

City of Denham Springs, State of Louisiana



COMPREHENSIVE ANNUAL FINANCIAL REPORT

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

Release Date 1-19-00

For The Year Ended June 30, 1999



**Comprehensive
Annual Financial Report
of the**

CITY OF DENHAM SPRINGS

Denham Springs, Louisiana

**For the Fiscal Year Ended
June 30, 1999**

**Prepared by the
City Treasurer**

Mr. Horace W. Elkins

City of Denham Springs
Denham Springs, Louisiana

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended June 30, 1999

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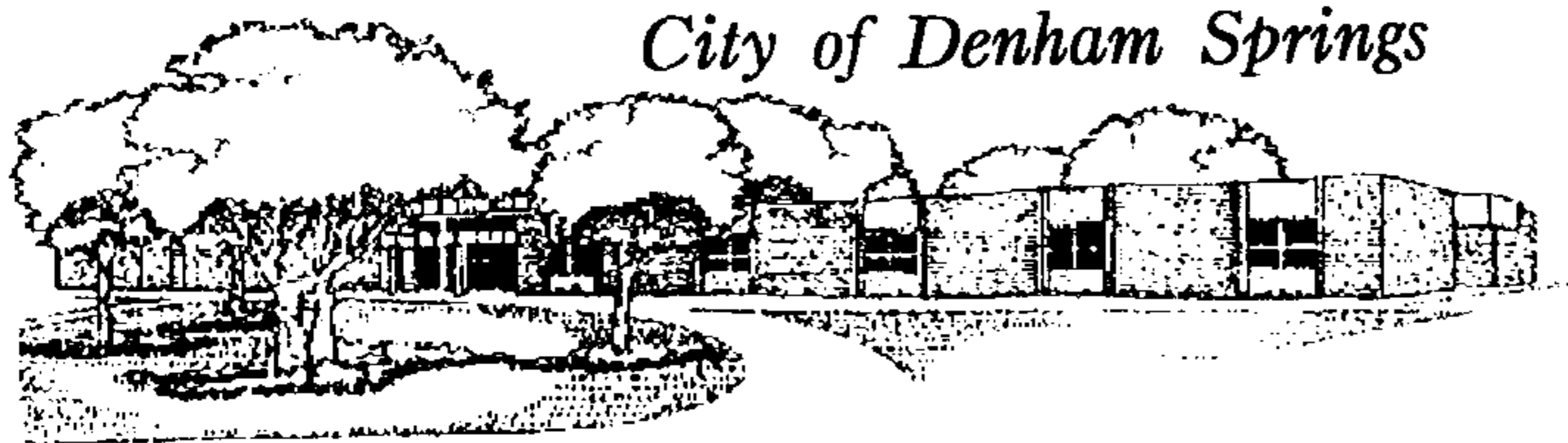
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Denham Springs, Louisiana

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City of Denham Springs

MAYOR
JAMES E. DELAUNE

COUNCIL
BRENT A. DUGAS
JAMES E. DURBIN
ARTHUR L. PERKINS, SR.
L. LAYTON RICKS, JR.
STERLING VINCENT

CITY CLERK
LERLINE BARNETT

CITY TREASURER
HORACE W. ELKINS

November 24, 1999

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

Dear Mayor and Council Members:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Denham Springs for the fiscal year ended June 30, 1999. Sales tax revenues increased 9.6% over the prior year with explosive growth over the last five months of 17.7% compared to the same period in the previous year. Residential and commercial construction permits also reflect significant growth. Revenue growth together with responsible budgeting has resulted in the City of Denham Springs enjoying a sound financial position.

REPORTING STANDARDS

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

REPORT OF ORGANIZATION

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

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DENHAM SPRINGS, LOUISIANA 70727-1629
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SINGLE AUDIT

During the current fiscal year, the City was required to undergo a single audit in conformance with the provisions of the revised Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Information related to this Single Audit including the Schedule of Expenditures of Federal Awards and the auditor's reports on Compliance and on the Internal Control Structure, is included in a separately issued report and is available upon request.

THE REPORTING ENTITY

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

SERVICES PROVIDED

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

ECONOMIC CONDITION AND OUTLOOK

The City of Denham Springs is located on the eastern side of Livingston Parish and is adjacent to East Baton Rouge Parish which contains the capital city of Baton Rouge and is a major industrial area. The population in areas near Denham Springs continues to grow as residents relocate to Livingston Parish to enjoy lower crime rates and a respected school system. Retailers are following the population growth and are locating or expanding operations within the City of Denham Springs. Availability of commercial properties with city services including police and fire protection are major factors with retailers deciding to locate here.

Double-digit sales tax growth occurring during the last five months of the fiscal year has continued into the 1999-2000 fiscal year. The expansion of the Wal-Mart to a Super Wal-Mart, a new bank and a new restaurant have contributed to this growth. During the fiscal year the City issued 96 residential construction permits with a value of \$5,062,716 and 38 commercial permits with a value of \$14,169,551. The percentage increase of the value of permits issued over the previous year is 107% for residential and 62% for commercial.

The outlook is for population and economic growth to continue. Recent projects that support this outlook are a large truck dealership relocating to a facility vacated when a automobile dealership relocated to a new facility and three new residential subdivisions beginning the construction phase within the city limits.

MAJOR INITIATIVES

For the Year: The City continues to allocate funds for infrastructure improvements, equipment replacement and service improvements. Projects and service improvements during the fiscal year include:

- The new Animal Control facility was completed.
- The Municipal Building addition was near completion and provides new facilities for the City Court/Ward Two Court and Marshal.
- Completed the 1997-1998 Capital Improvement Program that resurfaced streets and completed drainage projects with expenditures of \$782,800.
- The Wastewater Treatment Facility construction project was 98% completed. The project updated and expanded the existing rock reed filter system with estimated project costs of \$3,700,000. An E.P.A. grant for \$3,500,000 is being used to fund this project.
- The Miller Diversion Canal project was completed with a total cost of approximately \$1,950,000.
- Engineering for the Range Road pairing has been substantially completed.
- Equipment in the amount of \$255,259 was acquired for the general fund, and equipment in the amount of \$125,315 was acquired for the utility fund. Most equipment purchases were replacements.
- New computer hardware and updated software was acquired for the general ledger, purchasing, payroll, accounts payable and utility billing functions. The new computer cost approximately \$19,000 and is Y2K compliant.
- A study by all departments of year 2,000 computer problems was completed with corrective action taken and contingency plans established.
- A new computer system was acquired for the water department that controls the water pressure in the distribution system and water level in the two elevated water tanks. The computer system provides off-site monitoring using a laptop computer.
- The second Certificate of Achievement for Excellence in Financial Reporting was received for the City's Comprehensive Annual Financial Report for the year ended June 30, 1998. Only eight municipalities in Louisiana received this Certificate of Achievement.
- The State Office of Culture, Recreation and Tourism presented the Main Street program with awards for best web site, best image promotion and best facade project.
- Federal Emergency Management Agency recognized the City for activities to protect its citizens from losses caused by flooding and for exceeding the requirements for National Flood Insurance Program Community Rating System.

For the Future: The City will continue to improve services and upgrade infrastructure. Projects planned for the future include:

- Acquire replacement equipment during fiscal year 2000 estimated to cost \$362,000 for the general fund and \$123,000 for the utility fund.
- Begin the relocation of the gas line near the Amite River bridge in advance of the State's project to replace the bridge.
- Begin construction of the Range Road pairing project.
- Begin construction of the 1999-2000 Capital Improvement Program that will exceed \$600,000. Included in the project are overlay of several streets and street and drainage improvements for Poplar Street.
- Begin renovation of the Brignac Street elevated water tower at an estimated cost of \$250,000.
- Complete the acquisition of right of ways for, and begin construction of, the new sewer force main from Pete's Highway to the new Waste-water Treatment Facility. Begin renovation of the Pete's Highway pump station. These projects are estimated to cost \$1,000,000.
- The City has contracted with Capital Region Planning Commission for a study of potential annexations. Included are areas where federally funded construction of new interstate interchanges are planned for Pete's Highway and Juban Road. The area under consideration will add about 5,000 citizens and new commercial areas. The annexation process may require up to five years to complete.
- Planning and funding sources are being studied for an upgrade of Tate Road from Range Avenue and an extension of Tate Road to Juban Road. This curb and gutter street will provide access for the new high school to be built, provide a link to the new interstate interchange and provide new commercial areas. This area is within the area under consideration for annexation. This is a project also expected to require three to five years to complete.
- Begin the planning and accumulation of information necessary to convert the City of Denham Springs to the new government reporting model required by Governmental Accounting Standards Board Statement No. 34.

INTERNAL CONTROL

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

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

ACCOUNTING SYSTEM AND BUDGETARY CONTROL

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

GENERAL GOVERNMENTAL FUNCTIONS

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

The schedule below presents a summary of revenues of the General Fund for the years ended June 30, 1999 and 1998, and the percentage increases (decreases) from the prior year.

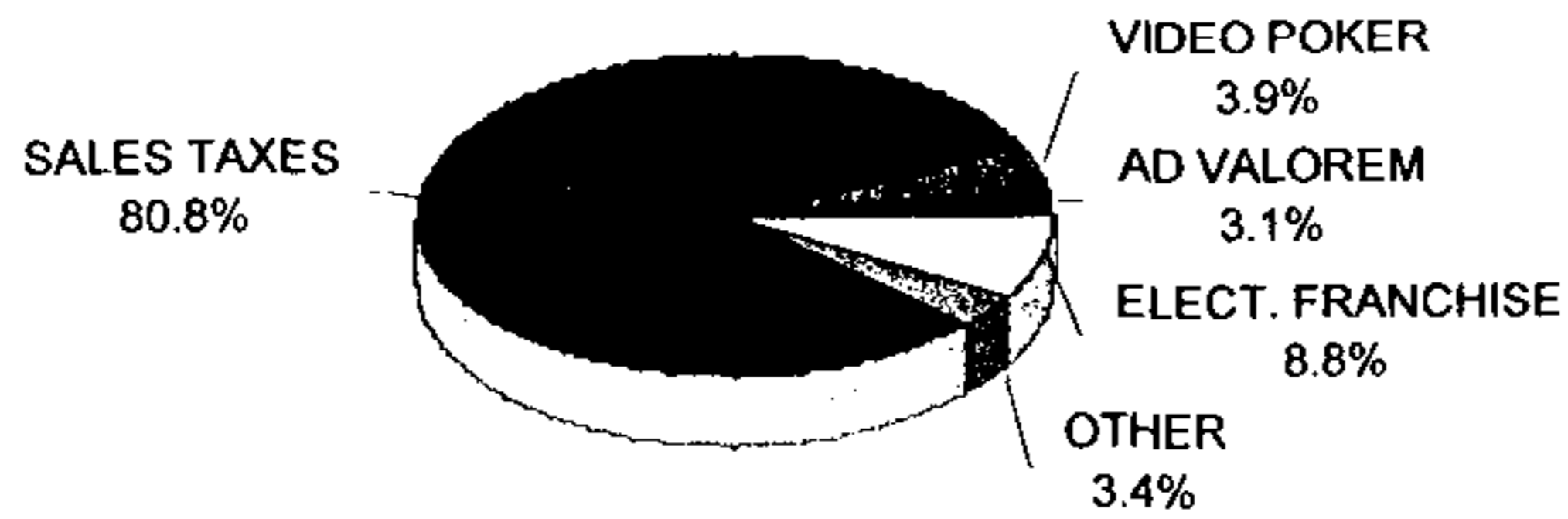
GENERAL FUND REVENUES:

SOURCES OF REVENUES	1999		1998		INCREASE (DECREASE) OVER 1998	PERCENT INCREASE (DECREASE) OVER 1998
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Taxes	\$4,521,898	73.9%	\$4,166,264	74.3%	\$355,634	8.5%
Licenses and Permits	625,763	10.2	543,224	9.7	82,539	15.2
Fines and Forfeits	174,827	2.9	191,915	3.4	(17,088)	(8.9)
911 Service Fees	185,202	3.0	165,314	3.0	19,888	12.0
Miscellaneous	<u>609,994</u>	<u>10.0</u>	<u>537,735</u>	<u>9.6</u>	<u>72,259</u>	13.4
Total	<u>\$6,117,684</u>	<u>100.0%</u>	<u>\$5,604,452</u>	<u>100.0%</u>	<u>\$513,232</u>	9.2%

For the year ended June 30, 1999, General Fund Revenues and Other Sources exceeded Expenditures and Other Uses by \$154,110. The collection of taxes, accounts for 73.9% of the General Fund Revenues. Figure #1, as shown on page xi, indicates the types and percentages of taxes collected for the year ended June 30, 1999. The City of Denham Springs collects a 1.5% sales tax. This sales tax generated \$3,655,439 of the General Fund Revenue or 59.8% of the total general fund revenues. Sales tax revenue increased 9.6% in the past fiscal year. Figure #2, as shown on page xi, presents the past ten years of sales tax collections. As indicated by these charts and figures the City of Denham Springs General Fund relies heavily on sales tax revenue and this revenue has been increasing by an average of 8.34% over the past ten years.

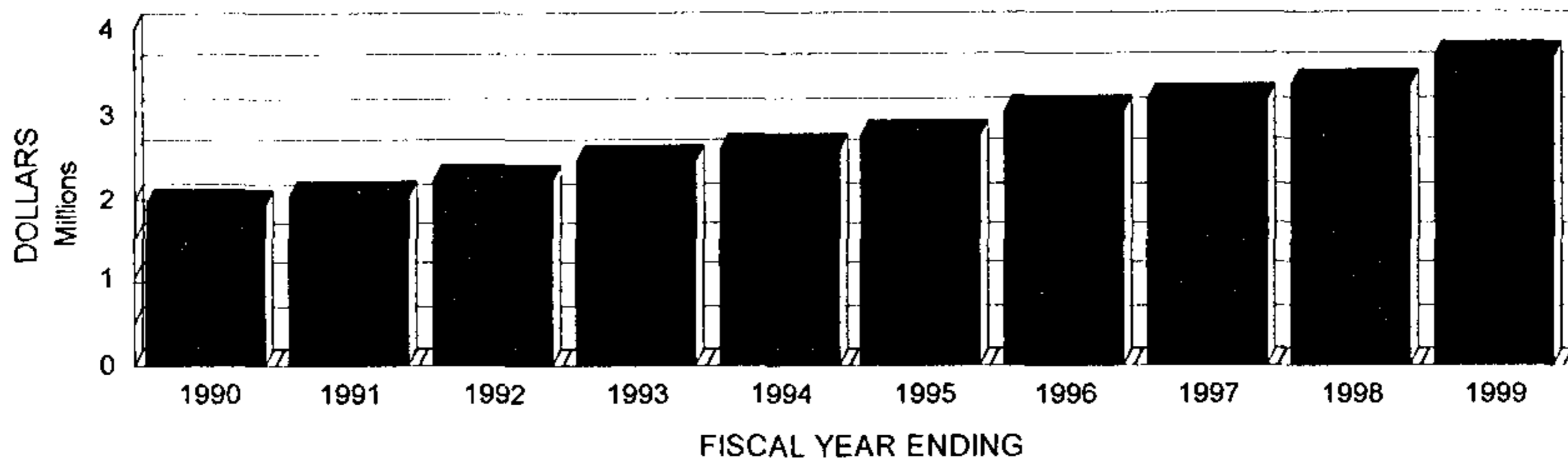
GENERAL FUND TAX REVENUE - 1999

FIGURE # 1



GENERAL FUND SALES TAX REVENUE

FIGURE # 2



The schedule below presents a summary of expenditures of the General Fund for the years ended June 30, 1999 and 1998, and the percentage increases (decreases) from the prior year.

GENERAL FUND EXPENDITURES:

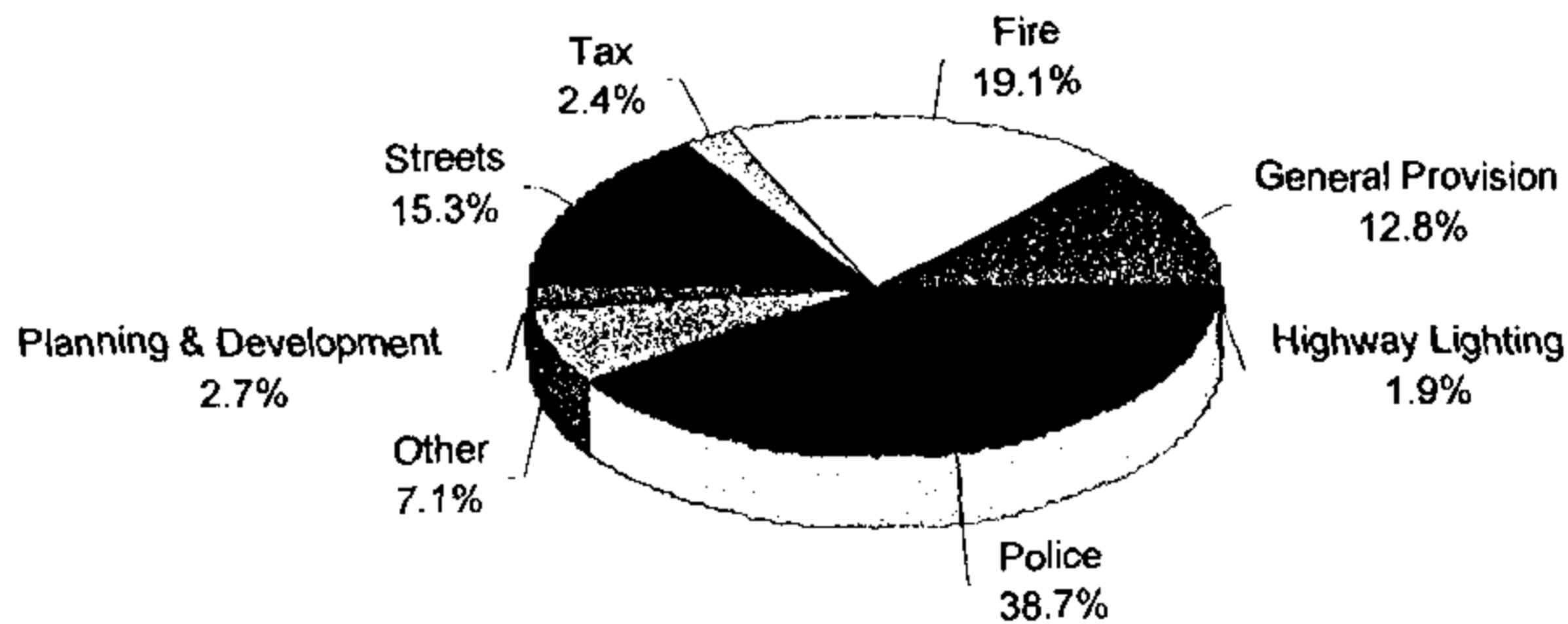
EXPENDITURES BY FUNCTION	1999		1998		INCREASE (DECREASE) OVER 1998	PERCENT INCREASE (DECREASE) OVER 1998
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
General						
Provisions	\$ 609,259	12.8%	\$ 589,791	12.9%	\$ 19,468	3.3%
Cemetery	63,710	1.3	65,107	1.4	(1,397)	(2.1)
Tax	115,097	2.4	127,940	2.8	(12,843)	(10.0)
Ward Court	47,611	1.0	53,815	1.2	(6,204)	(11.5)
Planning and Development	129,454	2.7	149,361	3.3	(19,907)	(13.3)
Public Service Workers	73,085	1.5	57,547	1.3	15,538	27.0

(CONTINUED)

EXPENDITURES BY FUNCTION	1999		1998		INCREASE (DECREASE) OVER 1998	PERCENT INCREASE (DECREASE) OVER 1998
	EXPENDITURES	PERCENT OF TOTAL	EXPENDITURES	PERCENT OF TOTAL		
Summer Food Program	7,997	.2	12,908	.3	(4,911)	(38.0)
Animal Control	50,962	1.1	54,346	1.2	(3,384)	(6.2)
Fire	909,489	19.1	930,801	20.3	(21,312)	(2.3)
Police	1,840,913	38.7	1,677,296	36.7	163,617	9.8
Streets	730,310	15.3	686,412	15.0	43,898	6.4
Highway Lighting	90,019	1.9	96,393	2.1	(6,374)	(6.6)
Health	36,144	.8	24,695	.5	11,449	46.4
Culture and Recreation	56,570	1.2	48,462	1.0	8,108	16.7
Total	\$4,760,620	100.0%	\$4,574,874	100.0%	\$185,746	4.1%

GENERAL FUND EXPENDITURES -1999

FIGURE # 3



As indicated in the schedule on page xi, General Provisions expenditures increased \$19,468. This was due primarily to a \$25,476 increase in salaries. Public Service Workers increased by \$15,538 or 27% when the allotted employees were increased from 1 to 2. Police Department expenditures increased by \$163,617 due to \$99,557 increase in salaries and \$63,241 increase in equipment. The \$43,898 increase in Street expenditures resulted primarily when salaries increased \$41,045. Health expenditures increased \$11,449 or 46.4% mainly due to air conditioner replacement in the Council on Aging building. Summer Food Program expenditures decreased 38% or \$4,911 when the program was discontinued effective with the summer of 1999. Planning and Development expenditures decreased \$19,907 or 13.3% primarily due to a decrease in equipment because a truck was purchased in the prior year.

