	<b>\$ 9,385,074</b>	<b>\$ 157,157</b>	<b>\$ 4,473,981</b>	<b>\$ 17,495,904</b>	<b>\$ 16,418,522</b>	

(continued)

CITY OF WESTWEGO, LOUISIANA  
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUP - CONTINUED  
 December 31, 1998  
 (With Comparative Totals for December 31, 1997)  
 (continued)

	Governmental		Proprietary		Fiduciary		General		Totals	
	Fund Type	Fund Type	Fund Type	Fund Type	Pension Trust	Fixed Assets Account Group	1998	(Memorandum Only) 1997	1998	1997
<b>LIABILITIES</b>										
Accounts payable	\$ 416,212	\$ 45,601	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 461,813	\$ 383,012		
Accrued wages payable	50,843	14,620	-0-	-0-	-0-	-0-	65,463	59,339		
Due to other funds	-0-	1,201,318	-0-	-0-	-0-	-0-	1,201,318	789,502		
Customers' deposits - payable from restricted assets	-0-	89,103	-0-	-0-	-0-	-0-	89,103	86,874		
Deferred revenue	856,259	-0-	-0-	-0-	-0-	-0-	856,259	813,418		
<b>Total Liabilities</b>	<b>1,323,314</b>	<b>1,350,642</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>-0-</b>	<b>2,673,956</b>	<b>2,132,145</b>		
<b>FUND EQUITY AND OTHER CREDITS</b>										
Investment in general fixed assets	-0-	-0-	-0-	-0-	-0-	4,473,981	4,473,981	3,493,208		
Contributed capital	-0-	8,126,409	-0-	-0-	-0-	-0-	8,126,409	8,126,409		
Retained earnings:										
Reserved for waterworks maintenance	-0-	315,107	-0-	-0-	-0-	-0-	315,107	299,471		
Unreserved	-0-	(407,084)	-0-	-0-	-0-	-0-	(407,084)	(324,324)		
Fund balance:										
Reserved	1,987,645	-0-	157,157	-0-	-0-	-0-	2,144,802	1,697,176		
Unreserved - undesignated	168,733	-0-	-0-	-0-	-0-	-0-	168,733	994,437		
<b>Total fund equity and other credits</b>	<b>2,156,378</b>	<b>8,034,432</b>	<b>157,157</b>	<b>4,473,981</b>	<b>14,821,948</b>	<b>14,821,948</b>	<b>14,821,948</b>	<b>14,286,377</b>		
<b>Total liabilities, fund equity and other credits</b>	<b>\$ 3,479,692</b>	<b>\$ 9,385,074</b>	<b>\$ 157,157</b>	<b>\$ 4,473,981</b>	<b>\$ 17,495,904</b>	<b>\$ 17,495,904</b>	<b>\$ 16,418,522</b>	<b>\$ 16,418,522</b>		

The accompanying notes are an integral part of this statement.



CITY OF WESTWEGO, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - GOVERNMENTAL FUND TYPE - GENERAL FUND  
Years Ended December 31, 1998 and 1997

	1998	1997
Revenues:		
Taxes	\$2,314,355	\$2,365,216
Licenses and permits	414,043	380,587
Intergovernmental	2,297,468	1,933,030
Charges for services	210,141	209,570
Fines	315,388	171,745
Miscellaneous	213,991	204,786
Total revenues	5,765,386	5,264,934
Expenditures:		
Current:		
General government	1,953,595	1,505,181
Public safety	1,879,951	1,687,813
Public works	1,195,375	821,840
Sanitation	514,849	394,343
Health	68,926	71,164
Recreation	308,258	333,772
Total expenditures	5,920,954	4,814,113
Transfers to other funds	203,108	206,525
Total expenditures and transfers	6,124,062	5,020,638
Excess (deficiency) of revenues over expenditures and transfers	(358,676)	244,296
Fund balance at beginning of year	2,515,054	2,270,758
Fund balance at end of year	\$2,156,378	\$2,515,054

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN  
FUND BALANCE - BUDGET (GAAP BASIS) AND ACTUAL -  
GENERAL FUND  
Year Ended December 31, 1998

	<u>Budget</u>	<u>Actual</u>	Variance- Favorable (Unfavorable)
Revenues:			
Taxes	\$2,337,807	\$2,314,355	\$(23,452)
Licenses and permits	366,139	414,043	47,904
Intergovernmental	2,380,942	2,297,468	(83,474)
Charges for services	209,339	210,141	802
Fines	315,000	315,388	388
Miscellaneous	<u>190,645</u>	<u>213,991</u>	<u>23,346</u>
Total revenues	<u>5,799,872</u>	<u>5,765,386</u>	<u>(34,486)</u>
Expenditures:			
Current:			
General government	2,252,398	1,953,595	298,803
Public safety	1,772,137	1,879,951	(107,814)
Public works	1,313,432	1,195,375	118,057
Sanitation	518,871	514,849	4,022
Health	67,719	68,926	(1,207)
Recreation	<u>357,590</u>	<u>308,258</u>	<u>49,332</u>
Total expenditures	<u>6,282,147</u>	<u>5,920,954</u>	<u>361,193</u>
Transfers to other funds	<u>203,108</u>	<u>203,108</u>	<u>-0-</u>
Total expenditures and transfers	<u>6,485,255</u>	<u>6,124,062</u>	<u>361,193</u>
Excess (deficiency) of revenues over expenditures and transfers	(685,383)	(358,676)	326,707
Fund balance at beginning of year	<u>2,515,054</u>	<u>2,515,054</u>	<u>-0-</u>
Fund balance at end of year	<u>\$1,829,671</u>	<u>\$2,156,378</u>	<u>\$326,707</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPE  
 AND SIMILAR TRUST FUND

Year Ended December 31, 1998

(With Comparative Totals for the Year Ended December 31, 1997)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Pension Trust	1998	1997
Operating revenues:				
Charges for services	\$1,229,425	\$ -0-	\$ 1,229,425	\$ 1,223,610
Interest	-0-	8,549	8,549	8,408
	<u>1,229,425</u>	<u>8,549</u>	<u>1,237,974</u>	<u>1,232,018</u>
 Total operating revenues				
Operating expenses:				
Salaries, wages and personal services	452,076	-0-	452,076	416,694
Maintenance	229,826	-0-	229,826	338,160
Power	185,176	-0-	185,176	217,281
Chemicals	79,410	-0-	79,410	88,337
Medical insurance	42,035	-0-	42,035	41,074
General insurance	166,826	-0-	166,826	163,176
Truck expenses	18,115	-0-	18,115	19,675
Office supplies, expense and postage	15,485	-0-	15,485	14,484
Employees' pension plan	20,036	-0-	20,036	19,833
Bad debts	3,302	-0-	3,302	9,207
Other	6,588	27,951	34,539	38,042
Telephone	1,764	-0-	1,764	1,709
Tenure awards	5,050	-0-	5,050	3,255
Professional fees	33,070	-0-	33,070	25,560
Depreciation	266,709	-0-	266,709	254,292
	<u>1,525,468</u>	<u>27,951</u>	<u>1,553,419</u>	<u>1,650,779</u>
 Total operating expenses				
Net operating loss	(296,043)	(19,402)	(315,445)	(418,761)
Nonoperating revenues:				
Interest on investments	25,811	-0-	25,811	25,047
Transfer from other funds	203,108	-0-	203,108	206,525
	<u>228,919</u>	<u>-0-</u>	<u>228,919</u>	<u>231,572</u>
 Total nonoperating revenues				

(continued)

CITY OF WESTWEGO, LOUISIANA  
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS/FUND BALANCE - PROPRIETARY FUND TYPE  
 AND SIMILAR TRUST FUND  
 Year Ended December 31, 1998  
 (With Comparative Totals for Year Ended December 31, 1997)  
 (continued)