UTILITY ENTERPRISE FUND

The Enterprise Fund consists of Gas, Water, Sewer, and Sanitation Services. The City has 4,372 gas customers, 6,054 water customers, 5,114 sewer customers, and 3,149 sanitation customers. The Enterprise Fund has \$1,575,000 in unrestricted Certificates of Deposits. Property, Plant and Equipment (net of accumulated depreciation) is stated at cost and totals \$15,340,862.

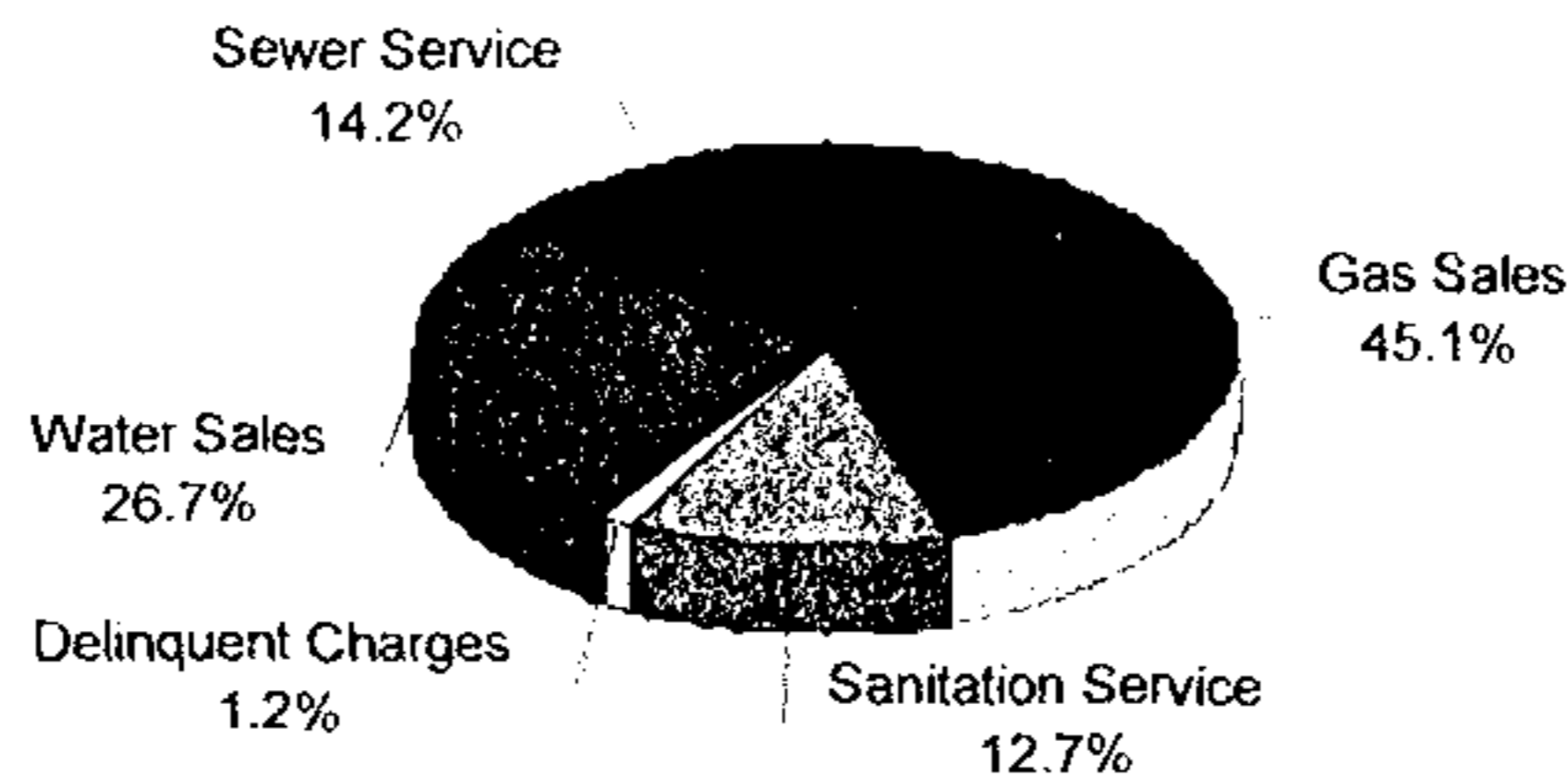
The schedule below and on page xiv, present a summary of operating revenues and operating expenses of the Utility Enterprise Fund for the years ended June 30, 1999 and 1998, and the percentage increases (decreases) from the prior year.

OPERATING REVENUE:

SOURCES OF REVENUES	1999		1998		INCREASE (DECREASE) OVER 1998	PERCENT INCREASE (DECREASE) OVER 1998
	REVENUES	PERCENT OF TOTAL	REVENUES	PERCENT OF TOTAL		
Gas Sales	\$1,725,881	45.1%	\$2,055,815	50.4%	\$(329,934)	(16.0)%
Water Sales	1,022,172	26.7	983,589	24.1	38,583	3.9
Sewer Service	541,764	14.2	527,189	12.9	14,575	2.8
Sanitation Service	486,221	12.7	458,242	11.2	27,979	6.1
Delinquent Charges	47,444	1.3	57,626	1.4	(10,182)	(17.7)
Total	\$3,823,482	100.0%	\$4,082,461	100.0%	\$(258,979)	(6.3)%

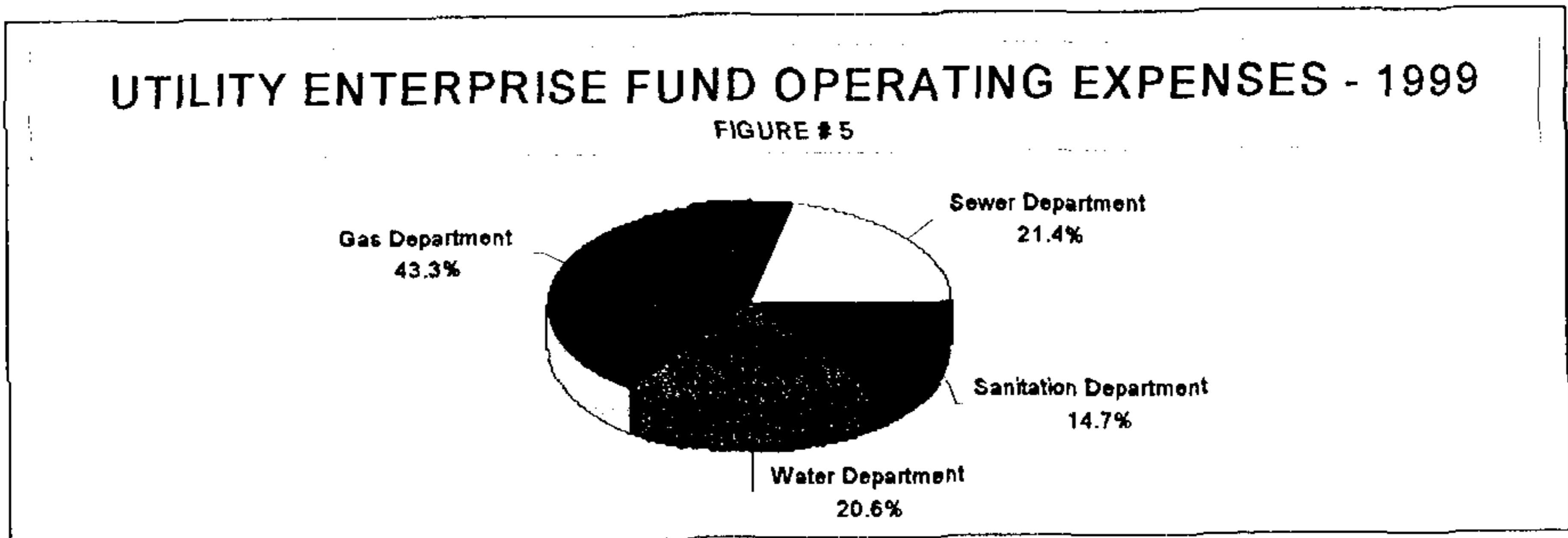
UTILITY ENTERPRISE FUND OPERATING REVENUE - 1999

FIGURE # 4



OPERATING EXPENSES:

FUNCTION OF EXPENSES	1999		1998		INCREASE (DECREASE) OVER 1998	PERCENT INCREASE (DECREASE) OVER 1998
	EXPENSES	PERCENT OF TOTAL	EXPENSES	PERCENT OF TOTAL		
Gas Dept.	\$1,550,153	43.3%	\$1,715,762	46.7%	\$(165,609)	(9.7)%
Water Dept.	738,061	20.6	764,092	20.8	(26,031)	(3.4)
Sewer Dept.	765,938	21.4	710,829	19.3	55,109	7.8
Sanitation Dept.	525,458	14.7	483,937	13.2	41,521	8.6
Total	\$3,579,610	100.0%	\$3,674,620	100.0%	\$(95,010)	2.6%



Gas Department revenue decreased \$329,934 and expenses decreased \$165,609 in fiscal year 1999 due to a warmer winter and by fuel adjustments caused by a decrease in the price of natural gas of approximately 50¢ per MCF. Water Sales increased \$38,583 or 3.9%. Sanitation revenues increased by \$27,979 primarily due to the current rates for services containing higher rates being in effect for the entire fiscal year. Sanitation Department expenses increased by \$41,521 primarily due to rate increase based on CPI factors as provided in the contract, an increase in the number of commercial dumpsters provided for public facilities and the purchase of recycle bins.

EXPENDABLE CEMETERY TRUST FUND

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

The Expendable Cemetery Trust Fund will continue to accumulate the revenues generated from the sale of cemetery plots and the interest earned by the investments until such time as the interest earned by the investments fully cover the expenditures of the Cemetery maintenance department. At this time, the Fund balance of the Expendable Cemetery Trust Fund is \$383,150. For the year ended June 30, 1999, the expenditures of the Cemetery department was \$63,710 which was funded by General Fund revenues.

DEBT ADMINISTRATION

The City of Denham Springs has no general obligation debt. There is a Special Assessment debt with a balance of \$53,284 as of June 30, 1999. This Special Assessment debt occurred when the City issued its 1993 Paving Certificates of Indebtedness to be used for the street overlay project within the Lakeland Acres Subdivision. These Certificates of Indebtedness will be repaid by the assessment on the property owners of the Lakeland Acres Subdivision. In addition, the Utility Enterprise Fund at June 30, 1999, has outstanding one Revenue Bond with an unpaid balance of \$1,514,447. As more fully explained in Note 9 - Long-Term Debt - the City on July 17, 1998, advance refunded its 1989 Utility Revenue Refunding Bonds bearing an annual interest rate of 11.0% with the issuance of its 1998 Utility Revenue Refunding Bond with an annual interest rate of 7.2%. In addition, due to the reduction in the interest rate and the application of the interest savings to the principal of the new bonds, the City also reduced the remaining life of the old bonds from April 1, 2016 to April 1, 2006.

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

A summary of the certificates of indebtedness and revenue bond activities for 1999 is shown below.

	<u>BALANCE OUTSTANDING JUNE 30, 1998</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE OUTSTANDING JUNE 30, 1999</u>
1993 Paving Certificates of Indebtedness	\$ 66,605	\$ -	\$ 13,321	\$ 53,284
1989 Utility Revenue Refunding Bonds (Advance Refunded July 17, 1998)	1,968,029	-	1,968,029	-
1998 Utility Revenue Refunding Bond	<u>-</u>	<u>1,712,505</u>	<u>198,058</u>	<u>1,514,447</u>
Totals	<u>\$2,034,634</u>	<u>\$1,712,505</u>	<u>\$2,179,408</u>	<u>\$1,567,731</u>

TREASURY ADMINISTRATION

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

RISK MANAGEMENT

During the fiscal year ended June 30, 1999 management believes the City is fully insured for all major risks, such as General Liability, Workmen's compensation, Employee and Public Official Fidelity Bonds, and Fire Extended Coverage and Flood Insurance. The City maintains no self-insurance program at June 30, 1999.

INDEPENDENT AUDIT

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

TRANSMITTAL LETTER OF THE CAFR

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to City of Denham Springs for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 1998. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of a state and local government financial report.

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

A Certificate of Achievement is valid for a period of one year only. The City of Denham Springs received a Certificate of Achievement for the fiscal year 1998. I believe our current report continues to conform to the Certificate of Achievement program requirements, and we are submitting it to GFOA to determine its eligibility for a certificate.

ACKNOWLEDGMENT

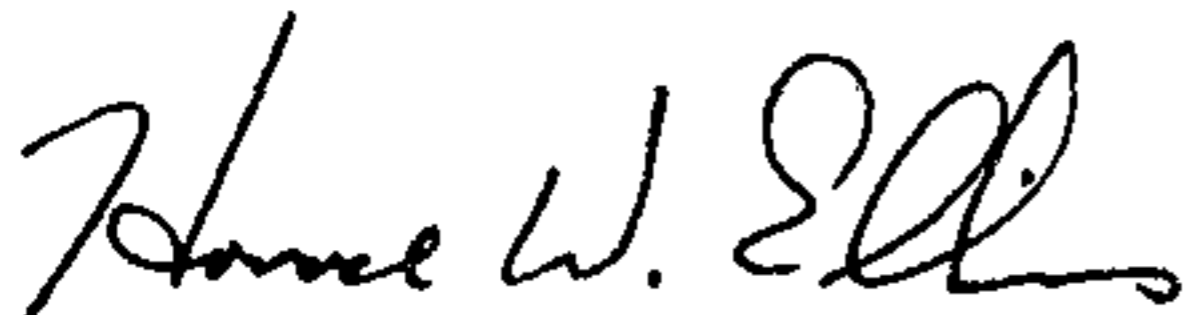
It is our desire that this report contain the necessary information and data which will provide a better understanding of the operations of the City. It is further hoped that this report has been designed in a manner to be used as an administrative tool and general source of information so as to enhance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

Special recognition is due to the Administrative Office Staff whose daily efforts result in the proper handling of the City's financial affairs and the successful completion of this report.

Appreciation is also expressed to the Mayor and City Council for their support in planning and conducting the financial affairs of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF DENHAM SPRINGS

A handwritten signature in cursive script, appearing to read "Horace W. Elkins".

Horace W. Elkins
City Treasurer

City of Denham Springs
PRINCIPAL ELECTED OFFICIALS

June 30, 1999

Mayor:

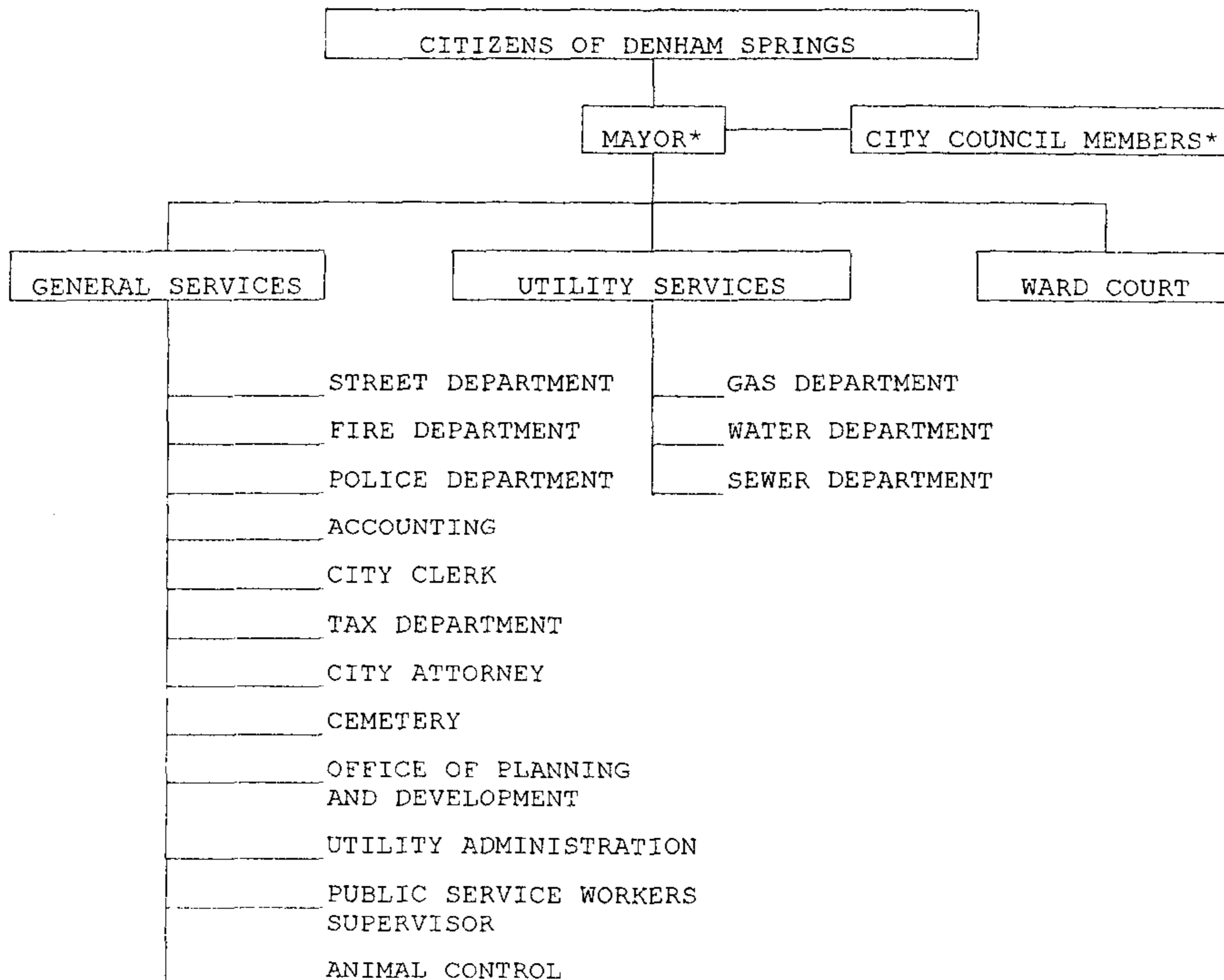
James E. Delaune

City Council Members:
Current Terms Expire December 31, 2002:

James E. Durbin
Arthur Perkins
Sterling Vincent
Brent Dugas
Layton Ricks

ORGANIZATIONAL CHART

June 30, 1999



* ELECTED OFFICIALS

Certificate of Achievement for Excellence in Financial Reporting

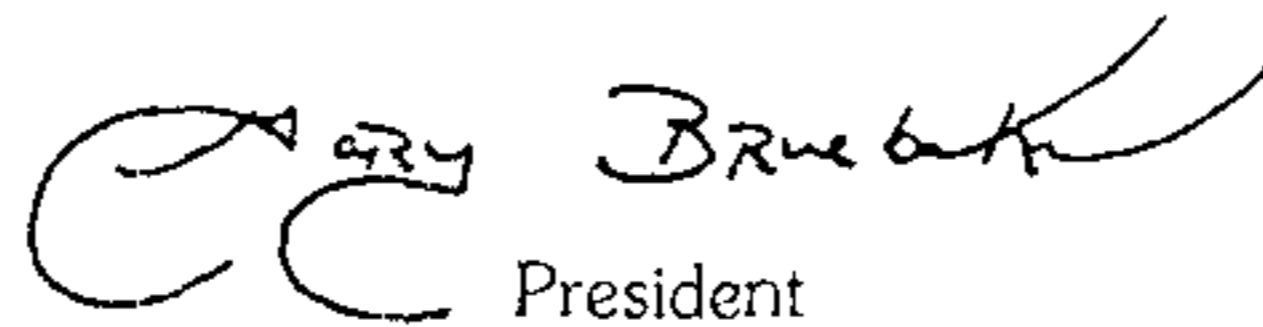
Presented to

City of Denham Springs,
Louisiana

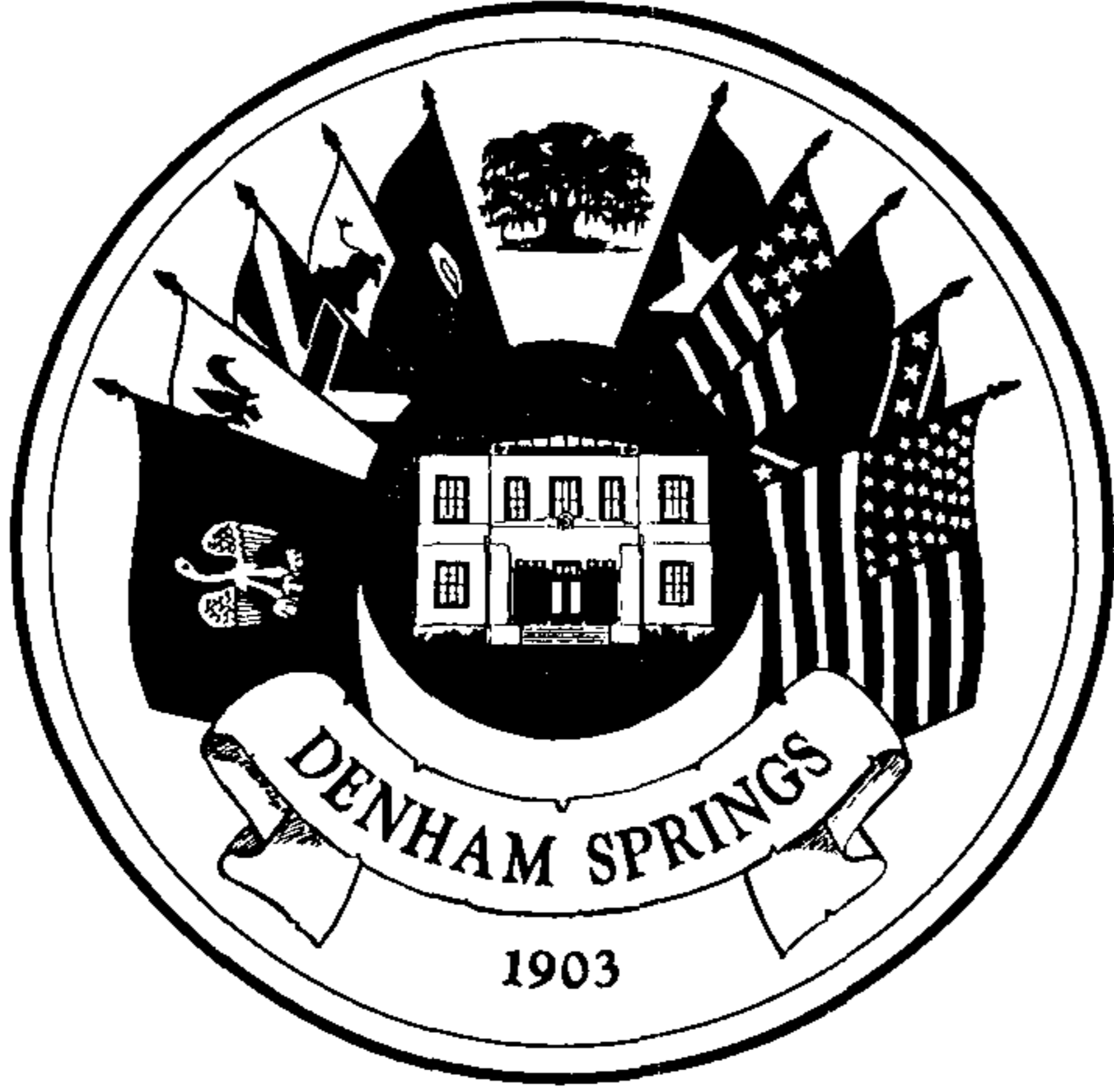
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

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




Cary Brubaker
President


Jeffrey L. Esler
Executive Director





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

Laura E. Monroe, CPA

*A Professional Accounting Corporation

1111 S. Range Avenue, Suite 101
Denham Springs, LA 70726
Phone: (225) 665-8297
Fax: (225) 667-3813

Members American Institute of
Certified Public Accountants

2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809

November 24, 1999

INDEPENDENT AUDITOR'S REPORT

The Honorable James E. DeLaune, Mayor
and Members of the City Council
Denham Springs, Louisiana

We have audited the accompanying general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1999, as listed in the table of contents. These general purpose financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

We conducted our audits in accordance with generally accepted auditing standards and 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 audits provide 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 Denham Springs, Louisiana, as of June 30, 1999, and the results of its operations and cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles. Also, in our opinion, the combining, individual fund,

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

and account group financial statements, referred to above, present fairly, in all material respects, the financial position of each of the individual funds and account groups of the City of Denham Springs, Louisiana, at June 30, 1999, and the results of operations of such funds and the cash flows of the individual proprietary funds for the year then ended, in conformity with generally accepted accounting principles.

In accordance with Governmental Auditing Standards, we have also issued a report dated November 24, 1999 on our consideration of the City of Denham Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audits were made for the purpose of forming an opinion on the general purpose financial statements taken as a whole and on the combining, individual fund, and account group financial statements. The Year 2000 supplementary information on pages 55-56 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Denham Springs is or will become Year 2000 compliant, the City's Year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business with are or will become Year 2000 compliant.

The accompanying financial information listed as Schedule of Compensation of City Council Members in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose, combining, individual fund, and account group financial statements of the City of Denham Springs, Louisiana. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, and account group financial statements and, in our opinion, is fairly stated in all material respects in relation to such financial statements taken as a whole.

The accompanying financial information listed in the Statistical Section as Schedules 2-17 is also presented for purposes of additional analysis and is not a required part of the financial statements of the City of Denham Springs, Louisiana. This information has not been audited by us, and accordingly we express no opinion on the information.

Respectfully submitted,

Harris J. Bourgeois, L.L.P.

GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)

City of Denham Springs

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

June 30, 1999

ASSETS AND OTHER DEBITS	<u>GOVERNMENTAL FUND TYPES</u>			<u>PROPRIETARY FUND TYPES</u>	
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Cash and Cash Equivalents	\$ 350,599	\$ 34,863	\$ 688,016	\$ 1,044,196	\$ 12,584
Investments, at Cost	900,000	-	200,000	1,603,001	-
Receivables (Net of Allowance for Uncollectibles):					
Accounts	-	-	-	190,963	-
Special Assessments	-	25,110	-	-	-
Other	108,278	41	6,493	17,434	-
Unbilled Utility Sales	-	-	-	284,882	-
Due from Other Funds	48,986	-	173,594	157	9,982
Due from Other Governments	357,261	-	348,705	227,404	-
Due from Component Units	4,570	-	-	-	-
Due from Primary Government	-	-	-	-	-
Inventory, at Cost	-	-	-	101,115	8,623
Prepaid Expenses	-	-	-	4,902	-
Restricted Assets:					
Investments, at Cost	-	-	-	445,000	-
Fixed Assets (Net of Accumulated Depreciation)	-	-	-	15,340,862	25,231
Other Assets	13,372	-	-	-	66
Other Debits:					
Amount Available in Debt Service Fund for Payment of the 1993 Paving Certificates	-	-	-	-	-
Amount to be Provided from Special Assessment Receivables	-	-	-	-	-
Amount to be Provided for Accumulated Unpaid Vacation	-	-	-	-	-
Amount to be Provided for Retirement of Notes Payable	-	-	-	-	-
Total Assets and Other Debits	<u>\$1,783,066</u>	<u>\$ 60,014</u>	<u>\$1,416,808</u>	<u>\$19,259,916</u>	<u>\$ 56,486</u>
 LIABILITIES					
Accounts Payable	\$ 83,731	\$ -	\$ 130,895	\$ 172,391	\$ 3,756
Retainages Payable	-	-	56,942	189,902	-
Payroll Taxes Payable	922	-	-	-	-
Retirement and Group Insurance Payable	32,077	-	-	-	-
Accrued Salaries and Wages	77,931	-	-	23,496	-
Due to Other Funds	9,982	-	173,594	48,986	157
Accrued Bond Interest	-	-	-	27,260	-

(CONTINUED)

Exhibit A

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
\$ 71,797 311,123	\$ - -	\$ - -	\$ 2,202,055 3,014,124	\$ 172,771 85,000	\$ 23,311 -	\$ 2,398,137 3,099,124
-	-	-	190,963	-	-	190,963
-	-	-	25,110	-	-	25,110
230	-	-	132,476	1,651	-	134,127
-	-	-	284,882	-	-	284,882
-	-	-	232,719	404	-	233,123
-	-	-	933,370	-	-	933,370
-	-	-	4,570	-	-	4,570
-	-	-	-	-	3,805	3,805
-	-	-	109,7318	-	-	109,738
-	-	-	4,902	-	-	4,902
-	-	-	445,000	-	-	445,000
-	7,193,768	-	22,559,861	139,822	97,519	22,797,202
-	-	-	13,438	-	-	13,438
-	-	39,055	39,055	-	-	39,055
-	-	14,229	14,229	-	-	14,229
-	-	292,009	292,009	-	-	292,009
-	-	-	-	-	15,380	15,380
<u>\$ 383,150</u>	<u>\$7,193,768</u>	<u>\$ 345,293</u>	<u>\$30,498,501</u>	<u>\$ 399,648</u>	<u>\$ 140,015</u>	<u>\$31,038,164</u>
\$ -	\$ -	\$ -	\$ 390,773	\$ 237	\$ 1,188	\$ 392,198
-	-	-	246,844	-	-	246,844
-	-	-	922	-	2,855	3,777
-	-	-	32,077	-	1,491	33,568
-	-	-	101,427	-	-	101,427
-	-	-	232,719	404	-	233,123
-	-	-	27,260	-	-	27,260

City of Denham Springs

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

June 30, 1999

LIABILITIES (CONT'D.)	GOVERNMENTAL FUND TYPES			PROPRIETARY FUND TYPES	
	GENERAL	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	INTERNAL SERVICE
Due to Other Governments	-	-	-	2,114	-
Due to Component Units	3,805	-	-	-	-
Due to Primary Government	-	-	-	-	-
Deferred Revenues	-	20,959	-	-	-
Payable from Restricted Assets:					
Customers' Deposits	-	-	-	455,410	-
Revenue Bonds Payable	-	-	-	1,514,447	-
Deferred Amount on Refunding 1993 Paving Certificates	-	-	-	(86,123)	-
Accumulated Unpaid Vacation	-	-	-	35,823	2,139
Notes Payable	-	-	-	-	-
Other Liabilities	4,882	-	-	38,384	1,810
Total Liabilities	213,330	20,959	361,431	2,422,090	7,862
FUND EQUITY AND OTHER CREDITS					
Contributed Capital	-	-	-	7,298,427	-
Investment in General Fixed Assets	-	-	-	-	-
Retained Earnings:					
Unreserved	-	-	-	9,539,399	48,624
Fund Balance:					
Reserved for Debt Service	-	39,055	-	-	-
Reserved for Cemetery Expenditures	-	-	-	-	-
Reserved Civil Fees	-	-	-	-	-
Reserved for Encumbrance	50,290	-	-	-	-
Unreserved:					
Designated for Construction	-	-	1,055,377	-	-
Designated for Subsequent Year Expenditures	173,820	-	-	-	-
Designated for Witness Fees and Public Service Workers	-	-	-	-	-
Undesignated	1,345,626	-	-	-	-
Total Fund Equity and Other Credits	1,569,736	39,055	1,055,377	16,837,826	48,624
Total Liabilities, Fund Equity, and Other Credits	\$ 1,783,066	\$ 60,014	\$1,416,808	\$19,259,916	\$ 56,486

The accompanying notes constitute an integral part of this statement.

Exhibit A
(Continued)

FIDUCIARY FUND TYPE	ACCOUNT GROUPS		TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
	GENERAL FIXED ASSETS	GENERAL LONG-TERM DEBT		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
-	-	-	2,114	-	-	2,114
-	-	-	3,805	-	-	3,805
-	-	-	-	-	4,570	4,570
-	-	-	20,959	-	-	20,959
-	-	-	455,410	-	-	455,410
-	-	-	1,514,447	-	-	1,514,447
-	-	-	(86,123)	-	-	(86,123)
-	-	53,284	53,284	-	-	53,284
-	-	292,009	329,971	-	-	329,971
-	-	-	-	-	15,380	15,380
-	-	-	45,076	92,913	218	138,207
-	-	345,293	3,370,965	93,554	25,702	3,490,221
-	-	-	7,298,427	-	-	7,298,427
-	7,193,768	-	7,193,768	139,822	97,519	7,431,109
-	-	-	9,588,023	-	-	9,588,023
-	-	-	39,055	-	-	39,055
383,150	-	-	383,150	-	-	383,150
-	-	-	-	13,273	-	13,273
-	-	-	50,290	-	-	50,290
-	-	-	1,055,377	-	-	1,055,377
-	-	-	173,820	-	-	173,820
-	-	-	-	21,364	-	21,364
-	-	-	1,345,626	131,635	16,794	1,494,055
383,150	7,193,768	-	27,127,536	306,094	114,313	27,547,943
<u>\$ 383,150</u>	<u>\$7,193,768</u>	<u>\$ 345,293</u>	<u>\$30,498,501</u>	<u>\$ 399,648</u>	<u>\$ 140,015</u>	<u>\$31,038,164</u>

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Revenues:			
Special Assessments	\$ -	\$ 8,419	\$ -
Taxes	4,521,898	-	-
Licenses and Permits	625,763	-	-
Fines and Forfeits	174,827	-	-
911 Service Fees	185,202	-	-
Interest	76,973	4,277	8,445
Court Costs	-	-	-
Civil Fees	-	-	-
Miscellaneous	<u>533,021</u>	<u>127</u>	<u>300,280</u>
Total Revenues	6,117,684	12,823	308,725
Expenditures:			
Current:			
General Government	1,046,213	2,858	-
Public Safety:			
Animal Control	50,962	-	-
Fire	909,489	-	-
Police	1,840,913	-	-
Highways and Streets	820,329	-	-
Health	36,144	-	-
Culture and Recreation	56,570	-	-
Capital Outlay	-	-	1,394,543
Debt Service:			
Principal Retirement	-	13,321	-
Interest	-	<u>3,896</u>	-
Total Expenditures	<u>4,760,620</u>	<u>20,075</u>	<u>1,394,543</u>
Excess (Deficiency) of Revenues over Expenditures	1,357,064	(7,252)	(1,085,818)
Other Financing Sources (Uses):			
Operating Transfers In	-	-	1,121,210
Operating Transfers Out	(1,121,210)	-	-
Transfers In from Primary Government	-	-	-
Transfers In from Component Units	1,022	-	-
Transfers Out to Component Units	(95,745)	-	-
Transfers Out to Primary Government	-	-	-
Proceeds from Issuance of Notes Payable	-	-	-
Sale of Assets	<u>12,979</u>	-	-
Total Other Financing Sources (Uses)	<u>(1,202,954)</u>	-	<u>1,121,210</u>

(CONTINUED)

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
\$ -	\$ 8,419	\$ -	\$ -	\$ 8,419
-	4,521,898	-	-	4,521,898
-	625,763	-	-	625,763
-	174,827	-	-	174,827
-	185,202	-	-	185,202
19,646	109,341	9,772	487	119,600
-	-	126,528	106,558	233,086
-	-	35,476	-	35,476
<u>12,950</u>	<u>846,378</u>	<u>30,954</u>	<u>92,029</u>	<u>969,361</u>
32,596	6,471,828	202,730	199,074	6,873,632
-	1,049,071	261,857	238,420	1,549,348
-	50,962	-	-	50,962
-	909,489	-	-	909,489
-	1,840,913	-	-	1,840,913
-	820,329	-	-	820,329
-	36,144	-	-	36,144
-	56,570	-	-	56,570
-	1,394,543	3,907	13,802	1,412,252
-	13,321	-	3,385	16,706
-	<u>3,896</u>	<u>-</u>	<u>1,379</u>	<u>5,275</u>
-	6,175,238	265,764	256,986	6,697,988
32,596	296,590	(63,034)	(57,912)	175,644
-	1,121,210	2,199	-	1,123,409
-	(1,121,210)	(2,199)	-	(1,123,409)
-	-	45,482	50,263	95,745
-	1,022	-	-	1,022
-	(95,745)	-	-	(95,745)
-	-	(1,022)	-	(1,022)
-	-	-	-	-
-	<u>12,979</u>	<u>-</u>	<u>-</u>	<u>12,979</u>
-	(81,744)	44,460	50,263	12,979

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>GOVERNMENTAL FUND TYPES</u>		
	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	154,110	(7,252)	35,392
Fund Balances at Beginning of Year	<u>1,415,626</u>	<u>46,307</u>	<u>1,019,985</u>
Fund Balances at End of Year	<u>\$ 1,569,736</u>	<u>\$ 39,055</u>	<u>\$1,055,377</u>

The accompanying notes constitute an integral part of this statement.

Exhibit B
(Continued)

FIDUCIARY FUND TYPE	TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)	COMPONENT UNITS		TOTAL REPORTING ENTITY (MEMORANDUM ONLY)
		CITY COURT OF DENHAM SPRINGS - WARD II	MARSHALL OF CITY COURT OF DENHAM SPRINGS - WARD II	
32,596	214,846	(18,574)	(7,649)	188,623
<u>350,554</u>	<u>2,832,472</u>	<u>184,846</u>	<u>24,443</u>	<u>3,041,761</u>
<u>\$383,150</u>	<u>\$ 3,047,318</u>	<u>\$ 166,272</u>	<u>\$ 16,794</u>	<u>\$ 3,230,384</u>

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>GENERAL FUND</u>		<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
	<u>BUDGET</u>	<u>ACTUAL</u>	
Revenues:			
Taxes	\$ 4,334,100	\$ 4,521,898	\$ 187,798
Licenses and Permits	575,000	625,763	50,763
Fines and Forfeits	192,000	174,827	(17,173)
911 Service Fees	155,000	185,202	30,202
Interest	60,000	76,973	16,973
Miscellaneous	<u>431,818</u>	<u>533,021</u>	<u>101,203</u>
Total Revenues	5,747,918	6,117,684	369,766
Expenditures:			
Current:			
General Government	1,191,650	1,046,213	145,437
Public Safety:			
Animal Control	51,990	50,962	1,028
Fire	963,220	909,489	53,731
Police	1,901,380	1,840,913	60,467
Highways and Streets	889,150	820,329	68,821
Health	44,500	36,144	8,356
Culture and Recreation	61,563	56,570	4,993
Capital Projects	-	-	-
Total Expenditures	<u>5,103,453</u>	<u>4,760,620</u>	<u>342,833</u>
Excess (Deficiency) of Revenues over Expenditures	644,465	1,357,064	712,599
Other Financing Sources (Uses):			
Operating Transfers In	-	-	-
Operating Transfers Out	(1,321,210)	(1,121,210)	200,000
Transfers In from Component Units	12,000	1,022	(10,978)
Transfers Out to Component Units	(101,500)	(95,745)	5,755
Sale of Assets	<u>1,000</u>	<u>12,979</u>	<u>11,979</u>
Total Other Financing Sources (Uses)	<u>(1,409,710)</u>	<u>(1,202,954)</u>	<u>206,756</u>
Excess (Deficiency) of Revenues and Other Sources over Expendi- tures and Other Uses	(765,245)	154,110	919,355

(CONTINUED)

<u>CAPITAL PROJECTS FUND TYPES</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
\$ -	\$ -	\$ -
-	-	-
-	-	-
-	-	-
30,000	8,445	(21,555)
<u>1,381,600</u>	<u>300,280</u>	<u>(1,081,320)</u>
1,411,600	308,725	(1,102,875)
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
<u>3,436,410</u>	<u>1,394,543</u>	<u>2,041,867</u>
3,436,410	1,394,543	2,041,867
(2,024,810)	(1,085,818)	938,992
1,121,210	1,121,210	-
-	-	-
-	-	-
-	-	-
<u>1,121,210</u>	<u>1,121,210</u>	<u>-</u>
(903,600)	35,392	938,992

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>GENERAL FUND</u>		
	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Fund Balances at Beginning of Year	<u>1,415,626</u>	<u>1,415,626</u>	<u>-</u>
Fund Balances at End of Year	<u>\$ 650,381</u>	<u>\$ 1,569,736</u>	<u>\$ 919,355</u>

The accompanying notes constitute an integral part of this statement.