	<u>Proprietary Fund Type</u>	<u>Fiduciary Fund Type</u>	<u>Totals</u>	
	<u>Enterprise</u>	<u>Pension Trust</u>	<u>(Memorandum Only)</u>	
			<u>1998</u>	<u>1997</u>
Net loss	\$ (67,124)	\$(19,402)	\$ (86,526)	\$ (187,189)
Retained earnings (deficit)/fund balance at beginning of year	<u>(24,853)</u>	<u>176,559</u>	<u>151,706</u>	<u>338,895</u>
Retained earnings (deficit)/fund balance at end of year	\$ (91,977)	\$157,157	\$ 65,180	\$ 151,706

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA  
 COMBINED STATEMENT OF CASH FLOWS  
 PROPRIETARY FUND TYPE AND SIMILAR TRUST FUND  
 Year Ended December 31, 1998  
 (With Comparative Totals for The Year Ended December 31, 1997)

	Proprietary Fund Type	Fiduciary Fund Type	Totals (Memorandum Only)	
	Enterprise	Pension Trust	1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net operating loss	\$ (296,043)	\$ (19,402)	\$ (315,445)	\$ (418,761)
Adjustments to reconcile net operating loss to net cash provided (used) by operating activities:				
Depreciation	266,709	-0-	266,709	254,292
Decrease in accounts receivable	15,915	-0-	15,915	11,606
Increase (decrease) in accounts payable	(109,220)	-0-	(109,220)	128,667
Increase in accrued wages	682	-0-	682	1,679
Increase in due to other funds	411,816	-0-	411,816	100,884
<b>NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>	<u>289,859</u>	<u>(19,402)</u>	<u>270,457</u>	<u>78,367</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Increase in customers' deposits	2,229	-0-	2,229	2,989
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(293,073)	-0-	(293,073)	(480,924)
Transfer from other funds	203,108	-0-	203,108	206,525
<b>NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>(89,965)</u>	<u>-0-</u>	<u>(89,965)</u>	<u>(274,399)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Redemption of certificates of deposit and investments	5,419,497	2,086,162	7,505,659	6,019,141
Purchase of certificates of deposit	(5,440,703)	(2,074,325)	(7,515,028)	(6,047,531)
Interest on investments	25,811	-0-	25,811	25,047
<b>NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES</b>	<u>4,605</u>	<u>11,837</u>	<u>16,442</u>	<u>(3,343)</u>
Net increase (decrease) in cash	206,728	(7,565)	199,163	(196,386)
Cash at beginning of year	85,137	20,209	105,346	301,732
Cash at end of year	<u>\$ 291,865</u>	<u>\$ 12,644</u>	<u>\$ 304,509</u>	<u>\$ 105,346</u>
<b>SUMMARY OF CASH</b>				
Current Asset - Cash	\$ 261,919	\$ 12,644	\$ 274,563	\$ 78,646
Restricted Assets:				
Reserve fund cash	33	-0-	33	31
Depreciation and contingencies fund cash	42	-0-	42	40
Customers' deposits cash	29,871	-0-	29,871	26,629
	<u>\$ 291,865</u>	<u>\$ 12,644</u>	<u>\$ 304,509</u>	<u>\$ 105,346</u>

The accompanying notes are an integral part of this statement.

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS  
December 31, 1998

(1) GENERAL STATEMENT AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Westwego was incorporated January 18, 1919, under the provisions of Louisiana Revised Statutes 33:321 et. seq., which provisions are commonly known as the Lawrason Act. The City operates under a Mayor and City Council form of government and provides the following services as authorized by its charter: public safety (police and fire), streets, drainage, sanitation, health, social services, recreation, public improvements, planning and zoning, and general administrative services.

The accounting policies of the City of Westwego conform to generally accepted accounting principles as applicable to governments. The following is a summary of the more significant policies:

A. Financial Reporting Entity

The accompanying financial statements include all funds and account groups of the City of Westwego. There are no component units which are controlled by or fiscally dependent on the City which should be included to form the reporting entity. Control by or fiscal dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and financial accountability.

The following organizations conduct an activity entirely within the City for the benefit of the City's residents but are not considered a part of the reporting entity because the City does not exercise control over them and they are fiscally independent of the City.

Westwego Housing Authority  
Westwego Volunteer Fire Company #1  
Westwego Council on Aging

B. Fund Accounting

The accounts of the City are organized on the basis of funds and an account group, 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 the means by which spending activities are controlled.

The various funds are grouped, in the financial statements in this report, into three generic fund types and three broad fund categories as follows:

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

B. Continued

GOVERNMENTAL FUND

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.

PROPRIETARY FUNDS

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

FIDUCIARY FUND

Pension Trust Fund - The Police Pension Trust Fund is used to account for assets held by the City in a trustee capacity. The Pension Trust Fund is accounted for in essentially the same manner as proprietary funds since capital maintenance is critical.

ACCOUNT GROUP

General Fixed Assets Account Group - This account group is used to account for fixed assets which are not accounted for in the respective governmental funds.

C. Fixed Assets and Depreciation

Property, plant, and equipment of all funds acquired by purchase or construction are stated at historical cost. Donated fixed assets are stated at their fair market value on the date donated. Governmental fund fixed assets are recorded in the General Fixed Asset Account Group and are not depreciated. The City has elected not to report public domain or infrastructure fixed assets that are immovable and of value only to the City government. Proprietary fund fixed assets are recorded in the respective fund and depreciated using the straight-line method.

D. Basis of Accounting

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available. Taxpayer-assessed revenues, such

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

D. Continued

as sales taxes, are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue of the period in which collected by merchants. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain. Property taxes are recognized as revenue of the year for which budgeted. The primary revenue sources that have been treated as "susceptible to accrual" under the modified accrual basis are sales taxes and various fees. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Unpaid vacation and sick pay does not accumulate for the employee and therefore is not accrued. Materials and supplies are recognized as expenditures at the time of purchase. Inventory of such items on hand at year-end would not be material to the financial statements.

All proprietary funds and pension trust fund 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. Unbilled Water and Sewer Fund utility service receivables are recorded at year-end.

E. Budgets and Budgetary Accounting

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

1. A general summary of the proposed budget is published 10 days prior to a public hearing.
2. A public hearing is conducted at City Hall to obtain taxpayer comments.
3. Prior to December 31, the budget is legally enacted through passage of an ordinance. In the event the budget is not adopted by December 31, the temporary budget for the ensuing year is based on 50% of the expenditures of the prior year. The budget for the year ended December 31, 1998 is as adopted on December 8, 1997, or as amended on December 28, 1998.
4. The budget for the General Fund is adopted on a basis consistent with generally accepted accounting principles (GAAP).
5. The adopted operating budget of expenditures operates as an appropriation and amounts are available for expenditure only to the extent included within the budget. At the end of the fiscal year, the unexpended balance of each appropriation reverts to the respective fund from which it was appropriated and is subject to future appropriation. Outstanding encumbrances which are not canceled are included as part of the next year's budget.



CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

E. Continued

6. The adopted operating budget may be amended in an open meeting of the Mayor and City Council. The budget amendment cannot be adopted proposing expenditures which exceed the total of estimated funds available for the fiscal year.

F. Allowance for Uncollectible Receivables

An allowance for estimated uncollectible receivables was established in prior years based on historical collection experience and other relevant circumstances. At December 31, 1998, all receivables are considered collectible and therefore an allowance was not required.

G. Capitalization of Interest Costs

Interest incurred during the period of construction and preparation for use of proprietary fund fixed assets is capitalized as part of those assets. No interest costs were capitalized for the year ended December 31, 1998.

H. 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 (i.e., presentation of prior year totals by fund type) have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to understand.

I. Total Columns on Combined Statements

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

J. On-behalf Payments

Supplemental pay which is paid directly to employees of the City of Westwego by the State of Louisiana, Department of Public Safety, are recognized as intergovernmental revenue and salaries expenditure in the year in which paid. For the year ended December 31, 1998, the amount recognized as revenue and expenditure was \$89,364.

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

(2) CASH AND INVESTMENTS

For financial reporting purposes, cash includes petty cash and demand deposits.

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

As shown in the combined balance sheet, the City had cash totaling \$692,492 and certificates of deposit totaling \$1,044,562 at December 31, 1998. Cash and certificates of deposit are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance, federal savings and loan insurance, or the pledge of securities owned by the financial institutions. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the financial institution.

The following is a summary of the carrying value of cash and certificates of deposit at December 31, 1998.

Unrestricted:	
Petty cash and demand deposits	\$ 662,546
Certificates of deposit	<u>670,298</u>
	<u>1,332,844</u>
Restricted:	
Petty cash and demand deposits	29,946
Certificates of deposit	<u>374,264</u>
	<u>404,210</u>
Total	\$ <u>1,737,054</u>

The bank balances at December 31, 1998 were \$1,798,949, of which \$200,000 was covered by federal depository insurance, and \$1,598,949 was covered by collateral held by the Federal Reserve bank in the City's name.

CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(3) WATERWORKS -

A. Restricted Assets

The assets remaining in the Reserve Fund and the Depreciation and Contingencies Fund are restricted and may be used only for the repair and maintenance of the water treatment plant and the water distribution system.

B. Customers

As of December 31, 1998, there was a total of 3,232 customers, based on unaudited data.

(4) FIXED ASSETS

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

	Balance 12-31-97	Additions	Dele- tions	Balance 12-31-98
Land & building	\$ 844,374	\$ 470,295	\$ -0-	\$1,314,669
Machinery & equipment	2,648,834	649,912	139,434	3,159,312
Total	<u>\$3,493,208</u>	<u>\$1,120,207</u>	<u>\$139,434</u>	<u>\$4,473,981</u>

A summary of fixed assets of the Enterprise Funds follows:

WATERWORKS ENTERPRISE FUND

Description	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net	Depre- ciation in 1998
Land		\$ 49,211	\$ -0-	\$ 49,211	\$ -0-
Purification Plant	50	930,156	680,075	250,081	20,578
River intake	50	190,042	101,313	88,729	3,801
Pipeline system	100	973,303	266,310	706,993	9,710
Elevated tanks	50	122,274	100,189	22,085	2,445
Meter and boxes	33 1/3	330,294	237,750	92,544	9,813
Office building	50	76,714	36,488	40,226	1,534
Office equipment	10	33,183	33,183	-0-	-0-
Equipment	10	304,280	208,520	95,760	14,774
Fences	5	1,681	1,635	46	8
		<u>\$ 3,011,138</u>	<u>\$1,665,463</u>	<u>\$ 1,345,675</u>	<u>\$ 62,663</u>

CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(4) FIXED ASSETS - continued

SEWERAGE ENTERPRISE FUND

Description	Estimated Useful Life in Years	Cost	Accumulated Depreciation	Net	Depre- ciation in 1998
Land		\$ 42,222	\$ -0-	\$ 42,222	\$ -0-
Treatment plant	50	7,333,105	2,036,489	5,296,616	145,944
Collection lines	100	1,997,029	594,065	1,402,964	20,179
Lift system	50	342,679	206,075	136,604	7,457
Equipment	10	412,722	289,903	122,819	26,618
EPA improvement expenditures	50	192,388	79,894	112,494	3,848
		<u>\$10,320,145</u>	<u>\$3,206,426</u>	<u>\$7,113,719</u>	<u>\$ 204,046</u>
 Total enterprise funds		 <u>\$13,331,283</u>	 <u>\$4,871,889</u>	 <u>\$8,459,394</u>	 <u>\$ 266,709</u>

A summary of changes in fixed assets follows:

WATERWORKS ENTERPRISE FUND

	Cost	Accumulated Depreciation	Net
Balance January 1	\$ 2,932,749	\$1,602,800	\$1,329,949
Additions:			
Pipeline system	4,118	-0-	4,118
Meters and boxes	5,668	-0-	5,668
Equipment	32,171	-0-	32,171
River intake	36,432	-0-	36,432
Depreciation	-0-	62,663	(62,663)
	<u>\$ 3,011,138</u>	<u>\$1,665,463</u>	<u>\$1,345,675</u>

SEWERAGE ENTERPRISE FUND

Balance January 1	\$10,105,461	\$3,002,380	\$7,103,081
Additions:			
Treatment plant	189,179	-0-	189,179
Equipment	25,505	-0-	25,505
Depreciation	-0-	204,046	(204,046)
	<u>\$10,320,145</u>	<u>\$3,206,426</u>	<u>\$7,113,719</u>
 Total enterprise funds	 <u>\$13,331,283</u>	 <u>\$4,871,889</u>	 <u>\$8,459,394</u>

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

(5) RETIREMENT PLANS

Prior to 1975, Louisiana Revised Statutes 33:2220 provided for the establishment of a police pension and relief fund for the Police Department of municipalities having more than 7,500 inhabitants. Since the City had more than 7,500, it adopted Ordinance 734 on December 13, 1971, establishing "The City of Westwego Police Pension and Relief Fund".

In 1975 the Louisiana legislature set up a statewide municipal police retirement system giving police employees the option of that plan or the City's. On September 15, 1983 the City's plan was merged with the state pension plan which is currently known as the Municipal Police Employees' Retirement System of Louisiana. Since then, the City of Westwego Police Pension and Relief Fund has been used to account for the accumulation of resources for the payment of (1) the actuarially determined liability at the time of the merger and (2) any liability arising due to differences between the two plans. At the time of the merger, the actuarially determined liability was \$348,317 and this amount was being paid to the Municipal Police Employees' Retirement System in quarterly installments of \$7,827, including interest at 7% per annum. During 1988 a lump-sum payment was made to the State Retirement System in full payment of the balance due. Additional liability for pensions to be paid from The City of Westwego Police Pension and Relief Fund would arise if any of the 4 employees who were merged into the state system on September 15, 1983 qualified for and elected to retire at an age younger than the minimum set by the state plan (50 years old). During 1998 two of the four former employees were receiving a pension benefit payable by the City.

All other full-time City employees participate in the Municipal Employees' Retirement System, State of Louisiana.

The Municipal Police Employees' Retirement System of Louisiana and the Municipal Employees' Retirement System, State of Louisiana are cost-sharing multiple employer public employees retirement systems. In addition to normal retirement benefits, both plans also provide for death and disability benefits. Benefits are established by State statutes.

Participants in the Municipal Police Employees' Retirement System who attain 20 years of creditable service can retire at age 50, or at age 55 with 12 years of creditable service. Benefit rates are 3 1/3 percent of final compensation (average monthly earnings during the highest 36 consecutive months or joined months if service was interrupted) per number of years of creditable service not to exceed 100%. Membership in the Municipal Police Employees' Retirement System is mandatory for all full-time police officers employed by the City.

CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(5) RETIREMENT PLANS - continued

Participants in the Municipal Employees' Retirement System who attain 30 or more years of creditable service can retire at any age, or at age 55 with 25 years of service, or at age 60 with ten years of service. Generally, the monthly retirement benefit is equal to 3 percent of the participants' final compensation multiplied by his/her years of creditable service not to exceed 100%. Final compensation is the average monthly earnings during the highest 36 months or joined months if service was interrupted. Membership in the Municipal Employees' Retirement System is mandatory for permanent employees who work at least 35 hours per week and do not participate in another public funded retirement system and are under age 60 at date of employment.

The City's total payroll for all employees for the year ended December 31, 1998 was \$2,047,368. The payrolls of employees covered by the pension plans, number of employees covered, contribution rates, and the actuarially determined contributions required for the two plans for the year ended December 31, 1998 were as follows:

	Municipal Police Employees' Retirement <u>System</u>	Municipal Employees' Retirement <u>System</u>
Payroll of employees covered by the plan	\$ 524,020	\$1,137,093
Number of employees covered by the plan	23	60
Contribution rates:		
Employee	7.50%	9.25%
Employer (City)	9.00%	5.75%
Contributions required:		
Employee	\$ 39,302	\$ 105,181
Employer (City)	\$ 47,162	\$ 65,383

The City's total pension contribution of \$113,044 for the year ended December 31, 1998 is recorded as an expenditure or expense in the following funds: General Fund, \$93,008 Enterprise Funds, \$20,036. The City has no further liability for pension contributions after it has made the required contributions which are based upon a percent of salaries paid to covered employees. The City's 1998 contribution represented approximately .4% and 1.0%, respectively, of total contributions required of all employers participating in the Municipal Police Employees' Retirement System and the Municipal Employees' Retirement System.

CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(5) RETIREMENT PLANS - continued

The Municipal Police Employees' Retirement System and the Municipal Employees' Retirement System do not make separate measurement of assets and pension benefit obligations for individual employers. The pension benefit obligation and net assets available for benefits, valued at cost or amortized cost, for each of the two Systems as a whole, determined through actuarial valuation as of June 30, 1998, follows:

	<u>Municipal Police Employees' Retirement System</u>	<u>Municipal Employees' Retirement System</u>
Pension benefit obligation	\$ <u>950,227,811</u>	\$ <u>392,335,456</u>
Net assets available for benefits	\$ <u>1,018,384,354</u>	\$ <u>408,685,269</u>

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 step-rate benefits, estimated to be payable in the future as a result of employee service to date. The measure, which is the actuarial present value of credited projected benefits, is intended to help users assess the System's funding status on a going-concern basis, assess progress made in accumulating sufficient assets to pay benefits when due, and make comparisons among public employees' retirement systems and employers.

Historical trend information showing the Systems' progress in accumulating sufficient assets to pay benefits when due is presented in the Systems' June 30, 1998 annual financial reports.

(6) PROPERTY TAXES

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

Property taxes are levied by the City in October to finance the budget for the following fiscal year. Thus the 1997 taxes were levied in October, 1997 to finance the budget for the year 1998. In the governmental fund, property taxes are recognized as revenue of the year for which budgeted. Taxes levied in 1998 but budgeted for 1999 are recorded as deferred revenue in the governmental funds.

CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(6) PROPERTY TAXES - continued

The tax bills are mailed to the taxpayers on approximately January 1 and become an enforceable lien on the property at that time. Billed taxes become delinquent on March 31. Interest at the rate of 15% per annum is added to the uncollected balance from April 1 to the date of collection.

The number of mills levied in 1997 and 1998 and the purposes for which levied are shown below:

	<u>Number of mills</u>		<u>Collection year in which dedicated tax expires</u>
	1997	1998	
General corporate purposes	4.29	4.29	
Dedicated to:			
Street lighting	2.81	2.81	2002
Park maintenance and lighting	2.91	2.91	2002
Fire protection and maintenance	5.00	5.00	2002
Police Department maintenance and operations	5.00	5.00	2002
Emergency medical service maintenance and operations	6.92	6.92	2009
Total	26.93	26.93	

For the years 1997 and 1998 all property tax revenues were accounted for in the General Fund.

(7) LITIGATION AND CLAIMS

The City is a defendant in several lawsuits claiming damages of various amounts. In the estimation of the legal advisor to the City, the ultimate resolution of these suits would not materially affect the financial statements.

Claims and litigation costs of \$ 64,841, determined in accordance with FASB Statement 5, were incurred during the current year, all of which have been recorded as a current expenditure in the General Fund.

(8) SEGMENT INFORMATION FOR ENTERPRISE FUNDS

The City maintains two Enterprise Funds which provide water and sewerage services. Segment information for the year ended December 31, 1998 follows:

	Waterworks Fund	Sewerage Fund	Total Enterprise Funds
Operating revenues	\$ 530,424	\$ 699,001	\$ 1,229,425
Depreciation	62,663	204,046	266,709
Operating loss	(97,708)	(198,335)	(296,043)
Net income (loss)	16,584	(83,708)	(67,124)



CITY OF WESTWEGO, LOUISIANA  
 NOTES TO FINANCIAL STATEMENTS - CONTINUED  
 December 31, 1998

(8) SEGMENT INFORMATION FOR ENTERPRISE FUNDS - continued

	Waterworks Fund	Sewerage Fund	Total Enterprise Funds
Property, plant and equipment:			
Additions	78,389	214,684	293,073
Net working capital	(64,079)	(675,990)	(740,069)
Total equity	1,596,703	6,437,729	8,034,432
Total assets	1,966,123	7,418,951	9,385,074

(9) FUND BALANCE AND DEFICIT IN RETAINED EARNINGS

As of December 31, 1998, the General Fund fund balance was reserved for the following:

Noncurrent receivable from the Sewerage Enterprise Fund	\$ 956,216
Future expenditures for:	
Sala Avenue restoration	365,854
Riverboat landing	127,179
Public works	295,233
Other projects	243,163
	\$1,987,645

At December 31, 1998, there was a deficit of \$1,647,763 in retained earnings of the Sewerage Enterprise Fund. This deficit is expected to be reduced in future years by increases in sewerage service charges and subsidies from the General Fund.

(10) INTERFUND RECEIVABLE AND PAYABLE BALANCES

The individual fund interfund receivable and payable balances as of December 31, 1998 are as follows:

Fund	Interfund Receivables	Interfund Payables
General Fund	\$ 1,201,318	\$ -0-
Enterprise Funds:		
Waterworks	-0-	245,102
Sewerage	-0-	956,216
	\$ 1,201,318	\$1,201,318

(11) RELATED PARTY TRANSACTIONS

The land on which one of the fire stations of the Westwego Volunteer Fire Company is located is leased by the City to the Volunteer Fire Company for a period of ninety-nine years beginning September 13, 1954 at a rental of \$1.00 per year. The City also provides the Volunteer Fire Company the free use of several fire trucks and other vehicles and pays for certain expenditures of the Volunteer Fire Company. During 1998, the City incurred approximately \$450,000 of expenditures for salaries and related benefits, insurance, auto and truck expense, and maintenance and operation of the Volunteer Fire Company.

CITY OF WESTWEGO, LOUISIANA  
NOTES TO FINANCIAL STATEMENTS - CONTINUED  
December 31, 1998

(12) YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations.

The City of Westwego, State of Louisiana has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are necessary to conducting the City's operations. Based on this inventory, the City is in the remediation stage for the financial reporting systems. Testing and validation of the systems will need to be completed after the hardware and software are installed.

Because of the unprecedented nature of the Year 2000 Issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that parties with whom the City does business will be year 2000 ready.

COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS

GENERAL FUND

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

CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND  
COMPARATIVE BALANCE SHEET  
December 31, 1998 and 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash	\$ 387,983	\$ 588,741
Certificates of deposit	472,673	924,760
Receivables:		
Property taxes	837,179	806,126
Accounts	169,347	99,373
	<u>1,006,526</u>	<u>905,499</u>
Due from other funds:		
Waterworks Enterprise Fund	245,102	195,844
Sewerage Enterprise Fund	956,216	593,658
	<u>1,201,318</u>	<u>789,502</u>
Due from other governments:		
Parish of Jefferson	288,989	292,190
State of Louisiana	80,441	65,178
U.S. Department of Justice	41,762	36,194
	<u>411,192</u>	<u>393,562</u>
 Total assets	 \$ 3,479,692	 \$ 3,602,064
 <u>LIABILITIES AND FUND BALANCE</u>		
Liabilities:		
Accounts payable	\$ 416,212	\$ 228,191
Accrued wages payable	50,843	45,401
Deferred revenue	856,259	813,418
	<u>1,323,314</u>	<u>1,087,010</u>
 Fund balance:		
Reserved	1,987,645	1,520,617
Unreserved - undesignated	168,733	994,437
	<u>2,156,378</u>	<u>2,515,054</u>
 Total fund balance	 2,156,378	 2,515,054
 Total liabilities and fund balance	 \$ 3,479,692	 \$ 3,602,064

CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND  
BALANCE - BUDGET (GAAP BASIS) AND ACTUAL  
Year Ended December 31, 1998  
(With Comparative Actual Amounts for Year Ended December 31, 1997)