<u>CAPITAL PROJECTS FUND TYPES</u>		
<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
<u>1,019,985</u>	<u>1,019,985</u>	<u>-</u>
<u>\$ 116,385</u>	<u>\$ 1,055,377</u>	<u>\$ 938,992</u>

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Operating Revenues:			
Charges for Services	\$3,823,482	\$ -	\$3,823,482
Sales	-	282,442	282,442
Total Operating Revenues	3,823,482	282,442	4,105,924
Operating Expenses:			
Cost of Sales	-	236,395	236,395
Natural Gas Purchases	703,096	-	703,096
Salaries	806,457	26,608	833,065
Payroll Taxes, Retirement and Group Insurance	151,047	5,216	156,263
Depreciation	529,762	5,491	535,253
Electricity	148,491	-	148,491
Equipment Expenses	123,557	375	123,932
Equipment Rental	28,537	-	28,537
Insurance	75,101	2,932	78,033
Maintenance	229,772	3,748	233,520
Meter Reading and Meter Repairs	90,883	-	90,883
Miscellaneous	91,028	374	91,402
Office Expense	39,650	-	39,650
Professional Fees	20,519	-	20,519
Small Tools and Supplies	34,536	1,065	35,601
Subcontract Disposal Service	462,653	-	462,653
Telephone	35,771	119	35,890
Uniforms	-	275	275
Bad Debts	8,750	-	8,750
Total Operating Expenses	3,579,610	282,598	3,862,208
Operating Income (Loss)	243,872	(156)	243,716

(CONTINUED)

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPES</u>	<u>INTERNAL SERVICE</u>	<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>SERVICE</u>	<u>ONLY)</u>
Nonoperating Revenues:			
Interest	160,057	-	160,057
Miscellaneous	<u>22,876</u>	<u>179</u>	<u>23,055</u>
Total Nonoperating Revenues	182,933	179	183,112
Nonoperating Expenses:			
Interest	124,029	-	124,029
Amortization of Bond Costs	<u>11,301</u>	<u>-</u>	<u>11,301</u>
Total Nonoperating Expenses	<u>135,330</u>	<u>-</u>	<u>135,330</u>
Net Income	291,475	23	291,498
Retained Earnings at Beginning of Year	<u>9,247,924</u>	<u>48,601</u>	<u>9,296,525</u>
Retained Earnings at End of Year	<u>\$9,539,399</u>	<u>\$ 48,624</u>	<u>\$9,588,023</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

COMBINED STATEMENT OF CASH FLOWS -
ALL PROPRIETARY FUND TYPES

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL</u>
	<u>ENTERPRISE</u>	<u>INTERNAL</u>	<u>PRIMARY</u>
		<u>SERVICE</u>	<u>GOVERNMENT</u>
			<u>(MEMORANDUM</u>
			<u>ONLY)</u>
Cash Flows From Operating Activities:			
Operating Income (Loss)	\$ 243,872	\$ (156)	\$ 243,716
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	529,762	5,491	535,253
Provision for Bad Debts	8,750	-	8,750
Miscellaneous Revenues	22,876	179	23,055
Changes in Assets and Liabilities:			
(Increase) Decrease in Accounts Receivable	(50,408)	-	(50,408)
(Increase) Decrease in Other Receivables	766	-	766
(Increase) Decrease in Unbilled Utility Sales	(71,331)	-	(71,331)
(Increase) Decrease in Due from Other Funds	143,174	(9,982)	133,192
(Increase) Decrease in Due from Government Agencies	(133,459)	-	(133,459)
(Increase) Decrease in Inventory	20,051	4,783	24,834
(Increase) Decrease in Prepaid Expenses	26,028	517	26,545
Increase (Decrease) in Accounts Payable	89,201	2,383	91,584
Increase (Decrease) in Retainage Payable	157,495	-	157,495
Increase (Decrease) in Accrued Salaries and Wages	3,876	-	3,876
Increase (Decrease) in Accrued Bond Interest	27,260	-	27,260

(CONTINUED)

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Increase (Decrease) in Due to Other Funds	48,986	(1,358)	47,628
Increase (Decrease) in Other Current Liabil- ities	(6,175)	-	(6,175)
Increase (Decrease) in Other Accrued Expenses	-	526	526
Increase (Decrease) in Accumulated Unpaid Vacation	32	41	73
Net Cash Provided by Operating Activities	1,060,756	2,424	1,063,180
Cash Flows From Noncapital Financ- ing Activities:			
Operating Transfers In	-	-	-
Net Cash Provided by Noncapital Finan- cing Activities	-	-	-
Cash Flows From Capital and Related Financing Activities:			
Acquisition and Construction of Property and Equipment	(3,443,576)	-	(3,443,576)
(Increase) Decrease in Restricted Assets	530,776	-	530,776
Increase (Decrease) in Liabilities Payable from Restricted Assets	(29,694)	-	(29,694)
Increase in Deferred Bond Cost	(51,360)	-	(51,360)

(CONTINUED)

City of Denham Springs

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

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPES</u>		<u>TOTAL PRIMARY GOVERNMENT (MEMORANDUM ONLY)</u>
	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>	
Reduction in Principal on Bonds Grant - Louisiana Department of Transportation	(453,582)	-	(453,582)
Grant - U.S. E.P.A.	-	-	-
Impact Fees - Developers	3,104,924	-	3,104,924
Interest Paid on Revenue Bonds	98,499	-	98,499
	<u>(124,029)</u>	<u>-</u>	<u>(124,029)</u>
Net Cash Used in Capital and Re- lated Financing Activities	(368,042)	-	(368,042)
Cash Flows From Investing Activities:			
Net Sale (Purchase) of Investments	(28,001)	-	(28,001)
Interest Income	160,057	-	160,057
	<u>132,056</u>	<u>-</u>	<u>132,056</u>
Net Cash Provided by (Used in) Investing Activities	132,056	-	132,056
Net Increase (Decrease) in Cash and Cash Equivalents	824,770	2,424	827,194
Cash and Cash Equivalents - Beginning of Year	<u>219,426</u>	<u>10,160</u>	<u>229,586</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,044,196</u>	<u>\$ 12,584</u>	<u>\$ 1,056,780</u>
Schedule of Noncash Investing, Capital and Financing Activities:			
Amortization of Deferred Bond Expense	<u>\$ 11,301</u>	<u>\$ -</u>	<u>\$ 11,301</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

(1) Summary of Significant Accounting Policies -

A. Financial Reporting Entity

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

As required by generally accepted accounting principles, these financial statements present the City of Denham Springs, Louisiana, and its component units, entities for which the City of Denham Springs is considered to be financially accountable. Each discretely presented component unit is reported in a separate column in the combined financial statements to emphasize it is legally separate from the City. Each discretely presented component unit has a June 30, 1999 year end.

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

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

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the City to impose its will on that organization and/or

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

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

BLENDDED COMPONENT UNITS

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

DISCRETELY PRESENTED COMPONENT UNITS

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

City Court of Denham Springs - Ward II - The Judge of the Court is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the City Court in that the City is required to provide the City Court office facilities and the City pays a portion of the Judge's compensation, and reimburses the Court for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the City Court of Denham Springs - Ward II's financial statements for the year ended June 30, 1999.

Marshall of City Court of Denham Springs - Ward II - The Marshall is an elected official provided by the Louisiana State Constitution. Fiscal interdependency exists between the City and the Marshall in that the City is required to provide the Marshall's office facilities, and reimburses the Marshall's office for certain other salaries and benefits. The City's General Purpose Financial Statements discretely presents the Marshall's financial statements for the year ended June 30, 1999.

RELATED ORGANIZATIONS

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

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

Denham Springs/Livingston Housing and Mortgage
Finance Authority

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

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

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

GOVERNMENTAL FUNDS

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

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

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

Governmental funds include the following fund types:

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

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

PROPRIETARY FUNDS

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

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

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

Proprietary funds include the following fund types:

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

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

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

FIDUCIARY FUNDS

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

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

ACCOUNT GROUPS

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

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

C. Assets, Liabilities and Equity

1. Deposits and Investments -

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

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

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

2. Receivables and Payables -

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

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

3. Inventories -

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

4. Restricted Assets -

Certain proceeds and resources of the City's Utility Enterprise Fund are set aside to reimburse customers their utility deposits upon discontinuance of service.

Restricted Assets at June 30, 1999 are comprised of certificates of deposits with maturities greater than 90 days when purchased.

5. Fixed Assets -

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

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

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

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

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

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

6. Compensated Absences -

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. No liability is reported for unpaid accumulated sick leave. Vacation pay is accrued when incurred in proprietary funds and reported as a fund liability. Vacation pay that is expected to be liquidated with expendable

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

available financial resources is reported as an expenditure and a fund liability of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable available financial resources are reported in the general long-term debt account group. No expenditure is reported for these amounts.

As of June 30, 1999, the liability for compensated absences is \$329,971. The amounts applicable to the Enterprise Fund of \$35,823 and Internal Service Fund of \$2,139 have been recorded in those funds and the amount applicable to the General Fund of \$292,009 has been recorded in the General Long-Term Debt account group.

7. Long-Term Obligations -

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

8. Fund Equity -

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

9. Memorandum Only - Total Columns -

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

10. Comparative Data/Reclassifications -

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

11. Post-Employment Health Care Benefits -

Retiree Benefits -

In addition to the pension benefits described in Note 11, the City provides postretirement healthcare benefits to all employees who retire from the City, as per the requirements of a local ordinance. The group insurance is paid by the City and reimbursed by the retired employee. There is no associated cost to the City under this program, and there are only six (6) participants in the program as of June 30, 1999.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

COBRA Benefits -

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premiums are paid by the City and reimbursed by the insured. This program is offered for a duration of eighteen (18) months after the termination date. There is no associated cost to the City under this program, and at June 30, 1999, there are no participants in the program.

12. Accounting for Special Assessment Project -

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

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

The only Special Assessment Debt outstanding at June 30, 1999, is the balance of \$53,284 due on the 1993 Paving Certificates issued to pay the cost of the construction of street paving improvements along certain portions of certain streets in the Lakeland Acres Subdivision.

13. Use of Estimates -

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

(2) Stewardship, Compliance and Accountability -

A. Budgetary Information

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

1. The City Treasurer prepares a proposed budget and submits same to the Mayor and Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.

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

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Budgeted amounts are as originally adopted, or as amended from time to time by the City Council. For the fiscal year ended June 30, 1999, the City Council approved the increase in the original expenditures and Transfers Out of the General Fund from \$5,691,555 to \$6,526,163 and an increase in the Capital Projects Funds from \$2,900,200 to \$3,436,410. The amended budgets for the General Fund and the Capital Projects Funds are presented in the Combined Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (GAAP Basis) and Actual.

Of the total increase in the General Fund Budget of \$834,608, an additional amount of \$536,210 was budgeted to be transferred from the General Fund to be used by the Capital Projects Funds for drainage, street improvements and building renovations. In addition, in the General Fund the budget was increased by \$123,800 for salaries and benefits in various departments, by \$28,610 for additional equipment purchases, by \$73,200 for repairs and maintenance in various departments, by \$15,500 for additional transfers to component units for the operations of the Marshall's office and by \$57,288 for various other miscellaneous expenditures of the general fund.

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

B. Excess of Expenditures Over Appropriations

For the year ended June 30, 1999, total expenditures did not exceed appropriations by more than 5% in any budgeted department.

(3) Deposits and Investments -

The City has established a consolidated bank account with a local bank into which monies are deposited and from which all disbursements are now being made. The purpose of the consolidation account is to reduce administrative charges and provide a single cash balance available for the maximization of investment earnings. Each fund shares in the investment earnings of the consolidated account according to its average cash balance. Cash is transferred from those funds with available cash resources to cover any negative cash balances, if any, in other funds at year-end.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

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

A. Deposits - Primary Government

City deposits (including demand deposit accounts and all certificates of deposits) at June 30, 1999, for the primary government of the City of Denham Springs are summarized as follows:

	<u>CARRYING AMOUNT</u>	<u>BANK BALANCE</u>
Category 1	\$5,631,528	\$5,770,908
Category 2	-	-
Category 3	<u>1,650</u>	<u>-</u>
Total	<u>\$5,633,178</u>	<u>\$5,770,908</u>
Balance Sheet Classification:		
Cash and Cash Equivalents	\$2,202,055	\$2,339,785
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	2,986,123	2,986,123
Restricted Assets:		
Investments (Certificates of Deposit with Maturities of Greater than 90 Days)	<u>445,000</u>	<u>445,000</u>
	<u>\$5,633,178</u>	<u>\$5,770,908</u>

The City's bank balances at June 30, 1999, are categorized into three levels of credit risk. Category 1 includes bank balances which are insured or collateralized with securities held by the City or its agent in the City's name. Category 2 includes bank balances which are collateralized with securities held by the pledging financial institution's trust department or agent in the City's name. Category 3 includes

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

bank balances which are uncollateralized, including any balances which are collateralized with securities held by the pledging financial institution or by its trust department or agent but not in the City's name.

B. Investments - Primary Government

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

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

City investments (excluding certificates of deposits with maturities of greater than 90 days) for the primary government at June 30, 1999, are categorized below in order to give an indication of the level of risk assumed by the entity at year-end.

	<u>CARRYING AMOUNT</u>	<u>FAIR VALUE</u>
At June 30, 1999, the City had no Securities Subject to Categorization	\$ -	\$ -
Investments not Subject to Categorization:		
Governmental Securities		
Mutual Fund	<u>28,001</u>	<u>28,001</u>
Total	<u>\$ 28,001</u>	<u>\$ 28,001</u>

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

All investments are shown in accordance with GASB Statement No. 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools".

C. Deposits - Discretely Presented Component Units

The discretely presented component units are required to invest funds within the same state statutes as the primary government. Component unit deposits (including demand deposit accounts and all certificates of deposits) at June 30, 1999, are categorized below in three levels of credit risk as explained in section (a) of this note above:

	<u>CATEGORY 1</u>	<u>CATEGORY 2</u>	<u>CATEGORY 3</u>	<u>BANK BALANCE</u>	<u>CARRYING AMOUNT</u>
City Court of Denham Springs - Ward II - Demand Deposits	\$190,319	\$ -	\$ -	\$190,319	\$172,771
Certificates of Deposits with Maturities Greater than 90 Days	<u>85,000</u>	<u>-</u>	<u>-</u>	<u>85,000</u>	<u>85,000</u>
Total City Court of Denham Springs - Ward II	275,319	-	-	275,319	257,771
Marshall of City Court of Denham Springs - Ward II - Demand Deposits	39,439	-	-	39,439	23,311
Certificates of Deposits with Maturities Greater than 90 Days	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Marshall of City Court of Denham Springs - Ward II	<u>39,439</u>	<u>-</u>	<u>-</u>	<u>39,439</u>	<u>23,311</u>
Total Component Units	<u>\$314,758</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$314,758</u>	<u>\$281,082</u>

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

D. Deposits and Investments Summary

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

	<u>PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL</u>
Cash and Cash Equivalents:			
Deposits	\$2,200,405	\$ 196,082	\$2,396,487
Cash on Hand	<u>1,650</u>	<u>-</u>	<u>1,650</u>
Total Cash and Cash Equivalents	2,202,055	196,082	2,398,137
Investments:			
Certificates of Deposits with Maturities Greater than 90 Days	2,986,123	85,000	3,071,123
Governmental Securities			
Mutual Funds	<u>28,001</u>	<u>-</u>	<u>28,001</u>
	3,014,124	85,000	3,099,124
Restricted Assets - Investments:			
Certificates of Deposit with Maturities Greater than 90 Days	<u>445,000</u>	<u>-</u>	<u>445,000</u>
Total Restricted Assets-Investments	<u>445,000</u>	<u>-</u>	<u>445,000</u>
Total Cash, Cash Equivalents and Investments at June 30, 1999	<u>\$5,661,179</u>	<u>\$ 281,082</u>	<u>\$5,942,261</u>

(4) Ad Valorem Taxes -

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

The City's property taxes are now billed and collected by the Livingston Parish Tax Collector from information on assessed values received from the Livingston Parish Assessor's Office. The Tax Collector remits collections monthly to the City.

City of Denham Springs
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

For the year ended June 30, 1999, taxes of 4.10 mills were levied on property with assessed valuations totaling \$34,161,710 and were dedicated to general purposes.

Total taxes levied were \$140,063. Taxes receivable at June 30, 1999, consisted of the following:

Taxes Receivable - Current Roll	\$ 5,403
Taxes Receivable - Prior Years	<u>1,628</u>
	7,031
Allowance for Uncollectible Taxes	<u>(5,830)</u>
	<u>\$ 1,201</u>

(5) Receivables -

Receivables as of June 30, 1999, including the applicable allowances for uncollectible accounts, are as follows:

	<u>GENERAL</u>	<u>DEBT SERVICE</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>TRUST</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL REPORTING ENTITY</u>
Receivables:								
Interest	\$ 9,971	\$ 41	\$ 583	\$ 4,572	\$ 230	\$ 15,397	\$ 1,651	\$ 17,048
Ad Valorem Taxes	7,031	-	-	-	-	7,031	-	7,031
Royalties	4,526	-	-	-	-	4,526	-	4,526
Franchise Taxes	92,426	-	-	-	-	92,426	-	92,426
Special Assessments	-	27,610	-	-	-	27,610	-	27,610
Accounts	-	-	-	214,563	-	214,563	-	214,563
Other	<u>154</u>	<u>-</u>	<u>5,910</u>	<u>12,862</u>	<u>-</u>	<u>18,926</u>	<u>-</u>	<u>18,926</u>
Gross Receivables	114,108	27,651	6,493	231,997	230	380,479	1,651	382,130
Less: Allowance for Uncollectibles	<u>(5,830)</u>	<u>(2,500)</u>	<u>-</u>	<u>(23,600)</u>	<u>-</u>	<u>(31,930)</u>	<u>-</u>	<u>(31,930)</u>
Net Receivables	<u>\$108,278</u>	<u>\$25,151</u>	<u>\$ 6,493</u>	<u>\$208,397</u>	<u>\$ 230</u>	<u>\$348,549</u>	<u>\$ 1,651</u>	<u>\$350,200</u>

(6) Due From Other Governments -

Due from Other Governments as of June 30, 1999, consists of the following:

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL REPORTING ENTITY</u>
Livingston Parish School Board: Sales Tax Collections	\$152,535	\$ -	\$ -	\$ 152,535	\$ -	\$ 152,535

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>GENERAL</u>	<u>CAPITAL PROJECTS</u>	<u>ENTERPRISE</u>	<u>TOTAL PRIMARY GOVERNMENT</u>	<u>COMPONENT UNITS</u>	<u>TOTAL REPORTING ENTITY</u>
State of Louisiana:						
Department of Transportation and Development	6,682	348,705	39,975	395,362	-	395,362
Other	2,429	-	-	2,429	-	2,429
Video Poker Fees	44,001	-	-	44,001	-	44,001
Alcoholic Beverage Tax	5,500	-	-	5,500	-	5,500
Tobacco Tax	10,643	-	-	10,643	-	10,643
Police Grants	103,966	-	-	103,966	-	103,966
Livingston Parish:						
Communications District	31,005	-	-	31,005	-	31,005
Fire Protection District No. 5	500	-	-	500	-	500
U.S. E.P.A.	-	-	187,429	187,429	-	187,429
Totals	<u>\$357,261</u>	<u>\$348,705</u>	<u>\$227,404</u>	<u>\$ 933,370</u>	<u>\$ -</u>	<u>\$ 933,370</u>

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

	<u>INTERFUND RECEIVABLES</u>	<u>INTERFUND PAYABLES</u>
Primary Government:		
General Fund	\$ 48,986	\$ 9,982
Debt Service Fund	-	-
Capital Projects Funds:		
Street Overlay	173,594	-
Drainage Improvements	-	173,594
Building Renovations	-	-
Enterprise Fund	157	48,986
Internal Service Fund	9,982	157
Trust Fund	-	-
Total Primary Government	<u>232,719</u>	<u>232,719</u>
Component Units:		
City Court of Denham Springs - Ward II		
General Fund	404	-
Agency Funds:		
Criminal Docket	-	250
Restitution	-	154
Total Component Units	<u>404</u>	<u>404</u>
Total Primary Government and Component Units	<u>\$233,123</u>	<u>\$233,123</u>

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>DUE (TO) / FROM PRIMARY GOVERNMENT</u>	<u>DUE (TO) / FROM COMPONENT UNIT</u>
Primary Government:		
General Fund	\$ <u> -</u>	\$ <u> 765</u>
Total Primary Government	-	765
Component Units:		
City Court of Denham Springs - Ward II:		
Agency Funds:		
Criminal Docket Fund	-	-
Marshall of City Court of Denham Springs - Ward II	<u> (765)</u>	<u> -</u>
Total Component Units	<u> (765)</u>	<u> -</u>
Total Primary Government and Component Units	<u> (765)</u>	<u> 765</u>
	<u>TRANSFERS IN</u>	<u>TRANSFERS OUT</u>
Primary Government:		
General Fund	\$ 1,022	\$1,216,955
Capital Projects Fund:		
Street Overlay	471,575	-
Drainage Improvements	187,805	-
Building Renovations	461,830	-
Enterprise Fund	<u> -</u>	<u> -</u>
Total Primary Government	1,122,232	1,216,955
Component Units:		
City Court of Denham Springs - Ward II:		
General Fund	47,681	1,022
Special Revenue Funds:		
Witness Fee Fund	-	348
Public Service Work Fund	-	63
Agency Funds:		
Civil Docket	-	441
Criminal Docket	-	1,338
Restitution Fund	-	9
Marshall of City Court of Denham Springs - Ward II:		
General Fund	<u> 50,263</u>	<u> -</u>
Total Component Units	<u> 97,944</u>	<u> 3,221</u>
Total Primary Government and Component Units	<u> \$1,220,176</u>	<u> \$1,220,176</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(8) Changes in General Fixed Assets -

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

	BALANCE <u>JUNE 30, 1998</u>	ADDITIONS	DELETIONS	BALANCE <u>JUNE 30, 1999</u>
Land	\$ 571,271	\$ -	\$ -	\$ 571,271
Land Improve- ments	34,417	-	-	34,417
Buildings	3,468,172	67,700	-	3,535,872
Equipment	2,644,178	255,259	63,835	2,835,602
Furniture and Fixtures	47,136	-	-	47,136
Incomplete Construction	<u>58,990</u>	<u>178,180</u>	<u>67,700</u>	<u>169,470</u>
Total Primary Government	<u>\$6,824,164</u>	<u>\$501,139</u>	<u>\$ 131,535</u>	<u>\$7,193,768</u>

Incomplete construction for general fixed assets consists of a contract for the renovations of the municipal building. Total estimated costs of these renovations is \$150,000 with total costs incurred to June 30, 1999 of \$145,806. Also included in incomplete construction is renovations to Old City Hall. Total estimated costs are \$350,000 and costs incurred to June 30, 1999 are \$23,664.