	1998		Variance- Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
Revenues:				
Taxes	\$ 2,337,807	\$ 2,314,355	\$(23,452)	\$ 2,365,216
Licenses and permits	366,139	414,043	47,904	380,587
Intergovernmental	2,380,942	2,297,468	(83,474)	1,933,030
Charges for services	209,339	210,141	802	209,570
Fines	315,000	315,388	388	171,745
Miscellaneous	190,645	213,991	23,346	204,786
Total revenues	<u>5,799,872</u>	<u>5,765,386</u>	<u>(34,486)</u>	<u>5,264,934</u>
Expenditures:				
General government	2,252,398	1,953,595	298,803	1,505,181
Public safety	1,772,137	1,879,951	(107,814)	1,687,813
Public works	1,313,432	1,195,375	118,057	821,840
Sanitation	518,871	514,849	4,022	394,343
Health	67,719	68,926	(1,207)	71,164
Recreation	357,590	308,258	49,332	333,772
Total expenditures	6,282,147	5,920,954	361,193	4,814,113
Transfers to other funds	203,108	203,108	-0-	206,525
Total expenditures and transfers	<u>6,485,255</u>	<u>6,124,062</u>	<u>361,193</u>	<u>5,020,638</u>
Excess (deficiency) of revenues over expenditures and transfers	(685,383)	(358,676)	326,707	244,296
Fund balance at beginning of year	<u>2,515,054</u>	<u>2,515,054</u>	<u>-0-</u>	<u>2,270,758</u>
Fund balance at end of year	<u>\$ 1,829,671</u>	<u>\$ 2,156,378</u>	<u>\$326,707</u>	<u>\$ 2,515,054</u>

CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

Year Ended December 31, 1998

(With Comparative Actual Amounts for Year Ended December 31, 1997)

EXPENDITURES	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>General Government</u>				
Personal services:				
City Council	\$ 42,878	\$ 42,996	\$ (118)	\$ 38,584
Accounting and auditing	31,197	33,079	(1,882)	25,569
City administrator	26,978	27,052	(74)	27,052
City superintendent	55,353	52,721	2,632	40,956
Legal	40,000	42,173	(2,173)	34,957
Magistrate	6,365	6,382	(17)	6,382
Mayor	6,000	6,000	-0-	6,000
Office	139,340	141,342	(2,002)	152,266
Tourism	29,377	29,688	(311)	10,058
Total	<u>377,488</u>	<u>381,433</u>	<u>(3,945)</u>	<u>341,824</u>
Other:				
Advertising	6,713	9,026	(2,313)	6,119
Automobile expense	41,533	39,940	1,593	57,305
Bad debts	-0-	77,173	(77,173)	88,660
Capital outlays	867,440	490,902	376,538	188,832
Casualty insurance	383,751	390,227	(6,476)	332,753
Contribution to employees' pension plan	45,726	45,846	(120)	46,630
Convention travel, dues and public relations	-0-	-0-	-0-	233
Hospitalization insurance for employees	267,580	242,768	24,812	217,085
Office supplies, expense and postage	103,454	123,002	(19,548)	96,187
Other	63,250	60,480	2,770	66,546
Tenure awards	5,370	9,575	(4,205)	5,370
Election expense	-0-	-0-	-0-	15,710
Lawsuit - settlement and legal fees	42,848	33,467	9,381	35,168
Donations needy families	7,600	6,120	1,480	6,759
Sala Avenue project	39,645	43,636	(3,991)	-0-
Total	<u>1,874,910</u>	<u>1,572,162</u>	<u>302,748</u>	<u>1,163,357</u>
Total general government	<u>2,252,398</u>	<u>1,953,595</u>	<u>298,803</u>	<u>1,505,181</u>

(continued)

CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND  
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)  
Year Ended December 31, 1998  
(With Comparative Actual Amounts for Year Ended December 31, 1997)  
(continued)

EXPENDITURES	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>Public Safety</u>				
Personal services:				
Air condition and heating inspector	\$ 2,400	\$ 2,400	\$ -0-	\$ 2,400
Arson investigator	1,200	1,200	-0-	1,200
Building inspector	3,000	3,000	-0-	3,000
Electrical inspector	2,640	2,400	240	2,400
Fire chief	3,163	3,136	27	3,000
Firemen	237,970	272,475	(34,505)	241,543
Fire prevention chief	1,200	1,200	-0-	1,200
Plumbing inspector	4,800	4,800	-0-	4,800
Police chief's salary and expense	30,720	32,202	(1,482)	41,399
Policemen	571,416	633,778	(62,362)	610,177
Emergency medical technicians	171,097	171,804	(707)	163,158
Code enforcer	1,200	1,200	-0-	1,200
<b>Total</b>	<b>1,030,806</b>	<b>1,129,595</b>	<b>(98,789)</b>	<b>1,075,477</b>
<u>Other:</u>				
Auto and truck expenses, Fire Department	24,138	30,528	(6,390)	28,283
Auto expenses, Police Department	66,135	71,765	(5,630)	60,692
Capital outlays	183,085	183,411	(326)	67,620
Fire Department maintenance and operation	98,779	101,976	(3,197)	107,608
Police Department maintenance and operation	153,468	146,449	7,019	128,547
Police pension contributions	44,902	47,162	(2,260)	44,245
Police witness fees	8,340	8,125	215	7,425
Signs	6,666	2,110	4,556	8,949
Street and flood light electricity	73,169	66,581	6,588	71,122
Emergency medical service expense	36,565	34,735	1,830	34,785
Parish jail	46,084	57,514	(11,430)	53,060
<b>Total</b>	<b>741,331</b>	<b>750,356</b>	<b>(9,025)</b>	<b>612,336</b>
<b>Total public safety</b>	<b>1,772,137</b>	<b>1,879,951</b>	<b>(107,814)</b>	<b>1,687,813</b>

(continued)



CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND

STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)  
Year Ended December 31, 1998  
(With Comparative Actual Amounts for Year Ended December 31, 1997)  
(continued)

EXPENDITURES	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>Public Works</u>				
Personal Services:				
Maintenance shop	\$ 23,920	\$ 23,986	\$ (66)	\$ 23,211
Labor crews	155,800	150,499	5,301	138,558
Total	<u>179,720</u>	<u>174,485</u>	<u>5,235</u>	<u>161,769</u>
Other:				
Auto, truck and equipment expenses	27,634	26,648	986	56,154
Materials, supplies and pipe	54,220	45,708	8,512	26,399
Miscellaneous maintenance	78,030	80,974	(2,944)	34,245
Capital expenditures	973,828	867,560	106,268	543,273
Total	<u>1,133,712</u>	<u>1,020,890</u>	<u>112,822</u>	<u>660,071</u>
Total public works	<u>1,313,432</u>	<u>1,195,375</u>	<u>118,057</u>	<u>821,840</u>
<u>Sanitation</u>				
Personal Services:				
Garbage and trash crews	8,000	8,000	-0-	8,000
Other:				
Solid waste disposal expenses	510,871	506,849	4,022	386,343
Total sanitation	<u>518,871</u>	<u>514,849</u>	<u>4,022</u>	<u>394,343</u>
<u>Health</u>				
Other:				
Social services	62,631	57,375	5,256	47,365
Capital expenditures	-0-	5,559	(5,559)	22,489
Other	5,088	5,992	(904)	1,310
Total health	<u>67,719</u>	<u>68,926</u>	<u>(1,207)</u>	<u>71,164</u>

(continued)

CITY OF WESTWEGO, LOUISIANA  
GENERAL FUND  
STATEMENT OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)  
Year Ended December 31, 1998  
(With Comparative Actual Amounts for Year Ended December 31, 1997)  
(continued)

EXPENDITURES	1998		Variance - Favorable (Unfavorable)	1997 Actual
	Budget	Actual		
<u>Recreation</u>				
Personal Services:				
Playground directors	\$ 25,752	\$ 24,960	\$ 792	\$ 22,770
Playground upkeep	57,183	61,248	(4,065)	52,912
Summer Camp Counselor	-0-	-0-	-0-	6,249
Total	<u>82,935</u>	<u>86,208</u>	<u>(3,273)</u>	<u>81,931</u>
<u>Other:</u>				
Capital outlays	164,487	112,832	51,655	102,645
Park maintenance and lighting	84,359	85,390	(1,031)	119,999
Playground sports equipment	25,809	23,828	1,981	25,339
Summer Camp Program	-0-	-0-	-0-	3,858
Total	<u>274,655</u>	<u>222,050</u>	<u>52,605</u>	<u>251,841</u>
Total recreation	<u>357,590</u>	<u>308,258</u>	<u>49,332</u>	<u>333,772</u>
Total Expenditures	<u>6,282,147</u>	<u>5,920,954</u>	<u>361,193</u>	<u>4,814,113</u>
Transfers to other funds	<u>203,108</u>	<u>203,108</u>	<u>-0-</u>	<u>206,525</u>
Total expenditures and transfers	<u>\$6,485,255</u>	<u>\$ 6,124,062</u>	<u>\$ 361,193</u>	<u>\$ 5,020,638</u>

## ENTERPRISE FUNDS

Waterworks and Sewerage Funds - to account for the provision of water and sewer services to the residents of the City. All activities necessary to provide such services are accounted for in these funds, including, but not limited to, administration, operations, maintenance, financing and related debt service, and billing and collection.