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

	BALANCE <u>JUNE 30, 1998</u>	ADDITIONS	DELETIONS	BALANCE <u>JUNE 30, 1999</u>
City Court of Denham Springs - Ward II: Equipment	\$135,915	\$ 3,907	\$ -	\$139,822
Marshall of City Court of Denham Springs - Ward II: Equipment	<u>83,717</u>	<u>13,802</u>	<u>-</u>	<u>97,519</u>
Total Component Units	<u>\$219,632</u>	<u>\$ 17,709</u>	<u>\$ -</u>	<u>\$237,341</u>

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The following is a summary of proprietary fund type property, plant, and equipment for the Primary Government at June 30, 1999:

	<u>ENTERPRISE</u>	<u>INTERNAL SERVICE</u>
Land	\$ 159,575	\$ -
Land Improvements	-	14,057
Gas System	3,269,546	-
Water System	6,429,976	-
Sewer System	9,090,417	-
Buildings	144,347	65,822
Transportation Equipment	412,021	-
E.D.P. Equipment	143,387	-
Furniture and Fixtures	10,363	-
Other Equipment	598,177	67,838
Incomplete Construction	<u>3,517,805</u>	<u>-</u>
Total	23,775,614	147,717
Less: Accumulated Depreciation	<u>(8,434,752)</u>	<u>(122,486)</u>
Net	<u>\$15,340,862</u>	<u>\$ 25,231</u>

In 1989, an experimental sewer oxidation pond was completed based on certain specifications approved by the United States Environmental Protection Agency. Because it was experimental, the EPA agreed to fund a major portion of the project. In addition, the EPA agreed that if the project was not working properly within a specified period of time and it was because of the experimental design of the pond, that it would assist the City to renovate and correct the problems. In March 1997, the EPA executed a cooperative agreement offering Federal assistance for the wastewater treatment facilities project. It was not until October 1997, that the approval from the State of Louisiana, Department of Environmental Quality was received. Total estimated costs of the Wastewater Treatment Facility Renovations are \$3,700,000 of which \$3,500,000 will be funded by the Federal assistance award. At June 30, 1999, the City has incurred costs in the amount of \$3,413,955 and is included in the Incomplete Construction.

The balance of incomplete construction at June 30, 1999, in the amount of \$103,850, relates to the construction of a pump station and force main on Pete's Hwy. Total estimated cost of the project is \$1,000,000 and is expected to be complete approximately a year and a half after all right-of-way acquisitions are complete.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(9) Long-Term Debt -

Revenue Bonds. The City issues bonds where it pledges income derived from the acquired or constructed assets to pay debt services. Revenue bonds outstanding at June 30, 1999, are as follows:

<u>DESCRIPTION/PURPOSE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>	<u>BALANCE JUNE 30, 1999</u>
1998 Utility Revenue Refunding Bonds - Proceeds Used to Advance Refund Prior Revenue Bonds	\$1,712,505	7.20%	04-01-2006	\$1,514,447

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

<u>DUE DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
10-1-1999	\$ -	\$ 54,520	\$ 54,520
04-1-2000	219,438	54,520	273,958
10-1-2000	-	46,620	46,620
04-1-2001	225,467	46,620	272,087
10-1-2001	-	38,503	38,503
04-1-2002	226,664	38,503	265,167
10-1-2002	-	30,343	30,343
04-1-2003	227,944	30,343	258,287
10-1-2003	-	22,138	22,138
04-1-2004	229,310	22,138	251,448
10-1-2004	-	13,882	13,882
04-1-2005	225,479	13,882	239,361
10-1-2005	-	5,765	5,765
04-1-2006	<u>160,145</u>	<u>5,765</u>	<u>165,910</u>
Total Revenue Bonds	<u>\$1,514,447</u>	<u>\$ 423,542</u>	<u>\$1,937,989</u>

The City of Denham Springs issued \$1,712,505 of 1998 Utility Revenue Refunding Bonds dated July 17, 1998. These bonds along with monies from the 1989 Sinking, Reserve, and Contingency accounts were used to advance refund the 1989 Utility Revenue Refunding Bonds. The bonds are payable solely from revenues derived from the Enterprise Fund.

The Sinking Fund, Reserve Fund, and Contingency Fund requirements of the 1989 bond were eliminated with the issuance of the 1998 bonds.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

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

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

At June 30, 1999, management estimates that earnings and collections of the special assessments will be in amounts sufficient to cover the City's annual Certificate of Indebtedness liability.

<u>DESCRIPTION/PURPOSE</u>	<u>ORIGINAL ISSUE AMOUNT</u>	<u>INTEREST RATE</u>	<u>FINAL MATURITY</u>	<u>BALANCE JUNE 30, 1999</u>
Special Assessment Certificates of Indebtedness - Lakeland Acres Subdivision	\$ 133,210	VARIOUS	06-01-2003	\$53,284

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

<u>DUE DATES</u>	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
06-1-2000	\$ 13,321	\$ 3,057	\$ 16,378
06-1-2001	13,321	2,311	15,632
06-1-2002	13,321	1,545	14,866
06-1-2003	<u>13,321</u>	<u>773</u>	<u>14,094</u>
	<u>\$ 53,284</u>	<u>\$ 7,686</u>	<u>\$ 60,970</u>

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Current Year Refunding. On April 27, 1998, the City Council passed Ordinance No. 1152 providing for the restructuring of the principal and interest payments of the obligation incurred by the issuance of the outstanding Utility Revenue Bonds, Series 1989. The restructuring was caused by the reduction of interest rates and the allowance of the prepayment of the balance of the existing bonds. Therefore, on July 17, 1998, the City of Denham Springs issued \$1,712,505 in Utility Revenue Refunding Bonds, Series 1998, with an annual interest rate of 7.2%. The proceeds from the issuance of the 1998 Bonds (\$1,712,505) along with the "Sinking Fund" and "Reserve Fund" balances of the 1989 Bonds in the amount of \$370,627, provided the source of funds to advance refund the 1989 Bonds in the amount of \$1,968,029, along with accrued interest of \$63,742, a prepayment premium of \$39,361 and other costs of \$12,000.

Total debt service payments over the next 18 years has been reduced by approximately \$1,200,000. The City will experience an economic gain (difference between the present values of the debt service payments on the old and new debt) of approximately \$314,000.

As a result of the refunding of the Series 1989 Utility Revenue Refunding Bond, the City implemented GASB Statement No. 23, "Accounting and Financial Reporting for Refunding of Debt Reported by Proprietary Activities." The refunding resulted in the recognition of a Deferred Amount on Refunding of \$97,424.

The table below outlines the methodology used for calculating the deferral.

Reacquisition Price		\$ 2,019,390
Carrying Amount of Old Bonds	\$1,968,029	
Less: Unamortized Issuance Costs	<u>(46,063)</u>	
Net Carrying Amount of Old Bonds		<u>\$(1,921,966)</u>
Deferred Amount on Refunding		\$ 97,424

At June 30, 1999, \$11,301 of the Deferred Amount on Refunding was amortized resulting in a net Deferred Amount on Refunding of \$86,123. This unamortized amount is reflected as a reduction of Bonds Payable on the Balance Sheet for the Enterprise Fund.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Prior Year Bond Defeasance. There are no outstanding balances on any prior-year bond defeasance as of June 30, 1999.

Summary of Changes in Long-Term Debt:

	BALANCE JUNE 30, 1998	ADDITIONS	REDUCTIONS	BALANCE JUNE 30, 1999
General Long-Term Debt Account Group:				
1993 Certificates of Indebtedness	\$ 66,605	\$ -	\$ 13,321	\$ 53,284
Accumulated Unpaid Vacation - Net	<u>247,059</u>	<u>44,950</u>	<u>-</u>	<u>292,009</u>
Total General Long-Term Debt Account Group	313,664	44,950	13,321	345,293
Enterprise Fund:				
1989 Utility Revenue Refunding Bond	1,968,029	-	1,968,029	-
1998 Utility Revenue Refunding Bond	-	1,712,505	198,058	1,514,447
Deferred Amount on Refunding	<u>-</u>	<u>(97,424)</u>	<u>(11,301)</u>	<u>(86,123)</u>
Total Enterprise Fund	<u>1,968,029</u>	<u>1,615,081</u>	<u>2,154,786</u>	<u>1,428,324</u>
Total Changes in Long-Term Debt	<u>\$2,281,693</u>	<u>\$1,660,031</u>	<u>\$2,168,107</u>	<u>\$1,773,617</u>

(10) Customers' Deposits -

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

The City has a certificate of deposit which is designated specifically for Customers' Deposits. At June 30, 1999, customers' deposits amounted to \$455,410 and the balance of the certificate of deposit amounted to \$445,000 and is included as a Restricted Asset on the Balance Sheet.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(11) Retirement Commitments -

A. Plan Descriptions, Contribution Information, and Funding Policies

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

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

	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>	<u>FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>
Eligibility to Participate	All permanent employees working at least 35 hours per week, not covered by another pension plan, and under age 60 at date of employment and are paid wholly or in part from City funds; all elected municipal officials are also eligible to participate; all employees of the City are members of Plan B.	All full-time police department employees engaged in law enforcement are required to participate in the System.	Mandatory for all full-time firefighters employed by a municipality, parish, or fire protection district that did not enact an ordinance before January 1, 1980, exempting itself from participation in the System.
Authority Establishing Contribution Obligations and Benefits	State Statute	State Statute	State Statute
Plan Members' Contribution Rate (Percent of Covered Payroll)	5.00%	7.50%	8.00%
City's Contribution Rate (Percent of Covered Payroll)	2.75%	9.00%	9.00%

(CONTINUED)

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

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

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

B. Trend Information -

Contributions required by State statute:

<u>FISCAL YEAR</u>	<u>MUNICIPAL EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>		<u>MUNICIPAL POLICE EMPLOYEES RETIREMENT SYSTEM OF LOUISIANA</u>		<u>FIREFIGHTERS RETIREMENT SYSTEM OF LOUISIANA</u>	
	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>	<u>REQUIRED CONTRIBUTION</u>	<u>PERCENTAGE CONTRIBUTED</u>
1995	\$120,454	98%	\$102,681	100%	\$47,647	100%
1996	\$134,785	97%	\$109,520	100%	\$64,000	100%
1997	\$122,975	95%	\$121,390	100%	\$92,223	100%
1998	\$121,610	94%	\$130,803	100%	\$95,453	100%
1999	\$147,921	100%	\$143,895	100%	\$98,786	100%

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

(12) Deferred Compensation Plan -

The City offers its employees a deferred compensation plan created in accordance with Louisiana Revised Statutes 42:1301 through 42:1308 and Section 457 of the Internal Revenue Code of 1954. The Louisiana Public Employees' Deferred Compensation Plan is available to all employees and permits them to defer a portion of their salary until future years. The deferred compensation is not available to employees until termination, retirement, death or unforeseeable emergency. In accordance with the amended provisions of Internal Revenue Code Section 457 which were enacted into law in August 1996, all amounts deferred under the plan, all property and rights purchased with those amounts, and all income attributable to those amounts, property or rights, are solely the property and rights of the participants and their beneficiaries. As required by the amendment to the code, the City established a custodial account with a third party administrator who will hold the assets and income of the plan.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The City implemented GASB Statement No. 32, "Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans", in the prior fiscal year. Under this statement governments who have no responsibility for the plan and are not formally considered the plan's trustee are not required to report the plan in its financial statements. Since the City's plan is held in a custodial account with a third party administrator, the assets and liabilities are not presented in the City's financial statements as of June 30, 1999.

Assets totaling \$96,531 are held by Great West Life & Annuity Insurance Company, a deferred compensation center.

Compensation deferred under this plan for the fiscal year ended June 30, 1999, amounted to \$20,282.

(13) Litigation -

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

(14) Intergovernmental Revenue -

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

Supplementary salary payments are made by the State of Louisiana directly to certain groups of the City's employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure payments is the actual contribution made by the State. For the fiscal year ended June 30, 1999, the State paid supplemental salaries to the City's fire and law enforcement employees in the amount of \$159,380.

City of Denham Springs

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

(15) Contributed Capital -

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

	<u>BALANCE AT JUNE 30, 1998</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE AT JUNE 30, 1999</u>
Federal	\$2,853,420	\$3,104,924	\$ -	\$5,958,344
State	490,853		-	490,853
Local	600,000	-	-	600,000
Other	26,316	-	-	26,316
Developers	<u>124,415</u>	<u>98,499</u>	<u>-</u>	<u>222,914</u>
Total Contributed Capital	<u>\$4,095,004</u>	<u>\$3,203,423</u>	<u>\$ -</u>	<u>\$7,298,427</u>

(16) Changes in Agency Funds -

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

City Court of Denham Springs - Ward II

	<u>BALANCE JUNE 30, 1998</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE JUNE 30, 1999</u>
<u>ASSETS</u>				
Cash - Civil Docket	\$ 28,335	\$100,148	\$ 92,395	\$ 36,088
Cash - Criminal Docket	70,416	556,273	569,614	57,075
Cash - Restitution	<u>145</u>	<u>4,129</u>	<u>4,120</u>	<u>154</u>
Total Assets	<u>\$ 98,896</u>	<u>\$660,550</u>	<u>\$ 666,129</u>	<u>\$ 93,317</u>

(CONTINUED)

City of Denham Springs
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

<u>LIABILITIES</u>	<u>BALANCE</u> <u>JUNE 30, 1998</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>BALANCE</u> <u>JUNE 30, 1999</u>
Due to Other Funds	\$ 395	\$ 1,789	\$ 1,780	\$ 404
Due to Primary Government	10,419	-	10,419	-
Bonds Paid in Advance of Trial - Civil	28,335	99,706	91,953	36,088
Bonds Paid in Advance of Trial - Criminal	<u>59,747</u>	<u>554,935</u>	<u>557,857</u>	<u>56,825</u>
Total Liabilities	<u>\$ 98,896</u>	<u>\$656,430</u>	<u>\$ 662,009</u>	<u>\$ 93,317</u>

(17) Segment Information - Enterprise Fund -

The City maintains only a single enterprise fund. The services provided by this enterprise fund include basic utility services (natural gas, water, sewer and sanitation) for all citizens of the City of Denham Springs and to citizens within certain areas around the City of Denham Springs. Selected segment information for the year ended June 30, 1999, is as follows:

Operating Revenues	\$ 3,823,482
Depreciation	529,762
Operating Income	243,872
Net Income	291,475
Current Capital Contributions	3,203,423
Fixed Asset Additions	3,443,576
Net Working Capital	2,752,083
Total Assets	19,259,916
Bonds Payable	1,514,447
Total Equity	16,837,826

(18) Risk Management -

The City is exposed to various risks of loss related to torts theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

The City maintains commercial insurance for all risks of loss, including (1) Worker's Compensation, (2) Public Official Bonds and Employees Liability, (3) Business Auto Liability, (4) Umbrella coverage, (5) Law Enforcement Professional Liability, (6) Fire and Extended coverage and (7) Flood Insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

REQUIRED SUPPLEMENTARY INFORMATION

YEAR 2000 ISSUES

June 30, 1999

The Year 2000 Issue

In October 1998, the Governmental Accounting Standards Board (GASB) issued Technical Bulletin 98-1, *Disclosures about Year 2000 Issues*. The provisions of the GASB technical bulletin, effective for financial statements on which the auditor's report is dated after October 31, 1998, requires the City to make disclosures about its state of readiness in addressing the Year 2000 issues for its internal computer systems and equipment. On March 29, 1999, GASB issued Technical Bulletin 99-1 which amended the previously issued disclosure requirements allowing for the disclosure to be made in the required supplementary information (RSI). "This disclosure is written pursuant to the Year 2000 Information and Readiness Disclosure Act, Public Law No. 105-271, 112 Stat. 2386 (1998)."

The Year 2000 Issue is the result of shortcomings in electronic data-processing systems and other equipment that may adversely affect operations in the year 1999 and beyond.

The following stages have been identified by the GASB as necessary to implement a Year 2000-compliant system:

Awareness Stage - In this first stage, an organization establishes a budget and project plan (for example, a time line or chart noting major tasks and due date) for dealing with the Year 2000 issue.

Assessment Stage - While in this stage, an organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the systems. An organization may decide to review all system components for Year 2000 compliance or, through a risk analysis, identify only mission-critical systems and equipment systems and equipment critical to conducting operations to check compliance.

Remediation Stage - During this stage, an organization actually makes changes to systems and equipment. This stage involves the technical issues of converting existing systems, or switching to compliant systems. Decisions are made on how to make the system or processes Year 2000 compliant, and the required system changes are made.

Validation/Testing Stage - At this stage, an organization validates and tests the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested area needs to be corrected and re-tested.

City of Denham Springs

YEAR 2000 ISSUES (CONTINUED)

June 30, 1999

To address the Year 2000 issues the Mayor of the City of Denham Springs required each department to assess potential problems, prepare a plan of action and request additional funding if supplemental funding was required. Final report of actions taken was also requested and has been received and reviewed. Several departments delivering critical services have established contingency plans where monitoring of services will be enhanced at the beginning of Year 2000.

- The Police Department has evaluated its systems and has used a consultant to evaluate Year 2000 readiness. Police reporting software and network hardware were upgraded and are considered to be compliant.
- Natural gas is provided via a City distribution system that does not use computers. The supplier has disclosed its Y2K compliance activities. Their efforts appear to be thorough. Also, arrangements have been made with a second provider for emergency gas service if needed. Employees will be on duty when the New Year begins checking pressure so corrective action can be taken immediately if required.
- Computer systems used by the Water Department have been tested and are considered Y2K compliant. During 1999, a computer system was installed to control pressure and the water level in the two elevated water tanks. Although the new system is Y2K compliant, employees are able to operate the water system without computer systems, and employees will be able to maintain service in the event of electrical power failure. Monitoring will occur when the New Year begins.
- The Fire Department has evaluated their equipment and found it to be considered Y2K complaint or not date sensitive.
- The Sewer Department operates gravity collection systems that use pump or lift stations. Computer problems will not impede the sewer system and emergency procedures are in place in the event of electrical power failure.
- The administrative computer system for accounting, payroll, purchasing and utility billing is considered Y2K compliant. New computer hardware was purchased and installed and upgraded software was obtained during 1999.

The City of Denham Springs has expended approximately \$25,000 to upgrade and test its systems and expects to spend less than \$5,000 to become fully compliant for the beginning of the year 2000.

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.

PRIMARY GOVERNMENT

COMBINING, INDIVIDUAL FUND AND
ACCOUNT GROUP STATEMENTS AND SCHEDULES

GENERAL FUND

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

City of Denham Springs
GENERAL FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 350,599	\$ 231,336
Certificates of Deposit - (Maturities Greater than 90 Days)	900,000	900,000
Ad Valorem Taxes Receivable, Net of Allowance for Uncollectible Accounts of \$5,830 in 1999 and \$4,272 in 1998	1,201	1,901
Due from Other Funds	48,986	180
Due from Other Governments	357,261	294,838
Due from Component Unit	4,570	11,360
Other Receivables, Net of Allowance for Uncollectible Accounts of \$-0- in 1999 and 1998	107,077	93,978
Insurance Deposits	<u>13,372</u>	<u>56,372</u>
Total Assets	<u>\$1,783,066</u>	<u>\$1,589,965</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Accounts Payable	\$ 83,731	\$ 39,592
Payroll Taxes Payable	922	3,335
Retirement and Group Insurance Payable	32,077	35,024
Accrued Salaries and Wages	77,931	60,340
Due to Other Funds	9,982	11,658
Due to Component Unit	3,805	2,448
Other Liabilities	<u>4,882</u>	<u>21,942</u>
Total Liabilities	213,330	174,339
Fund Balance:		
Reserved for Encumbrance	50,290	38,597
Unreserved:		
Designated for Subsequent Year Expenditures	173,820	-
Designated for Renovations of Old City Hall	-	15,859
Undesignated	<u>1,345,626</u>	<u>1,361,170</u>
Total Fund Balance	<u>1,569,736</u>	<u>1,415,626</u>
Total Liabilities and Fund Balance	<u>\$1,783,066</u>	<u>\$1,589,965</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1998 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Revenues:				
Taxes	\$ 4,334,100	\$ 4,521,898	\$ 187,798	\$ 4,166,264
Licenses and Permits	575,000	625,763	50,763	543,224
Fines and Forfeits	192,000	174,827	(17,173)	191,915
911 Service Fees	155,000	185,202	30,202	165,314
Miscellaneous	<u>491,818</u>	<u>609,994</u>	<u>118,176</u>	<u>537,735</u>
Total Revenues	5,747,918	6,117,684	369,766	5,604,452
Expenditures:				
General Government	1,191,650	1,046,213	145,437	1,056,469
Public Safety	2,916,590	2,801,364	115,226	2,662,443
Highways and Streets	889,150	820,329	68,821	782,805
Health	44,500	36,144	8,356	24,695
Culture and Recreation	<u>61,563</u>	<u>56,570</u>	<u>4,993</u>	<u>48,462</u>
Total Expenditures	<u>5,103,453</u>	<u>4,760,620</u>	<u>342,833</u>	<u>4,574,874</u>
Excess of Revenues over Expenditures	644,465	1,357,064	712,599	1,029,578
Other Financing Sources (Uses):				
Operating Transfers Out	(1,321,210)	(1,121,210)	200,000	(1,426,500)
Transfers In from Component Units	12,000	1,022	(10,978)	6,992
Transfers Out to Component Units	(101,500)	(95,745)	5,755	(77,774)
Sale of Assets	<u>1,000</u>	<u>12,979</u>	<u>11,979</u>	<u>11,040</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	(765,245)	154,110	919,355	(456,664)
Fund Balance at Beginning of Year	<u>1,415,626</u>	<u>1,415,626</u>	-	<u>1,872,290</u>
Fund Balance at End of Year	<u>\$ 650,381</u>	<u>\$ 1,569,736</u>	<u>\$ 919,355</u>	<u>\$ 1,415,626</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
GENERAL FUND

SCHEDULE OF REVENUES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1998 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Taxes:				
Ad Valorem Taxes	\$ 130,000	\$ 138,954	\$ 8,954	\$ 126,772
Alcoholic Beverage Tax	24,000	28,234	4,234	22,012
Chain Store Tax	12,000	15,535	3,535	11,984
Electrical Franchise Taxes	400,000	397,231	(2,769)	398,317
Sales Taxes	3,512,000	3,655,439	143,439	3,334,669
Tobacco Taxes	44,000	42,571	(1,429)	42,571
Cable TV Franchise Tax	60,000	65,359	5,359	57,877
Wrecker Franchise Tax	2,100	2,105	5	2,160
Video Poker Fees	<u>150,000</u>	<u>176,470</u>	<u>26,470</u>	<u>169,902</u>
	<u>4,334,100</u>	<u>4,521,898</u>	<u>187,798</u>	<u>4,166,264</u>
Licenses and Permits:				
Occupational Licenses	495,000	493,413	(1,587)	443,493
Other Permits and Licenses	<u>80,000</u>	<u>132,350</u>	<u>52,350</u>	<u>99,731</u>
	<u>575,000</u>	<u>625,763</u>	<u>50,763</u>	<u>543,224</u>
Fines and Forfeits:				
Ward II Court	<u>192,000</u>	<u>174,827</u>	<u>(17,173)</u>	<u>191,915</u>
911 Service Fees	<u>155,000</u>	<u>185,202</u>	<u>30,202</u>	<u>165,314</u>
Miscellaneous:				
Dog Licenses and Fees	3,000	9,250	6,250	5,762
Fire Insurance Commissions	16,000	18,173	2,173	17,709
Interest Income	60,000	76,973	16,973	107,266
Royalties	45,000	23,757	(21,243)	41,995
Miscellaneous	28,550	57,264	28,714	31,480
Summer Food Program	13,000	5,022	(7,978)	10,639
Law Enforcement Grants	90,000	162,895	72,895	109,639
Main Street Grant Revenue	11,500	13,500	2,000	11,500

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Miscellaneous (Cont'd.):				
Other Grant Revenue	17,938	34,021	16,083	11,000
Road Maintenance Fees	13,400	13,164	(236)	13,294
Donations	15,930	16,101	171	18,077
Intergovernmental Revenue	159,000	159,380	380	156,320
Rent Income	500	320	(180)	90
Utility Adminis- trative Charges	<u>18,000</u>	<u>20,174</u>	<u>2,174</u>	<u>2,964</u>
	<u>491,818</u>	<u>609,994</u>	<u>118,176</u>	<u>537,735</u>
 Total Revenues	 <u>\$5,747,918</u>	 <u>\$6,117,684</u>	 <u>\$ 369,766</u>	 <u>\$5,604,452</u>

See auditor's report.

City of Denham Springs
GENERAL FUND

SCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS)

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		VARIANCE- FAVORABLE (UNFAVORABLE)	<u>1998 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
General Government:				
General Provisions:				
Salaries	\$ 219,600	\$ 238,175	\$ (18,575)	\$ 212,699
Aldermen's Per Diem	36,000	26,500	9,500	17,300
Payroll Taxes, Retirement, and Group Insurance	41,000	47,435	(6,435)	37,209
Contingency	50,000	-	50,000	15,104
Electricity	11,000	14,728	(3,728)	13,391
Equipment and Land Insurance	30,000	28,019	1,981	41,738
Legal and Professional Membership Fees and Educational Training	74,000	66,311	7,689	53,392
Miscellaneous Printing, Postage and Office Supplies	14,000	20,255	(6,255)	7,653
Rental Equipment	60,070	51,503	8,567	73,583
Repairs and Maintenance	36,500	38,614	(2,114)	31,375
Small Tools and Supplies	8,000	9,199	(1,199)	10,668
Telephone	45,000	34,860	10,140	27,726
Travel	3,500	2,510	990	3,995
Total General Provisions	12,000	13,533	(1,533)	10,704
	<u>5,300</u>	<u>3,201</u>	<u>2,099</u>	<u>5,310</u>
	<u>680,970</u>	<u>609,259</u>	<u>71,711</u>	<u>589,791</u>
Cemetery:				
Salaries	42,300	41,707	593	39,114
Payroll Taxes, Retirement, and Group Insurance	8,685	9,069	(384)	8,334

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Cemetery (Cont'd.):				
Equipment	13,500	-	13,500	3,635
Equipment Expense	5,500	3,675	1,825	2,416
Legal and Professional	500	-	500	-
Maintenance Contract	2,500	1,945	555	1,502
Insurance	5,300	3,943	1,357	3,841
Miscellaneous	2,260	2,201	59	2,076
Small Tools	1,000	1,170	(170)	4,189
Total Cemetery	<u>81,545</u>	<u>63,710</u>	<u>17,835</u>	<u>65,107</u>
Tax:				
Salaries	43,000	36,840	6,160	40,437
Payroll Taxes, Retirement, and Group Insurance	8,800	7,132	1,668	8,258
Collection Fee	59,000	59,971	(971)	55,110
Equipment	3,000	2,200	800	5,867
Equipment Expense	-	930	(930)	1,227
Insurance	200	1,059	(859)	192
Legal and Professional	1,000	688	312	30
Miscellaneous	3,150	605	2,545	5,759
Printing, Postage and Office Supplies	10,000	4,465	5,535	8,928
Small Tools and Supplies	150	153	(3)	1,132
Tax Roll	1,500	1,054	446	1,000
Total Tax	<u>129,800</u>	<u>115,097</u>	<u>14,703</u>	<u>127,940</u>
Ward Court:				
Group Insurance	4,200	2,619	1,581	6,266
Judge's Salary	26,000	25,800	200	25,800
Judge's Retirement	3,250	3,199	51	3,354
Building Maintenance	3,000	1,303	1,697	-

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Ward Court (Cont'd.):				
Additional Court Costs	10,000	3,690	6,310	6,395
Parking Lot Rental	100	-	100	-
Prosecuting Attorney	<u>12,000</u>	<u>11,000</u>	<u>1,000</u>	<u>12,000</u>
Total Ward Court	<u>58,550</u>	<u>47,611</u>	<u>10,939</u>	<u>53,815</u>
Planning and Development:				
Salaries	89,300	88,053	1,247	81,917
Payroll Taxes, Retirement, and Group Insurance	13,525	15,138	(1,613)	12,931
Equipment	4,300	280	4,020	19,451
Insurance	8,700	7,389	1,311	6,844
Legal and Professional	11,500	4,861	6,639	5,371
Miscellaneous	5,150	5,868	(718)	5,683
Demolition Expense	10,000	1,498	8,502	8,900
Printing, Postage and Office Supplies	5,000	3,020	1,980	4,342
Small Tools and Supplies	700	117	583	346
Vehicle Expense	<u>3,500</u>	<u>3,230</u>	<u>270</u>	<u>3,576</u>
Total Planning and Development	<u>151,675</u>	<u>129,454</u>	<u>22,221</u>	<u>149,361</u>
Public Service Workers:				
Salaries	45,000	41,758	3,242	27,754
Payroll Taxes, Retirement, and Group Insurance	10,310	9,002	1,308	4,862
Equipment	2,000	1,462	538	6,229
Equipment Repairs	1,000	696	304	593
Small Tools and Supplies	6,000	6,083	(83)	4,179
Electricity	3,000	3,126	(126)	3,321
Insurance	3,500	4,674	(1,174)	2,780
Miscellaneous	<u>800</u>	<u>6,284</u>	<u>(5,484)</u>	<u>7,829</u>
Total Public Service Workers	<u>71,610</u>	<u>73,085</u>	<u>(1,475)</u>	<u>57,547</u>

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	<u>1999</u>		VARIANCE - FAVORABLE (UNFAVORABLE)	<u>1998 ACTUAL</u>
	<u>BUDGET</u>	<u>ACTUAL</u>		
Summer Food Program:				
Salaries	6,000	4,671	1,329	6,746
Payroll Taxes	900	405	495	514
Equipment Rental	500	-	500	540
Food Purchases	7,000	2,374	4,626	3,774
Insurance	250	170	80	351
Supplies	<u>2,850</u>	<u>377</u>	<u>2,473</u>	<u>983</u>
Total Summer Food Program	<u>17,500</u>	<u>7,997</u>	<u>9,503</u>	<u>12,908</u>
Total General Government	<u>1,191,650</u>	<u>1,046,213</u>	<u>145,437</u>	<u>1,056,469</u>
Public Safety:				
Animal Control:				
Salaries	25,400	24,792	608	16,795
Payroll Taxes, Retirement, and Group Insurance	4,090	4,770	(680)	3,877
Electricity	650	1,107	(457)	1,262
Equipment	5,700	3,466	2,234	20,906
Equipment Expense	2,700	951	1,749	2,476
Insurance	1,500	1,505	(5)	1,305
Miscellaneous	10,450	11,863	(1,413)	5,929
Small Tools and Supplies	<u>1,500</u>	<u>2,508</u>	<u>(1,008)</u>	<u>1,796</u>
Total Animal Control	<u>51,990</u>	<u>50,962</u>	<u>1,028</u>	<u>54,346</u>
Fire:				
Salaries	665,300	651,076	14,224	576,879
Payroll Taxes, Retirement, and Group Insurance	144,750	142,068	2,682	136,319
Electricity	7,500	6,293	1,207	6,122
Legal and Profes- sional	200	-	200	60

(CONTINUED)

City of Denham Springs
GENERAL FUND

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

For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998
	<u>BUDGET</u>	<u>ACTUAL</u>		<u>ACTUAL</u>
Fire (Cont'd.):				
Equipment	15,000	16,928	(1,928)	114,020
Equipment Expense	21,000	19,174	1,826	23,418
Insurance	72,200	43,125	29,075	51,397
Membership Fees and Educational Training	5,000	4,236	764	2,537
Miscellaneous	10,420	5,451	4,969	3,211
Printing, Postage and Office Supplies	750	1,187	(437)	858
Rental Equipment	100	32	68	95
Repairs and Maintenance	10,000	5,954	4,046	4,597
Small Tools and Supplies	3,000	2,979	21	3,763
Telephone	4,000	6,321	(2,321)	4,630
Uniforms	4,000	4,665	(665)	2,895
Total Fire	<u>963,220</u>	<u>909,489</u>	<u>53,731</u>	<u>930,801</u>
 Police:				
Salaries	1,173,500	1,151,891	21,609	1,052,334
Payroll Taxes, Retirement, and Group Insurance	248,700	250,942	(2,242)	234,184
Electricity	26,000	25,168	832	27,632
Equipment	138,510	149,105	(10,595)	85,864
Equipment Expense	100,000	89,200	10,800	97,278
Equipment Rental	3,000	4,186	(1,186)	2,626
Insurance	103,000	77,445	25,555	68,983
Jail Expense	2,000	865	1,135	1,779

(CONTINUED)

City of Denham Springs
GENERAL FUNDSCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE - FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Police (Cont'd.):				
Membership Fees and Educational Training	26,000	18,352	7,648	37,332
Miscellaneous	15,670	15,095	575	12,621
Printing, Postage and Office Supplies	12,000	12,346	(346)	9,063
Professional Fees	6,000	1,532	4,468	803
Repairs and Maintenance	13,500	11,625	1,875	10,261
Small Tools and Supplies	4,500	7,594	(3,094)	9,326
Telephone	9,000	11,223	(2,223)	10,010
Uniforms	20,000	14,344	5,656	17,200
Total Police	<u>1,901,380</u>	<u>1,840,913</u>	<u>60,467</u>	<u>1,677,296</u>
Total Public Safety	<u>2,916,590</u>	<u>2,801,364</u>	<u>115,226</u>	<u>2,662,443</u>
Highways and Streets:				
Streets:				
Salaries	360,500	350,351	10,149	309,306
Payroll Taxes, Retirement, and Group Insurance	74,000	74,507	(507)	66,493
Electricity	5,000	3,037	1,963	4,714
Equipment	48,500	51,670	(3,170)	94,775
Equipment Expense	100,700	100,135	565	71,378
Equipment Rental	16,000	18,145	(2,145)	12,765
Insurance	59,500	37,097	22,403	40,522
Uniforms	7,500	4,974	2,526	5,722
Legal and Professional	1,000	490	510	170
Streets Maintenance and Materials	87,000	57,897	29,103	58,270
Miscellaneous	10,450	12,735	(2,285)	8,324
Small Tools and Supplies	9,000	15,359	(6,359)	11,190
Telephone	3,000	3,913	(913)	2,783
Total Streets	<u>782,150</u>	<u>730,310</u>	<u>51,840</u>	<u>686,412</u>

(CONTINUED)

City of Denham Springs
GENERAL FUNDSCHEDULE OF EXPENDITURES, COMPARED TO BUDGET (GAAP BASIS) (CONTINUED)For the Year Ended June 30, 1999
With Comparative Actual Amounts for the Year Ended June 30, 1998

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	BUDGET	ACTUAL		
Lighting:				
Electricity	107,000	90,019	16,981	96,393
Total Lighting	107,000	90,019	16,981	96,393
Total Highways and Streets	889,150	820,329	68,821	782,805
Health:				
Council on Aging	40,500	36,144	4,356	20,695
Head Start Program	4,000	-	4,000	4,000
Total Health	44,500	36,144	8,356	24,695
Culture and Recreation:				
Main Street Program:				
Salaries	22,700	22,407	293	21,931
Payroll Taxes, Retirement, and Group Insurance	4,500	4,503	(3)	4,079
Committee Expenses	5,000	7,335	(2,335)	2,608
Equipment	2,300	2,129	171	536
Grant Expenses	22,138	13,261	8,877	8,000
Insurance	-	734	(734)	101
Membership Fees and Educational Training	3,400	3,421	(21)	2,523
Printing, Postage and Office Supplies	900	1,078	(178)	1,085
Renovations of Old City Hall	-	-	-	3,000
Repair and Maintenance	-	-	-	2,218
Travel	625	1,702	(1,077)	2,381
Total Culture and Recreation	61,563	56,570	4,993	48,462
Total Expendi- tures	\$5,103,453	\$4,760,620	\$ 342,833	\$4,574,874

See auditor's report.

DEBT SERVICE FUND

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

City of Denham Springs
DEBT SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 34,863	\$ 37,220
Special Assessment Receivable:		
Current	20,959	29,378
Delinquent	4,151	6,289
Due from Other Funds	-	2,798
Other Receivables (Net of Allowance for Uncollectible Accounts of 42,500 in 1999 and \$-0- in 1998)	<u>41</u>	<u>-</u>
Total Assets	<u>\$ 60,014</u>	<u>\$ 75,685</u>
LIABILITIES AND FUND BALANCE		
Liabilities:		
Deferred Revenues	\$ <u>20,959</u>	\$ <u>29,378</u>
Total Liabilities	20,959	29,378
Fund Balance:		
Reserved for Debt Service	<u>39,055</u>	<u>46,307</u>
Total Fund Balance	<u>39,055</u>	<u>46,307</u>
Total Liabilities and Fund Balance	<u>\$ 60,014</u>	<u>\$ 75,685</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DEBT SERVICE FUND

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

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Special Assessments	\$ 8,419	\$ 9,977
Interest	4,277	5,307
Penalties	<u>127</u>	<u>157</u>
Total Revenues	12,823	15,441
Expenditures:		
Administrative Charges	358	350
Bad Debts	2,500	-
Debt Service:		
Principal Retirement	13,321	13,321
Interest	<u>3,896</u>	<u>4,736</u>
Total Expenditures	<u>20,075</u>	<u>18,407</u>
Excess of Revenues over Expenditures	(7,252)	(2,966)
Fund Balance at Beginning of Year	<u>46,307</u>	<u>49,273</u>
Fund Balance at End of Year	<u>\$ 39,055</u>	<u>\$ 46,307</u>

The accompanying notes constitute an integral part of this statement.

CAPITAL PROJECTS FUNDS

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

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

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

City of Denham Springs
CAPITAL PROJECTS FUNDS

COMBINING BALANCE SHEETS

June 30, 1999
With Comparative Totals as of June 30, 1998

ASSETS	<u>STREET OVERLAY</u>	<u>DRAINAGE IMPROVEMENTS</u>	<u>BUILDING RENOVATIONS</u>
Cash and Cash Equivalents	\$ 389,777	\$ -	\$ 298,239
Certificates of Deposit	-	-	200,000
Accrued Interest Receivable	-	-	583
Due from Other Funds	173,594	-	-
Due from Other Governments	11,277	337,428	-
Other Receivable	-	5,910	-
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 574,648	\$ 343,338	\$ 498,822
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts Payable	\$ -	\$ 105,895	\$ 25,000
Retainages Payable	56,942	-	-
Due to Other Funds	-	173,594	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	56,942	279,489	25,000
Fund Balances:			
Unreserved - Designated for Construction	<hr/> 517,706	<hr/> 63,849	<hr/> 473,822
Total Fund Balances	<hr/> 517,706	<hr/> 63,849	<hr/> 473,822
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	\$ 574,648	\$ 343,338	\$ 498,822
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes constitute an integral part of this statement.