CITY OF WESTWEGO, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 1998  
 (With Comparative Totals for December 31, 1997)

<u>ASSETS</u>	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>	
			<u>1998</u>	<u>1997</u>
<b>CURRENT ASSETS</b>				
Cash	\$ 66,400	\$ 195,519	\$ 261,919	\$ 58,437
Certificates of deposit	53,112	-0-	53,112	46,525
Accounts receivable	96,726	109,713	206,439	222,354
Total current assets	<u>216,238</u>	<u>305,232</u>	<u>521,470</u>	<u>327,316</u>
<b>RESTRICTED ASSETS</b>				
Revenue bonds reserve fund:				
Cash	33	-0-	33	31
Certificate of deposit	77,314	-0-	77,314	73,478
Revenue bonds depreciation and contingencies fund:				
Cash	42	-0-	42	40
Certificate of deposit	237,718	-0-	237,718	225,922
Customers' deposits fund:				
Cash	29,871	-0-	29,871	26,629
Certificate of deposit	59,232	-0-	59,232	60,245
Total restricted assets	<u>404,210</u>	<u>-0-</u>	<u>404,210</u>	<u>386,345</u>
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION</b>				
	<u>1,345,675</u>	<u>7,113,719</u>	<u>8,459,394</u>	<u>8,433,030</u>
Total assets	<u>\$1,966,123</u>	<u>\$ 7,418,951</u>	<u>\$ 9,385,074</u>	<u>\$9,146,691</u>

(continued)

CITY OF WESTWEGO, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING BALANCE SHEET  
 December 31, 1998  
 (With Comparative Totals for December 31, 1997)  
 (continued)

	Waterworks	Sewerage	Totals	
			1998	1997
<b><u>LIABILITIES AND FUND EQUITY</u></b>				
<b>CURRENT LIABILITIES</b>				
(Payable from current assets)				
Accounts payable	\$ 28,936	\$ 16,665	\$ 45,601	\$ 154,821
Accrued wages payable	6,279	8,341	14,620	13,938
Due to other funds	245,102	956,216	1,201,318	789,502
Total	280,317	981,222	1,261,539	958,261
<b>CURRENT LIABILITIES</b>				
(Payable from restricted assets)				
Customers' deposits	89,103	-0-	89,103	86,874
Total liabilities	369,420	981,222	1,350,642	1,045,135
<b>FUND EQUITY</b>				
Contributed capital:				
City grants	-0-	1,851,632	1,851,632	1,851,632
Federal grants	40,917	4,997,596	5,038,513	5,038,513
State grants	-0-	347,308	347,308	347,308
Property owners	-0-	862,956	862,956	862,956
Parish grants	-0-	26,000	26,000	26,000
Total contributed capital	40,917	8,085,492	8,126,409	8,126,409
Retained earnings (deficit):				
Reserved for water-works maintenance	315,107	-0-	315,107	299,471
Unreserved	1,240,679	(1,647,763)	(407,084)	(324,324)
Total retained earnings (deficit)	1,555,786	(1,647,763)	(91,977)	(24,853)
Total fund equity	1,596,703	6,437,729	8,034,432	8,101,556
Total liabilities and fund equity	\$1,966,123	\$ 7,418,951	\$ 9,385,074	\$ 9,146,691

CITY OF WESTWEGO, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
RETAINED EARNINGS  
Year Ended December 31, 1998  
(With Comparative Totals for Year Ended December 31, 1997)

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>	
			1998	1997
Operating revenues:				
Charges for services and other	\$ 530,424	\$ 699,001	\$ 1,229,425	\$ 1,223,610
Operating expenses:				
Salaries, wages and personal services	204,790	247,286	452,076	416,694
Maintenance	83,659	146,167	229,826	338,160
Power	79,382	105,794	185,176	217,281
Chemicals	58,408	21,002	79,410	88,337
Medical insurance	15,373	26,662	42,035	41,074
General insurance	84,250	82,576	166,826	163,176
Truck expense	3,442	14,673	18,115	19,675
Office supplies, expense and postage	6,250	9,235	15,485	14,484
Employees' pension plan	9,562	10,474	20,036	19,833
Bad debts	731	2,571	3,302	9,207
Other	741	5,847	6,588	10,091
Telephone	346	1,418	1,764	1,709
Tenure awards	2,000	3,050	5,050	3,255
Professional fees	16,535	16,535	33,070	25,560
Depreciation	62,663	204,046	266,709	254,292
Total operating expenses	<u>628,132</u>	<u>897,336</u>	<u>1,525,468</u>	<u>1,622,828</u>
Net operating loss	<u>(97,708)</u>	<u>(198,335)</u>	<u>(296,043)</u>	<u>(399,218)</u>
Nonoperating revenues:				
Interest on investments	24,375	1,436	25,811	25,047
Transfer from other funds	<u>89,917</u>	<u>113,191</u>	<u>203,108</u>	<u>206,525</u>
Total nonoperating revenues	<u>114,292</u>	<u>114,627</u>	<u>228,919</u>	<u>231,572</u>

(continued)

CITY OF WESTWEGO, LOUISIANA  
 ENTERPRISE FUNDS  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN  
 RETAINED EARNINGS  
 Year Ended December 31, 1998  
 (With Comparative Totals for Year Ended December 31, 1997)  
 (continued)

	<u>Waterworks</u>	<u>Sewerage</u>	<u>Totals</u>	
			1998	1997
Net income (loss)	\$ 16,584	\$ (83,708)	\$ (67,124)	\$ (167,646)
Retained earnings (deficit) at beginning of year	<u>1,539,202</u>	<u>(1,564,055)</u>	<u>(24,853)</u>	<u>142,793</u>
Retained earnings (deficit) at end of year	<u>\$1,555,786</u>	<u>\$ (1,647,763)</u>	<u>\$ (91,977)</u>	<u>\$ (24,853)</u>

CITY OF WESTWEGO, LOUISIANA  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
Year Ended December 31, 1998  
(With Comparative Totals for Year Ended December 31, 1997)