TOTALS	
1999	1998
\$ 688,016	\$ 12,144
200,000	600,000
583	-
173,594	155,454
348,705	832,362
<u>5,910</u>	<u>-</u>
<u>\$1,416,808</u>	<u>\$1,599,960</u>

\$ 130,895	\$ 225,060
56,942	65,440
<u>173,594</u>	<u>289,475</u>
361,431	579,975

<u>1,055,377</u>	<u>1,019,985</u>
<u>1,055,377</u>	<u>1,019,985</u>
<u>\$1,416,808</u>	<u>\$1,599,960</u>

City of Denham Springs
CAPITAL PROJECTS FUNDS

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

For the Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	<u>STREET OVERLAY</u>	<u>DRAINAGE IMPROVEMENTS</u>	<u>BUILDING RENOVATIONS</u>
Revenues:			
Interest	\$ 5,629	\$ -	\$ 2,816
State Grants	151,475	148,805	-
Other Government Grant	-	-	-
Total Revenues	<u>157,104</u>	<u>148,805</u>	<u>2,816</u>
Expenditures - Capital Projects:			
Construction Contracts	440,660	579,172	141,188
Construction Costs	5,007	1,600	57,967
Engineering	<u>112,768</u>	<u>52,156</u>	<u>4,025</u>
Total Expenditures	<u>558,435</u>	<u>632,928</u>	<u>203,180</u>
Deficiency of Revenues over Expenditures	(401,331)	(484,123)	(200,364)
Other Financing Sources:			
Operating Transfers In	<u>471,575</u>	<u>187,805</u>	<u>461,830</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	70,244	(296,318)	261,466
Fund Balances at Beginning of Year	<u>447,462</u>	<u>360,167</u>	<u>212,356</u>
Fund Balances at End of Year	<u>\$ 517,706</u>	<u>\$ 63,849</u>	<u>\$ 473,822</u>

The accompanying notes constitute an integral part of this statement.

TOTALS	
1999	1998
\$ 8,445	\$ 3,988
300,280	1,062,980
-	150,000
308,725	1,216,968
1,161,020	1,307,153
64,574	69,633
168,949	267,763
1,394,543	1,644,549
(1,085,818)	(427,581)
1,121,210	1,426,500
35,392	998,919
1,019,985	21,066
\$ 1,055,377	\$ 1,019,985
\$ 1,055,377	\$ 1,019,985

City of Denham Springs
STREET OVERLAY CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ 15,000	\$ 5,629	\$ (9,371)
State Grants	<u>1,181,600</u>	<u>151,475</u>	<u>(1,030,125)</u>
Total Revenues	1,196,600	157,104	(1,039,496)
Expenditures:			
Construction Contracts	1,969,695	440,660	1,529,035
Construction Costs	30,000	5,007	24,993
Engineering	<u>115,180</u>	<u>112,768</u>	<u>2,412</u>
Total Expenditures	<u>2,114,875</u>	<u>558,435</u>	<u>1,556,440</u>
Excess (Deficiency) of Revenues over Expenditures	(918,275)	(401,331)	516,944
Other Financing Sources:			
Operating Transfers In	<u>471,575</u>	<u>471,575</u>	<u>-</u>
Excess of Revenues and Other Sources over Expenditures	(446,700)	70,244	516,944
Fund Balance at Beginning of Year	<u>447,462</u>	<u>447,462</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 762</u>	<u>\$ 517,706</u>	<u>\$ 516,944</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
DRAINAGE IMPROVEMENTS CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1999

	BUDGET	ACTUAL	VARIANCE- FAVORABLE (UNFAVORABLE)
Revenues:			
Interest	\$ -	\$ -	\$ -
State Grant	200,000	148,805	(51,195)
Other Government Grant	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues	200,000	148,805	(51,195)
Expenditures:			
Construction Contracts	699,105	579,172	119,933
Construction Costs	-	1,600	(1,600)
Engineering	<u>37,000</u>	<u>52,156</u>	<u>(15,156)</u>
Total Expenditures	<u>736,105</u>	<u>632,928</u>	<u>103,177</u>
Deficiency of Revenues over Expenditures	(536,105)	(484,123)	51,982
Other Financing Sources:			
Operating Transfers In	<u>187,805</u>	<u>187,805</u>	<u>-</u>
Excess of Revenues and Other Sources Over Expenditures	(348,300)	(296,318)	51,982
Fund Balance at Beginning of Year	<u>360,167</u>	<u>360,167</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 11,867</u>	<u>\$ 63,849</u>	<u>\$ 51,982</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
BUILDING RENOVATIONS CAPITAL PROJECTS FUND

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

For the Year Ended June 30, 1999

	<u>BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>
Revenues:			
Interest	\$ 15,000	\$ 2,816	\$ (12,184)
Total Revenues	15,000	2,816	(12,184)
Expenditures:			
Construction Contracts	550,000	141,188	408,812
Construction Costs	10,590	57,967	(47,377)
Engineering	24,840	4,025	20,815
Total Expenditures	<u>585,430</u>	<u>203,180</u>	<u>382,250</u>
Deficiency of Revenues over Expenditures	(570,430)	(200,364)	370,066
Other Financing Sources:			
Operating Transfers In	<u>461,830</u>	<u>461,830</u>	<u>-</u>
Excess (Deficiency) of Revenues and Other Sources over Expenditures	(108,600)	261,466	370,066
Fund Balance at Beginning of Year	<u>212,356</u>	<u>212,356</u>	<u>-</u>
Fund Balance at End of Year	<u>\$ 103,756</u>	<u>\$ 473,822</u>	<u>\$ 370,066</u>

The accompanying notes constitute an integral part of this statement.

ENTERPRISE FUND

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

City of Denham Springs
UTILITY ENTERPRISE FUND
COMPARATIVE BALANCE SHEETS
June 30, 1999 and 1998

	1999	1998
ASSETS		
Current Assets:		
Cash and Cash Equivalents	\$ 1,044,196	\$ 219,426
Investments:		
Certificates of Deposit - (Maturities Greater than 90 Days)	1,575,000	1,575,000
Government Securities Mutual Funds	28,001	-
	1,603,001	1,575,000
Receivables:		
Accounts (Net of Allowance for Uncollectible Accounts of \$23,600 in 1999 and \$15,000 in 1998)	190,963	149,305
Other	17,434	18,200
Unbilled Utility Sales	284,882	213,551
Due from Other Funds	157	143,331
Due from Other Governments	227,404	93,945
Inventory, at Cost	101,115	121,166
Prepaid Expenses	4,902	30,930
Total Current Assets	3,474,054	2,564,854
Restricted Assets:		
Certificate of Deposit - Customer Deposit Account (Maturity Greater Than 90 Days)	445,000	435,000
Bond Interest and Redemption Account	-	94,702
Bond Reserve Account	-	211,285
Bond Contingency Account	-	234,789
Total Restricted Assets	445,000	975,776
Property, Plant and Equipment, at Cost (Net of Accumulated Depreciation of \$8,434,752 in 1999 and \$7,947,307 in 1998)		
	15,340,862	12,427,048
Deferred Expenses and Other Assets:		
Deferred Bond Expenses	-	46,064
Total Assets	\$19,259,916	\$16,013,742

The accompanying notes constitute an integral part of this statement.

LIABILITIES AND FUND EQUITY	<u>1999</u>	<u>1998</u>
Current Liabilities (Payable from Current Assets):		
Accounts Payable	\$ 172,391	\$ 83,190
Retainage Payable	189,902	32,407
Accrued Salaries and Wages	23,496	19,620
Due to Other Funds	48,986	-
Due to Other Government Agencies	2,114	2,114
Other Current Liabilities	38,384	44,559
Bonds Payable - 1998 Series - Current Portion	219,438	-
Accrued Bond Interest	<u>27,260</u>	<u>-</u>
Total Current Liabilities (Payable from Current Assets)	721,971	181,890
Current Liabilities (Payable from Restricted Assets):		
Customers' Deposits	455,410	431,135
Bonds Payable - 1989 Series - Current Portion	-	132,313
Accrued Bond Interest	<u>-</u>	<u>53,969</u>
Total Current Liabilities (Payable from Restricted Assets)	445,410	617,417
Long-Term Liabilities:		
Accumulated Unpaid Vacation	35,823	35,791
Bonds Payable - 1989 Series	-	1,835,716
Bonds Payable - 1998 Series	1,295,009	-
Deferred Amount on Refunding	<u>(86,123)</u>	<u>-</u>
Total Long-Term Liabilities	1,244,709	1,871,507
Total Liabilities	2,422,090	2,670,814
Fund Equity:		
Contributed Capital:		
Federal Grants	5,958,344	2,853,420
State Grants	490,853	490,853
Residual Equity Transfer - General Fund	600,000	600,000
Impact Fees - Developers	222,914	124,415
Other	<u>26,316</u>	<u>26,316</u>
Total Contributed Capital	7,298,427	4,095,004
Retained Earnings:		
Reserved for Revenue Bond Reserves	-	119,705
Reserved for Revenue Bond Contingencies	-	234,789
Unreserved	<u>9,539,399</u>	<u>8,893,430</u>
Total Retained Earnings	9,539,399	9,247,924
Total Fund Equity	<u>16,837,826</u>	<u>13,342,928</u>
Total Liabilities and Fund Equity	<u>\$19,259,916</u>	<u>\$16,013,742</u>

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENSES
AND CHANGES IN RETAINED EARNINGS

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Charges for Services:		
Gas Sales	\$ 1,725,881	\$ 2,055,815
Water Sales	1,022,172	983,589
Sewer Service	541,764	527,189
Sanitation Service	486,221	458,242
Delinquent Charges	<u>47,444</u>	<u>57,626</u>
Total Operating Revenues	3,823,482	4,082,461
Operating Expenses:		
Gas Department	1,550,153	1,715,762
Water Department	738,061	764,092
Sewer Department	765,938	710,829
Sanitation Department	<u>525,458</u>	<u>483,937</u>
Total Operating Expenses	3,579,610	3,674,620
Operating Income	243,872	407,841
Nonoperating Revenues:		
Interest	160,057	166,564
Miscellaneous	<u>22,876</u>	<u>12,038</u>
Total Nonoperating Revenues	182,933	178,602
Nonoperating Expenses:		
Interest	124,029	227,441
Amortization of Bond Costs	<u>11,301</u>	<u>7,616</u>
Total Nonoperating Expenses	135,330	235,057
Net Income	291,475	351,386
Retained Earnings at Beginning of Year	<u>9,247,924</u>	<u>8,896,538</u>
Retained Earnings at End of Year	<u>\$ 9,539,399</u>	<u>\$ 9,247,924</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities:		
Operating Income	\$ 243,872	\$ 407,841
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:		
Depreciation	529,762	505,738
Provision for Bad Debts	8,750	5,704
Miscellaneous Revenues	22,876	12,038
Changes in Assets and Liabilities:		
(Increase) Decrease in Accounts Receivable	(50,408)	(19,723)
(Increase) Decrease in Other Receivables	766	52,138
(Increase) Decrease in Unbilled Utility Sales	(71,331)	(22,382)
(Increase) Decrease in Due from Other Funds	143,174	26,931
(Increase) Decrease in Due from Government Agencies	(133,459)	28,550
(Increase) Decrease in Inventory	20,051	9,909
(Increase) Decrease in Prepaid Expenses	26,028	39,041
Increase (Decrease) in Accounts Payable	89,201	(270,196)
Increase (Decrease) in Retainage Payable	157,495	(17,283)
Increase (Decrease) in Accrued Salaries and Wages	3,876	3,547
Increase (Decrease) in Due to Other Funds	48,986	(26,573)
Increase (Decrease) in Other Current Liabilities	(6,175)	(46,232)
Increase (Decrease) in Accrued Bond Interest	27,260	-
Increase (Decrease) in Accumulated Unpaid Vacation	<u>32</u>	<u>8,956</u>
Net Cash Provided by Operating Activities	1,060,756	698,004

(CONTINUED)

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS (CONTINUED)

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows From Noncapital Financing Activities:		
Operating Transfers In	<u>-</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	-	-
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	(3,443,576)	(1,075,465)
(Increase) Decrease in Restricted Assets	530,776	(53,352)
Increase (Decrease) in Liabilities Payable From Restricted Assets	(29,694)	7,928
Reduction in Principal on Bonds	(453,582)	(132,735)
Grant - La. Department of Transportation	-	33,850
Grant - U.S. E.P.A.	3,104,924	182,213
Impact Fees - Developers	98,499	31,137
Interest Paid on Revenue Bonds	(124,029)	(231,084)
Increase in Deferred Bond Costs	<u>(51,360)</u>	<u>-</u>
Net Cash Used in Capital and Related Financing Activities	(368,042)	(1,237,508)
Cash Flows From Investing Activities:		
Net Sale (Purchase) of Investments	(28,001)	460,000
Interest Income	<u>160,057</u>	<u>166,564</u>
Net Cash Provided by Investing Activities	<u>132,056</u>	<u>626,564</u>
Net Increase (Decrease) in Cash and Cash Equivalents	824,770	87,060
Cash and Cash Equivalents - Beginning of Year	<u>219,426</u>	<u>132,366</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,044,196</u>	<u>\$ 219,426</u>
Schedule of Noncash Investing, Capital and Financing Activities:		
Amortization of Deferred Bond Expense	<u>\$ 11,301</u>	<u>\$ 7,616</u>

The accompanying notes constitute an integral part of this statement.

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City of Denham Springs
UTILITY ENTERPRISE FUND

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

For the Years Ended June 30, 1999 and 1998

	<u>GAS DEPARTMENT</u>		<u>WATER DEPARTMENT</u>	
	1999	1998	1999	1998
Operating Revenues:				
Charges for Services	\$1,725,881	\$2,055,815	\$ 990,853	\$ 954,741
Miscellaneous	-	-	31,319	28,848
Total Operating Revenues	1,725,881	2,055,815	1,022,172	983,589
Operating Expenses:				
Direct	1,366,782	1,514,219	577,718	617,601
General and Administrative	183,371	201,543	160,343	146,491
Total Operating Expenses	1,550,153	1,715,762	738,061	764,092
Operating Income (Loss) by Department	\$ 175,728	\$ 340,053	\$ 284,111	\$ 219,497

Other Operating Revenues:
Delinquent Charges

Net Operating Income

See auditor's report.

<u>SEWER DEPARTMENT</u>		<u>SANITATION DEPARTMENT</u>		<u>TOTAL</u>	
<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>	<u>1999</u>	<u>1998</u>
\$ 541,628	\$ 527,114	\$ 486,221	\$ 458,242	\$3,744,583	\$3,995,912
<u>136</u>	<u>75</u>	<u>-</u>	<u>-</u>	<u>31,455</u>	<u>28,923</u>
541,764	527,189	486,221	458,242	3,776,038	4,024,835
628,785	582,468	484,671	447,738	3,057,956	3,162,026
<u>137,153</u>	<u>128,361</u>	<u>40,787</u>	<u>36,199</u>	<u>521,654</u>	<u>512,594</u>
<u>765,938</u>	<u>710,829</u>	<u>525,458</u>	<u>483,937</u>	<u>3,579,610</u>	<u>3,674,620</u>
\$ (224,174)	\$ (183,640)	\$ (39,237)	\$ (25,695)	196,428	350,215
<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u><u> </u></u>	<u>47,444</u>	<u>57,626</u>
				\$ 243,872	\$ 407,841
				<u><u> </u></u>	<u><u> </u></u>

City of Denham Springs
UTILITY ENTERPRISE FUND

COMPARATIVE SCHEDULES OF OPERATING EXPENSES BY DEPARTMENT

For the Years Ended June 30, 1999 and 1998

	GAS DEPARTMENT		WATER DEPARTMENT	
	1999	1998	1999	1998
Direct Expenses:				
Natural Gas Purchases	\$ 703,096	\$ 871,621	\$ -	\$ -
Direct Labor	304,236	286,132	175,128	183,235
Chlorinator Expense	-	-	12,144	7,452
Depreciation	103,412	97,915	194,775	175,225
Electricity	9,914	10,539	76,832	77,375
Equipment Expenses	52,718	65,299	25,048	44,753
Equipment Rental	17,371	11,464	6,415	4,085
Lab Fees	-	-	-	-
Maintenance	116,998	103,129	31,735	58,717
Meter Reading	34,863	39,007	48,825	54,710
Meter Repairs	7,195	16,124	-	-
Small Tools and Supplies	16,979	12,989	6,816	12,049
Subcontract Disposal Service	-	-	-	-
Water Pollution Fee	-	-	-	-
	1,366,782	1,514,219	577,718	617,601
General and Administrative Expenses:				
Office Salaries	28,943	26,126	38,977	34,843
Payroll Taxes, Retirement and Group Insurance	61,060	55,521	43,420	40,517
Administrative Charges	4,783	706	6,442	942
Electricity	1,592	2,028	2,143	2,704
Ground Maintenance	385	-	1,314	695
Insurance	32,121	55,131	25,091	24,896
Miscellaneous	18,165	20,057	11,018	10,541
Office Expense	15,218	16,918	9,555	12,223
Professional Fees	4,652	13,161	7,709	6,007
Telephone	14,378	10,536	11,880	11,310
Bad Debts	2,074	1,359	2,794	1,813
	183,371	201,543	160,343	146,491
Total Operating Expenses	\$1,550,153	\$1,715,762	\$ 738,061	\$ 764,092

See auditor's report.

SEWER DEPARTMENT		SANITATION DEPARTMENT		TOTAL	
1999	1998	1999	1998	1999	1998
\$ -	\$ -	\$ -	\$ -	\$ 703,096	\$ 871,621
205,023	190,409	-	-	684,387	659,776
-	-	-	-	12,144	7,452
212,025	212,664	19,550	19,934	529,762	505,738
55,033	63,063	-	-	141,779	150,977
43,374	28,585	2,417	778	123,557	139,415
4,751	2,811	-	203	28,537	18,563
12,403	13,087	-	-	12,403	13,087
81,039	52,217	-	-	229,772	214,063
-	-	-	-	83,688	93,717
-	-	-	-	7,195	16,124
10,690	15,484	51	121	34,536	40,643
-	-	462,653	426,702	462,653	426,702
4,447	4,148	-	-	4,447	4,148
628,785	582,468	484,671	447,738	3,057,956	3,162,026
33,032	29,635	21,118	19,033	122,070	109,637
43,275	40,885	3,292	2,913	151,047	139,836
5,459	801	3,490	515	20,174	2,964
1,816	2,300	1,161	1,477	6,712	8,509
500	-	-	-	2,199	695
16,274	16,736	1,615	2,061	75,101	98,824
8,222	9,048	2,256	3,003	39,661	42,649
13,109	13,753	1,768	2,228	39,650	45,122
5,074	5,634	3,084	2,964	20,519	27,766
8,024	8,027	1,489	1,015	35,771	30,888
2,368	1,542	1,514	990	8,750	5,704
137,153	128,361	40,787	36,199	521,654	512,594
\$ 765,938	\$ 710,829	\$ 525,458	\$ 483,937	\$3,579,610	\$3,674,620

City of Denham Springs
UTILITY ENTERPRISE FUND

SCHEDULE OF CHANGES IN ASSETS RESTRICTED FOR REVENUE
BOND DEBT SERVICE

For the Year Ended June 30, 1999

	<u>BOND</u> <u>INTEREST AND</u> <u>REDEMPTION</u>	<u>BOND</u> <u>RESERVE</u>	<u>BOND</u> <u>CONTINGENCY</u>	<u>TOTAL</u>
Cash and Investments at Beginning of Year	\$ 94,702	\$ 211,285	\$ 234,789	\$ 540,776
Cash Receipts:				
Transfers from Operating Cash	116,846	6,167	4,548	127,561
Transfers from Bond Contingency	225,329	-	-	225,329
Interest Received	<u>3,151</u>	<u>2,563</u>	<u>11,249</u>	<u>16,963</u>
Total Cash Receipts	<u>345,326</u>	<u>8,730</u>	<u>15,797</u>	<u>369,853</u>
Total Cash and Investments Available	440,028	220,015	250,586	910,629
Cash Disbursements:				
Principal Payments	259,708	-	-	259,708
Interest Payments	25,345	-	-	25,345
Transfers to Bond and Interest Redemption	-	-	225,329	225,329
Transfers to Operating Cash	154,820	215,807	-	370,627
Paying Agent Fees	-	1,619	-	1,619
Transfer to Nonrestricted Investments	<u>155</u>	<u>2,589</u>	<u>25,257</u>	<u>28,001</u>
Total Cash Dis- bursements	<u>440,028</u>	<u>220,015</u>	<u>250,586</u>	<u>910,629</u>
Cash and Investments at End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See auditor's report.