	Waterworks	Sewerage	Totals	
			1998	1997
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Net operating loss	\$ (97,708)	\$ (198,335)	\$ (296,043)	\$ (399,218)
Adjustments to reconcile net operating loss to net cash provided by operating activities:				
Depreciation	62,663	204,046	266,709	254,292
Decrease in accounts receivable	8,256	7,659	15,915	11,606
Increase(decrease) in accounts payable	(6,338)	(102,882)	(109,220)	128,667
Increase in accrued wages	141	541	682	1,679
Increase in due to other funds	49,258	362,558	411,816	100,884
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>16,272</u>	<u>273,587</u>	<u>289,859</u>	<u>97,910</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Increase in customers' deposits	<u>2,229</u>	<u>-0-</u>	<u>2,229</u>	<u>2,989</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition of property, plant and equipment	(78,389)	(214,684)	(293,073)	(480,924)
Transfer from other funds	<u>89,917</u>	<u>113,191</u>	<u>203,108</u>	<u>206,525</u>
<b>NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES</b>	<u>11,528</u>	<u>(101,493)</u>	<u>(89,965)</u>	<u>(274,399)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Redemption of certificates of deposit	5,419,497	-0-	5,419,497	4,346,150
Purchase of certificates of deposit	(5,440,703)	-0-	(5,440,703)	(4,366,649)
Interest on investments	<u>24,375</u>	<u>1,436</u>	<u>25,811</u>	<u>25,047</u>
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>	<u>3,169</u>	<u>1,436</u>	<u>4,605</u>	<u>4,548</u>
Net increase (decrease) in cash	33,198	173,530	206,728	(168,952)
Cash at beginning of year	<u>63,148</u>	<u>21,989</u>	<u>85,137</u>	<u>254,089</u>
Cash at end of year	<u>\$ 96,346</u>	<u>\$ 195,519</u>	<u>\$ 291,865</u>	<u>\$ 85,137</u>
<b>SUMMARY OF CASH</b>				
Current Asset - Cash	\$ 66,400	\$ 195,519	\$ 261,919	\$ 58,437
Restricted Assets:				
Reserve fund cash	33	-0-	33	31
Depreciation and contingencies fund cash	42	-0-	42	40
Customers' deposits cash	<u>29,871</u>	<u>-0-</u>	<u>29,871</u>	<u>26,629</u>
	<u>\$ 96,346</u>	<u>\$ 195,519</u>	<u>\$ 291,865</u>	<u>\$ 85,137</u>



CITY OF WESTWEGO, LOUISIANA  
 WATERWORKS ENTERPRISE FUND  
 COMPARATIVE BALANCE SHEET  
 December 31, 1998 and 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 66,400	\$ 36,448
Certificates of deposit	53,112	46,525
Accounts receivable	<u>96,726</u>	<u>104,982</u>
Total current assets	<u>216,238</u>	<u>187,955</u>
<b>RESTRICTED ASSETS</b>		
Revenue bonds reserve fund:		
Cash	33	31
Certificate of deposit	77,314	73,478
Revenue bonds depreciation and contingencies fund:		
Cash	42	40
Certificate of deposit	237,718	225,922
Customers' deposits fund:		
Cash	29,871	26,629
Certificate of deposit	<u>59,232</u>	<u>60,245</u>
Total restricted assets	<u>404,210</u>	<u>386,345</u>
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION</b>		
(1998 - \$1,665,463; 1997 - \$1,602,800)	<u>1,345,675</u>	<u>1,329,949</u>
Total assets	<u>\$ 1,966,123</u>	<u>\$ 1,904,249</u>

(continued)

CITY OF WESTWEGO, LOUISIANA  
WATERWORKS ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 1998 and 1997

<u>LIABILITIES AND FUND EQUITY</u>	<u>1998</u>	<u>1997</u>
<b>CURRENT LIABILITIES</b>		
(Payable from current assets)		
Accounts payable	\$ 28,936	\$ 35,274
Accrued wages payable	6,279	6,138
Due to other funds	<u>245,102</u>	<u>195,844</u>
Total	280,317	237,256
<b>CURRENT LIABILITIES</b>		
(Payable from restricted assets)		
Customers' deposits	<u>89,103</u>	<u>86,874</u>
Total liabilities	<u>369,420</u>	<u>324,130</u>
<b>FUND EQUITY</b>		
Contributed capital:		
Federal grants	<u>40,917</u>	<u>40,917</u>
Retained earnings:		
Reserved for waterworks maintenance	315,107	299,471
Unreserved	<u>1,240,679</u>	<u>1,239,731</u>
Total retained earnings	<u>1,555,786</u>	<u>1,539,202</u>
Total fund equity	<u>1,596,703</u>	<u>1,580,119</u>
Total liabilities and fund equity	<u>\$ 1,966,123</u>	<u>\$ 1,904,249</u>

CITY OF WESTWEGO, LOUISIANA  
WATERWORKS ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES,  
AND CHANGES IN RETAINED EARNINGS  
Years Ended December 31, 1998 and 1997

	1998	1997
Operating revenues:		
Water sales	\$ 523,035	\$ 523,696
Installations	7,386	3,210
Miscellaneous	3	197
	530,424	527,103
 Operating expenses:		
Salaries, wages and personal services	204,790	194,605
Maintenance	83,659	103,244
Power	79,382	95,912
Chemicals	58,408	49,012
Medical insurance	15,373	19,730
General insurance	84,250	82,397
Truck expenses	3,442	4,800
Office supplies, expense and postage	6,250	6,199
Employees' pension plan	9,562	9,830
Bad debt expense	731	2,482
Other	741	815
Telephone	346	349
Tenure awards	2,000	1,755
Professional fees	16,535	12,780
Depreciation	62,663	57,721
	628,132	641,631
Net operating loss	(97,708)	(114,528)
 Nonoperating revenues:		
Interest on investment	24,375	22,738
Transfer from other funds	89,917	91,525
	114,292	114,263
Net income (loss)	16,584	(265)
Retained earnings at beginning of year	1,539,202	1,539,467
Retained earnings at end of year	\$ 1,555,786	\$ 1,539,202

CITY OF WESTWEGO, LOUISIANA  
WATERWORKS ENTERPRISE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$ (97,708)	\$ (114,528)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	62,663	57,721
Decrease in accounts receivable	8,256	3,885
Increase(decrease) in accounts payable	(6,338)	22,142
Increase in accrued wages	141	478
Increase in due to/from other funds	49,258	43,152
NET CASH PROVIDED BY OPERATING ACTIVITIES	16,272	12,850
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Increase in customers' deposits	2,229	2,989
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(78,389)	(132,601)
Transfer from other funds	89,917	91,525
NET CASH PROVIDED (USED) BY CAPITAL AND RELATED FINANCING ACTIVITIES	11,528	(41,076)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificates of deposit	5,419,497	4,346,150
Purchase of certificates of deposit	(5,440,703)	(4,366,649)
Interest on investment	24,375	22,738
NET CASH PROVIDED BY INVESTING ACTIVITIES	3,169	2,239
Net increase (decrease) in cash	33,198	(22,998)
Cash at beginning of year	63,148	86,146
Cash at end of year	\$ 96,346	\$ 63,148
SUMMARY OF CASH		
Current Asset - Cash	\$ 66,400	\$ 36,448
Restricted Assets:		
Reserve fund cash	33	31
Depreciation and contingencies fund cash	42	40
Customers' deposits cash	29,871	26,629
	\$ 96,346	\$ 63,148

CITY OF WESTWEGO, LOUISIANA  
SEWERAGE ENTERPRISE FUND  
COMPARATIVE BALANCE SHEET  
December 31, 1998 and 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 195,519	\$ 21,989
Accounts receivable	<u>109,713</u>	<u>117,372</u>
Total current assets	305,232	139,361
<b>PROPERTY, PLANT AND EQUIPMENT, AT COST - NET OF ACCUMULATED DEPRECIATION</b>		
(1998 - \$3,206,426; 1997 - \$3,002,380)	<u>7,113,719</u>	<u>7,103,081</u>
Total assets	<u>\$ 7,418,951</u>	<u>\$ 7,242,442</u>
 <b><u>LIABILITIES AND FUND EQUITY</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 16,665	\$ 119,547
Accrued wages payable	8,341	7,800
Due to other funds	<u>956,216</u>	<u>593,658</u>
Total liabilities	<u>981,222</u>	<u>721,005</u>
<b>FUND EQUITY</b>		
Contributed capital:		
City grants	1,851,632	1,851,632
Federal grants	4,997,596	4,997,596
State grants	347,308	347,308
Property owners	862,956	862,956
Parish grants	<u>26,000</u>	<u>26,000</u>
Total contributed capital	<u>8,085,492</u>	<u>8,085,492</u>
Accumulated deficit	<u>(1,647,763)</u>	<u>(1,564,055)</u>
Total fund equity	<u>6,437,729</u>	<u>6,521,437</u>
Total liabilities and fund equity	<u>\$ 7,418,951</u>	<u>\$ 7,242,442</u>

CITY OF WESTWEGO, LOUISIANA  
SEWERAGE ENTERPRISE FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND CHANGES  
IN ACCUMULATED DEFICIT  
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Operating revenues:		
Sewerage service charges	\$ 697,851	\$ 694,721
Installations	32	-0-
Permits and other	<u>1,118</u>	<u>1,786</u>
Total operating revenues	<u>699,001</u>	<u>696,507</u>
Operating expenses:		
Salaries, wages and personal services	247,286	222,089
Maintenance	146,167	234,916
Power	105,794	121,369
Chemicals	21,002	39,325
Medical insurance	26,662	21,344
General insurance	82,576	80,779
Truck expenses	14,673	14,875
Office supplies, expense and postage	9,235	8,285
Employees' pension plan	10,474	10,003
Bad debts	2,571	6,725
Other	5,847	9,276
Telephone	1,418	1,360
Tenure awards	3,050	1,500
Professional fees	16,535	12,780
Depreciation	<u>204,046</u>	<u>196,571</u>
Total operating expenses	<u>897,336</u>	<u>981,197</u>
Net operating loss	<u>(198,335)</u>	<u>(284,690)</u>
Nonoperating revenues:		
Interest on investments	1,436	2,309
Transfer from other funds	<u>113,191</u>	<u>115,000</u>
Total nonoperating revenues	<u>114,627</u>	<u>117,309</u>
Net loss	(83,708)	(167,381)
Accumulated deficit at beginning of year	<u>(1,564,055)</u>	<u>(1,396,674)</u>
Accumulated deficit at end of year	<u>\$ (1,647,763)</u>	<u>\$ (1,564,055)</u>

CITY OF WESTWEGO, LOUISIANA  
SEWERAGE ENTERPRISE FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Net operating loss	\$ (198,335)	\$ (284,690)
Adjustments to reconcile net operating loss to net cash provided by operating activities:		
Depreciation	204,046	196,571
Decrease in accounts receivable	7,659	7,721
Increase (decrease) in accounts payable	(102,882)	106,525
Increase in accrued wages	541	1,201
Increase in due to other funds	362,558	57,732
 NET CASH PROVIDED BY OPERATING ACTIVITIES	 273,587	 85,060
 CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of property, plant and equipment	(214,684)	(348,323)
Transfer from other funds	113,191	115,000
 NET CASH USED BY CAPITAL AND RELATED FINANCING ACTIVITIES	 (101,493)	 (233,323)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Interest on investments	1,436	2,309
 Net increase (decrease) in cash	 173,530	 (145,954)
Cash at beginning of year	21,989	167,943
Cash at end of year	\$ 195,519	\$ 21,989

## FIDUCIARY FUND

Police Pension and Relief Trust Fund - prior to 1983, this fund was used to account for the accumulation of resources for police pension and relief payments. Resources were contributed by employees at rates fixed by law and by the City of a portion of the amounts collected for licenses and fines. In 1983, the City Police Pension Plan was merged with the Municipal Police Employees' Retirement System of Louisiana (formerly, the Louisiana Municipal Police Employees' Retirement System) in accordance with Act 585 of the 1982 regular session of the Louisiana Legislature. The Police Pension and Relief Fund was then used to account for the accumulation of resources to be used for the payment of (1) the actuarially determined liability at the time of the merger and (2) any liability arising due to differences between the two plans. During 1988, a lump-sum payment was made to the State Retirement System in full payment of the balance due on the actuarially determined liability at the time of merger. Funds are now being accumulated for the payment of any liability arising due to differences between the two plans.



CITY OF WESTWEGO, LOUISIANA  
POLICE PENSION AND RELIEF TRUST FUND  
COMPARATIVE BALANCE SHEET  
December 31, 1998 and 1997

<u>ASSETS</u>	<u>1998</u>	<u>1997</u>
Cash	\$ 12,644	\$ 20,209
Certificate of deposit	<u>144,513</u>	<u>156,350</u>
Total assets	<u>\$ 157,157</u>	<u>\$ 176,559</u>
<u>FUND BALANCE</u>		
Reserved for payment of benefits	<u>\$ 157,157</u>	<u>\$ 176,559</u>

CITY OF WESTWEGO, LOUISIANA  
POLICE PENSION AND RELIEF TRUST FUND  
COMPARATIVE STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN FUND BALANCE  
Years Ended December 31, 1998 and 1997

	<u>1998</u>	<u>1997</u>
Revenues:		
Interest received on investments	8,549	8,408
Expenses:		
Benefits paid	27,951	27,951
Deficiency of revenues over expenses	(19,402)	(19,543)
 Fund balance at beginning of year	 176,559	 196,102
Fund balance at end of year	\$ 157,157	\$ 176,559

CITY OF WESTWEGO, LOUISIANA  
POLICE PENSION AND RELIEF TRUST FUND  
COMPARATIVE STATEMENT OF CASH FLOWS  
Years Ended December 31, 1998 and 1997

	1998	1997
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (19,402)	\$ (19,543)
CASH FLOWS FROM INVESTING ACTIVITIES		
Redemption of certificates of deposit and investment	2,086,162	1,672,991
Purchase of certificates of deposit	(2,074,325)	(1,680,882)
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	11,837	(7,891)
Net decrease in cash	(7,565)	(27,434)
Cash at beginning of year	20,209	47,643
Cash at end of year	\$ 12,644	\$ 20,209

SUPPLEMENTARY INFORMATION

CITY OF WESTWEGO, LOUISIANA  
SCHEDULE OF COMPENSATION PAID TO MEMBERS  
OF THE CITY COUNCIL  
Year Ended December 31, 1998

<u>Councilmen</u>	<u>Salary</u>
Melvin J. Guidry	\$ 8,420
Ted J. Munch	8,420
Glenn Green	9,316
Ivy E. Rogers	8,420
Garrison J. Toups, Sr.	<u>8,420</u>
	<u>\$ 42,996</u>

COMPLIANCE AND INTERNAL CONTROL

**UZEE, BUTLER, ARCENEUX & BOWES**

CERTIFIED PUBLIC ACCOUNTANTS

2067 PAXTON STREET

HARVEY, LOUISIANA 70058

(504) 347-0441

FAX (504) 347-0467

DOUGLAS L. UZEE, CPA  
(1926 - 1988)  
JAMES L. BUTLER, CPA  
N. PAUL ARCENEUX, CPA  
PATRICK J. BOWES, CPA

MEMBERS  
AMERICAN INSTITUTE OF  
CERTIFIED PUBLIC ACCOUNTANTS  
SOCIETY OF LOUISIANA  
CERTIFIED PUBLIC ACCOUNTANTS

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 Mayor and  
Members of the City Council  
City of Westwego, Louisiana

We have audited the general purpose financial statements of the City of Westwego, Louisiana as of and for the year ended December 31, 1998, and have issued our report thereon dated June 23, 1999. 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 Westwego, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

The audit report for the year ended December 31, 1997 on compliance made reference to the following matter of non compliance: "The City of Westwego did not publish all of its minutes of meetings of the City Council within the time prescribed by Louisiana Statutes. This was also noted in our audit report for the year ended December 31, 1996." There were no instances of minutes not being published timely since the issuance of the 1997 audit report.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Westwego, Louisiana's control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operations that we consider to be material weaknesses.

The audit report for the year ended December 31, 1997 on internal control structure made reference to the following matter which was considered to be a reportable condition: "The internal control procedures over collection and recordation of receipts of taxes and licenses to the City of Westwego are not monitored adequately and do not include a reconciliation to subsidiary ledgers, where applicable." During the year ended December 31, 1998 the City of Westwego implemented a subsidiary ledger for property taxes receivable and has expanded monitoring of existing controls.

This report is intended solely for the information of the management of the City of Westwego and the Louisiana Legislative Auditor, and it is not intended to be and should not be used by anyone other than these specified parties.

*Uzee, Butler, Arceneux & Bowes*

Harvey, Louisiana  
June 23, 1999