INTERNAL SERVICE FUND

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

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Current Assets:		
Cash and Cash Equivalents	\$ 12,584	\$ 10,160
Due from Other Funds	9,982	-
Inventory at Cost	8,623	13,406
Other Assets	<u>66</u>	<u>583</u>
Total Current Assets	31,255	24,149
Property, Plant, and Equipment, at Cost (Net of Accumulated Depreciation of \$122,486 in 1999 and \$116,995 in 1998)	<u>25,231</u>	<u>30,722</u>
Total Assets	<u>\$ 56,486</u>	<u>\$ 54,871</u>
LIABILITIES AND FUND EQUITY		
Current Liabilities:		
Accounts Payable	\$ 3,756	\$ 1,373
Due to Other Funds	157	1,515
Accumulated Unpaid Vacation	2,139	2,098
Other Accrued Expenses	<u>1,810</u>	<u>1,284</u>
Total Current Liabilities	7,862	6,270
Fund Equity:		
Retained Earnings	<u>48,624</u>	<u>48,601</u>
Total Fund Equity	<u>48,624</u>	<u>48,601</u>
Total Liabilities and Fund Equity	<u>\$ 56,486</u>	<u>\$ 54,871</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

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

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Sales and Labor Charges	\$ 282,442	\$ 279,489
Cost of Sales	<u>236,395</u>	<u>218,803</u>
Gross Profit	46,047	60,686
Operating Expenses:		
Salaries	26,608	44,628
Payroll Taxes, Retirement, and Group Insurance	5,216	8,846
Depreciation	5,491	5,667
Insurance	2,932	3,618
Miscellaneous	374	78
Repairs and Maintenance	3,748	1,341
Small Tools and Supplies	1,065	1,934
Telephone and Utilities	119	162
Office Supplies	-	193
Uniforms	275	613
Vehicle Expense	<u>375</u>	<u>503</u>
Total Operating Expenses	<u>46,203</u>	<u>67,583</u>
Operating Income (Loss)	(156)	(6,897)
Nonoperating Revenue:		
Miscellaneous Income	<u>179</u>	<u>221</u>
Total Nonoperating Revenues	<u>179</u>	<u>221</u>
Net Income (Loss)	23	(6,676)
Retained Earnings at Beginning of Year	<u>48,601</u>	<u>55,277</u>
Retained Earnings at End of Year	<u>\$ 48,624</u>	<u>\$ 48,601</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
MOTOR POOL INTERNAL SERVICE FUND

COMPARATIVE STATEMENTS OF CASH FLOWS

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Cash Flows From Operating Activities:		
Operating Income (Loss)	\$ (156)	\$ (6,897)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	5,491	5,667
Miscellaneous Revenues	179	221
Changes in Assets and Liabilities:		
(Increase) Decrease in Due from Other Funds	(9,982)	26,572
(Increase) Decrease in Inventory	4,783	13,461
(Increase) Decrease in Other Assets	517	638
Increase (Decrease) in Accounts Payable	2,383	(25,474)
Increase (Decrease) in Due to Other Funds	(1,358)	(25,219)
Increase (Decrease) in Other Accrued Expenses	526	(2,896)
Increase (Decrease) in Accumulated Unpaid Vacation	<u>41</u>	<u>(405)</u>
Net Cash Provided by (Used in) Operating Activities	2,424	(14,332)
Cash Flows From Capital and Related Financing Activities:		
Acquisition and Construction of Property and Equipment	<u>-</u>	<u>(870)</u>
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(870)</u>
Net Increase (Decrease) in Cash and and Equivalents	2,424	(15,202)
Cash and Cash Equivalents - Beginning of Year	<u>10,160</u>	<u>25,362</u>
Cash and Cash Equivalents - End of Year	<u>\$ 12,584</u>	<u>\$ 10,160</u>

The accompanying notes constitute an integral part of this statement.

TRUST FUND

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

City of Denham Springs
EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS	<u>1999</u>	<u>1998</u>
Cash and Cash Equivalents	\$ 71,797	\$ 38,455
Certificates of Deposit - (Maturities Greater Than 90 Days)	311,123	311,123
Due from Other Funds	.	885
Accrued Interest Receivable	<u>230</u>	<u>91</u>
Total Assets	<u>\$383,150</u>	<u>\$350,554</u>
FUND BALANCE		
Fund Balances: Reserved for Cemetery Expenditures	<u>\$383,150</u>	<u>\$350,554</u>
Total Liabilities and Fund Balances	<u>\$383,150</u>	<u>\$350,554</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs
EXPENDABLE CEMETERY TRUST FUND

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Sales of Cemetery Plots	\$ 12,950	\$ 17,075
Interest	<u>19,646</u>	<u>18,910</u>
Total Revenues	32,596	35,985
Expenditures:		
Bank Charges	<u>-</u>	<u>-</u>
Total Expenditures	<u>-</u>	<u>-</u>
Excess Revenues over Expenditures	32,596	35,985
Fund Balance at Beginning of Year	<u>350,554</u>	<u>314,569</u>
Fund Balance at End of Year	<u>\$ 383,150</u>	<u>\$ 350,554</u>

The accompanying notes constitute an integral part of this statement.

GENERAL FIXED ASSETS ACCOUNT GROUP

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

City of Denham Springs

STATEMENTS OF GENERAL FIXED ASSETS

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets, at Cost:		
Land	\$ 571,271	\$ 571,271
Land Improvements	34,417	34,417
Buildings	3,535,872	3,468,172
Equipment	2,835,602	2,644,178
Furniture and Fixtures	47,136	47,136
Construction in Progress	<u>169,470</u>	<u>58,990</u>
Total General Fixed Assets	<u>\$7,193,768</u>	<u>\$6,824,164</u>
Investments in General Fixed Assets From:		
General Fund Revenues	\$3,228,023	\$3,036,599
Federal Revenues and Federal Grants	429,535	429,535
Capital Improvement Funds:		
City's Share of Cost:		
General Fund	2,481,987	2,303,807
Federal Revenue Sharing	201,482	201,482
Federal Grants	492,741	492,741
State Grants	<u>360,000</u>	<u>360,000</u>
Total Investment in General Fixed Assets	<u>\$7,193,768</u>	<u>\$6,824,164</u>

The accompanying notes constitute an integral part of this statement.

City of Denham Springs

SCHEDULE OF GENERAL FIXED ASSETS -
BY FUNCTION AND ACTIVITY

June 30, 1999

	<u>LAND</u>	<u>LAND IMPROVEMENTS</u>	<u>BUILDINGS</u>	<u>EQUIPMENT</u>
<u>Function and Activity:</u>				
General Government:				
General Government				
Buildings	\$ 358,039	\$ 13,950	\$1,360,367	\$ -
Administration	-	-	-	201,950
Cemetery	2,000	11,002	10,313	18,751
Tax	-	-	-	23,158
Planning and Development	-	-	-	68,041
Public Service Workers	-	-	10,647	30,463
Total General Government	360,039	24,952	1,381,327	342,363
Public Safety:				
Animal Control	1,500	512	81,603	27,941
Fire	8,250	-	232,426	795,220
Police	201,482	8,953	1,475,445	915,677
Total Public Safety	211,232	9,465	1,789,474	1,738,838
Highways and Streets:				
Streets	-	-	5,174	751,736
Health:				
Council on Aging	-	-	359,897	-
Culture and Recreation:				
Main Street Program	-	-	-	2,665
Total General Fixed Assets Allocated to Functions	<u>\$571,271</u>	<u>\$ 34,417</u>	<u>\$3,535,872</u>	<u>\$2,835,602</u>
Construction in Progress				
Total General Fixed Assets				

The accompanying notes constitute an integral part of this statement.

FURNITURE AND FIXTURES	TOTALS	
	1999	1998
\$ 47,136	\$1,779,492	\$1,779,492
-	201,950	173,931
-	42,066	44,769
-	23,158	20,958
-	68,041	67,761
-	41,110	39,648
<u>47,136</u>	<u>2,155,817</u>	<u>2,126,559</u>
-	111,556	50,552
-	1,035,896	1,018,968
-	<u>2,601,557</u>	<u>2,492,328</u>
-	3,749,009	3,561,848
-	756,910	716,334
-	359,897	359,897
-	<u>2,665</u>	<u>536</u>
<u>\$ 47,136</u>	7,024,298	6,765,174
	<u>169,470</u>	<u>58,990</u>
	<u>\$7,193,768</u>	<u>\$6,824,164</u>

City of Denham Springs

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

For the Year Ended June 30, 1999

	GENERAL FIXED ASSETS <u>7/1/98</u>	ADDITIONS	DEDUCTIONS	GENERAL FIXED ASSETS <u>6/30/99</u>
<u>Function and Activity:</u>				
General Government:				
General Government				
Buildings	\$1,779,492	\$ -	\$ -	\$1,779,492
Administration	173,931	28,019	-	201,950
Cemetery	44,769	-	2,703	42,066
Tax	20,958	2,200	-	23,158
Planning and Development	67,761	280	-	68,041
Public Service Workers	<u>39,648</u>	<u>1,462</u>	<u>-</u>	<u>41,110</u>
Total General Government	2,126,559	31,961	2,703	2,155,817
Public Safety:				
Animal Control	50,552	71,166	10,162	111,556
Fire	1,018,968	16,928	-	1,035,896
Police	<u>2,492,328</u>	<u>149,105</u>	<u>39,876</u>	<u>2,601,557</u>
Total Public Safety	3,561,848	237,199	50,038	3,749,009
Highways and Streets:				
Streets	716,334	51,670	11,094	756,910
Health:				
Council on Aging	359,897	-	-	359,897
Culture and Recreation:				
Main Street Program	536	2,129	-	2,665
Construction in Progress	<u>58,990</u>	<u>178,180</u>	<u>67,700</u>	<u>169,470</u>
Total General Fixed Assets	<u>\$6,824,164</u>	<u>\$501,139</u>	<u>\$ 131,535</u>	<u>\$7,193,768</u>

The accompanying notes constitute an integral part of this statement.

GENERAL LONG-TERM DEBT
ACCOUNT GROUP

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

City of Denham Springs

STATEMENTS OF GENERAL LONG-TERM DEBT

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Fund for the Payment of the 1993 Paving Certificates	\$ 39,055	\$ 46,307
Amount to be Provided from Special Assessments Receivables	14,229	20,298
Amount to be Provided for Accumulated Unpaid Vacation	<u>292,009</u>	<u>247,059</u>
	<u>\$345,293</u>	<u>\$313,664</u>
GENERAL LONG-TERM DEBT PAYABLE		
1993 Paving Certificates	\$ 53,284	\$ 66,605
Accumulated Unpaid Vacation	<u>292,009</u>	<u>247,059</u>
	<u>\$345,293</u>	<u>\$313,664</u>

The accompanying notes constitute an integral part of this statement.

OTHER SUPPLEMENTARY INFORMATION

City of Denham Springs

SCHEDULE OF COMPENSATION OF CITY COUNCIL MEMBERS

For the Years Ended June 30, 1999 and 1998

CURRENT TERMS EXPIRE DECEMBER 31, 2002

	<u>1999</u>	<u>1998</u>
James Delaune, Mayor 1560 4-H Club Road Denham Springs, Louisiana 70726 Telephone: 665-8124	\$40,301	\$39,141
James E. Durbin, Council Member 417 Centerville Street Denham Springs, Louisiana 70726 Telephone: 664-5802	\$ 5,400	\$ 3,500
Sterling Vincent, Council Member 103 Carroll Street Denham Springs, Louisiana 70726 Telephone: 665-2485	\$ 5,400	\$ 3,700
Council Member Streets Commissioner	\$10,537	\$ 9,376
Roy Zachary, Council Member (Term expired 12/31/98) 339 North College Drive Denham Springs, Louisiana 70726 Telephone: 664-7265	\$ 1,300	\$ 2,800
Arthur Perkins, Council Member 906 Hatchell Lane Denham Springs, Louisiana 70726 Telephone: 664-6730	\$ 5,400	\$ 3,500
John Wascom, Council Member (Term expired 12/31/98) 522 Centerville Street Denham Springs, Louisiana 70726 Telephone: 665-7037	\$ 1,800	\$ 3,800
Brent Dugas, Council Member 1440 Cottonwood Dr. Denham Springs, Louisiana 70726 Telephone: 665-3802	\$ 3,600	\$ -
Layton Ricks, Council Member 916 Jane Drive Denham Springs, Louisiana 70726 Telephone: 665-7816	\$ 3,600	\$ -



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

City of Denham Springs

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)

June 30, 1999

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
CNA Surety	Public Official Bonds		
	Mayor;		
	James Delaune	\$ 50,000	1/04/00
	Council Members:		
	Arthur Perkins	\$ 10,000	1/04/00
	Sterling Vincent	\$ 10,000	1/04/00
	Layton Ricks	\$ 10,000	1/01/00
	James E. Durbin	\$ 10,000	1/01/00
	Brent Dugas	\$ 10,000	1/01/00
	City Treasurer:		
Horace Elkins	\$ 50,000	11/30/99	
Audubon Insurance Group	Fire and Extended Coverage -		
	90% Co-Insurance;		
	Municipal Building	\$1,481,490	
	Contents	\$ 300,000	7/01/99
	<u>941 Government Street</u>		
	Steel Water Tank and Tower	\$ 250,000	7/01/99
	<u>110 Brignac Street</u>		
	Council on Aging Buildings	\$ 345,069	7/01/99
	<u>949 Government Street</u>		
	Fire Station Building	\$ 212,211	
Contents	\$ 10,000	7/01/99	
<u>1100 Hatchell Lane</u>			
Police Station and Jail Facility	\$1,350,000		
Contents	\$ 150,000	7/01/99	
<u>447 Lamm Street</u>			
Fire Station Building	\$ 270,504		
Contents	\$ 12,000	7/01/99	
<u>950 Government Street</u>			

(CONTINUED)

City of Denham Springs

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

June 30, 1999

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
Audubon Insurance Group	Youth Services		
	Office Building	\$ 218,000	7/01/99
	Contents	\$ 100,000	
	<u>940 Government Street</u>		
	Utility Warehouse		
	Building	\$ 90,000	
	Contents	\$ 30,000	7/01/99
	<u>112 Brignac Street</u>		
	Motor Pool and Warehouse Building	\$ 226,800	
	Contents	\$ 75,000	7/01/99
	<u>401 N. Railroad Ave.</u>		
	Augusta Lane Pump Station Building	\$ 12,000	7/01/99
	<u>Augusta Lane</u>		
	Steel Water Tank and Tower	\$ 550,000	7/01/99
	<u>Pete's Highway</u>		
Louisiana Workers' Compensation Corporation	Workmen's Compensation Statutory		8/03/00
National Union Fire Insurance Company of Louisiana	General Liability	\$1,000,000	7/01/99
	Law Enforcement Professional Liability	\$1,000,000	7/01/99
National Union Fire Insurance Company of Pittsburgh, PA	Public Officials and Employees Liability		
	Errors and Omissions	\$1,000,000	7/01/99
National Union Fire Insurance Company of Pittsburgh, PA	Business Auto Liability	\$1,000,000	7/01/99
	Umbrella	\$1,000,000	7/01/99

(CONTINUED)

City of Denham Springs

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

June 30, 1999

<u>INSURANCE</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
National Flood Services	Flood Insurance		
	Fire Station Building		
	<u>930 Government Street</u>	\$ 220,000	5/29/00
	Youth Services		
	Office Building		
	<u>940 Government Street</u>	\$ 220,000	5/29/00
	Municipal Building		
	<u>941 Government Street</u>	\$ 220,000	5/29/00
	Council on Aging Building		
	<u>949 Government Street</u>	\$ 220,000	5/29/00

City of Denham Springs

GENERAL FUND EXPENDITURES AND
OTHER USES BY FUNCTION

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL GOVERNMENT</u>	<u>CEMETERY</u>	<u>TAX</u>	<u>WARD COURT</u>	<u>PLANNING AND DEVELOPMENT</u>	<u>PUBLIC SERVICE WORKERS</u>
1990	3,481,288	594,152	13,205	43,408	164,258	83,865	6,185
1991	3,161,926	485,172	24,509	50,709	167,353	78,373	7,204
1992	3,330,963	434,807	31,123	33,394	163,619	114,238	9,908
1993	3,540,970	470,484	49,411	77,726	172,737	116,951	9,583
1994	4,817,679	512,930	53,099	80,704	93,256*	132,130	15,409
1995	4,542,641	460,524	51,963	99,898	93,185	136,559	32,047
1996	4,715,110	566,415	54,714	113,187	52,214	118,126	49,474
1997	5,084,763	567,761	65,158	105,258	52,923 ¹	118,433	36,735
1998	6,079,148	589,791	65,107	127,940	53,815	149,361	57,547
1999	5,977,575	609,259	63,710	115,097	47,611	129,454	73,085

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

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

SOURCE: Annual Audited General Purpose Financial Statements.

<u>SUMMER FOOD PROGRAM</u>	<u>ANIMAL CONTROL</u>	<u>FIRE</u>	<u>POLICE</u>	<u>STREETS AND LIGHTING</u>	<u>HEALTH</u>	<u>CULTURE AND RECREATION</u>	<u>OTHER USES</u>
\$12,905	\$27,385	\$470,766	\$ 855,200	\$524,524	\$ 9,044	\$ -	\$ 676,391
16,854	29,208	491,801	970,726	483,027	10,505	-	346,485
14,653	20,676	663,085	986,510	517,787	11,163	-	330,000
12,507	21,450	610,281	981,010	753,302	18,285	-	247,243
12,373	21,103	691,075	1,157,293	812,850	19,334	-	1,216,123
12,030	27,306	741,461	1,255,312	844,274	18,977	-	769,105
16,683	30,963	763,037	1,450,946	752,513	19,606	-	727,232
11,692	32,541	917,192	1,553,477	881,121	18,723	17,083	706,666
12,908	54,346	930,801	1,677,296	782,805	24,695	48,462	1,504,274
7,997	50,962	909,489	1,840,913	820,329	36,144	56,570	1,216,955

City of Denham Springs

GENERAL FUND REVENUES AND OTHER FINANCING SOURCES

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>TAXES</u>	<u>LICENSES AND PERMITS</u>	<u>FINES AND FORFEITS</u>	<u>911 SERVICE FEES</u>
1990	\$3,413,342	\$2,451,512	\$331,008	\$253,558	\$ -
1991	3,331,782	2,578,325	343,011	230,490	-
1992	3,650,284	2,770,433	352,892	210,804	-
1993	3,949,216	3,009,363	373,304	236,173	-
1994	4,454,331	3,267,098	419,813	238,133	50,034
1995	4,777,392	3,490,035	521,309	243,707	112,984
1996	5,224,269	3,871,998	520,631	189,498	131,040
1997	5,356,854	4,001,014	549,065	173,708	153,783
1998	5,622,484	4,166,264	543,224	191,915	165,314
1999	6,131,685	4,521,898	625,763	174,827	185,202

City of Denham Springs

GENERAL FUND TAX REVENUES BY SOURCE

Last Ten Years

<u>YEAR</u>	<u>TOTAL</u>	<u>GENERAL PROPERTY TAXES</u>	<u>ALCOHOLIC BEVERAGE & CABLE T.V.</u>	<u>CHAIN STORE TAX</u>	<u>ELECTRICAL FRANCHISE TAX</u>	<u>SALES TAX</u>
1990	\$2,451,512	\$109,644	\$ 28,978	\$ 11,600	\$320,938	\$1,937,101
1991	2,578,325	107,272	39,966	10,527	330,659	2,045,492
1992	2,770,433	107,323	51,681	9,790	334,592	2,222,095
1993	3,009,363	107,672	59,192	10,510	345,708	2,440,746
1994	3,267,098	114,676	65,384	10,911	382,869	2,571,786
1995	3,490,035	123,055	68,918	12,595	354,770	2,749,728
1996	3,871,998	128,952	79,655	11,085	410,645	3,035,569
1997	4,001,014	131,255	79,430	12,270	377,544	3,182,993
1998	4,166,264	126,772	79,889	11,984	398,317	3,334,669
1999	4,521,898	138,954	93,593	15,535	397,231	3,655,439

SOURCE: Annual Audited General Purpose Financial Statements.

<u>INTEREST</u>	<u>MISCELLANEOUS</u>	<u>OTHER FINANCING SOURCES</u>
\$ 30,559	\$146,705	\$200,000
17,257	160,510	2,189
29,235	286,920	-
37,594	291,359	1,423
35,945	427,504	15,804
38,374	351,457	19,526
79,822	418,027	13,253
85,202	379,707	14,375
107,266	430,469	18,032
76,973	533,021	14,001

Schedule 4A

<u>TOBACCO TAXES</u>	<u>WRECKER FRANCHISE TAX</u>	<u>VIDEO POKER FEES</u>
\$ 42,621	\$ 630	\$ -
43,684	725	-
44,737	215	-
44,655	880	-
42,998	1,740	76,734
42,282	2,260	136,427
42,578	1,820	161,694
42,564	1,870	173,088
42,571	2,160	169,902
42,571	2,105	176,470

City of Denham Springs

PROPERTY TAX LEVIES AND COLLECTIONS

Last Ten Years

<u>YEAR</u>	<u>TOTAL TAX LEVY¹</u>	<u>COLLECTIONS</u>	<u>PERCENT OF LEVY COLLECTED</u>	<u>PRIOR YEAR TAX COLLECTIONS</u>	<u>TOTAL TAX COLLECTIONS</u>	<u>RATIO OF TOTAL COLLECTIONS TO TAX LEVY</u>
1990	\$100,732	\$ 99,738	99.01%	\$ -	\$ 99,738	99.01%
1991	103,053	102,059	99.04%	-	102,059	99.04%
1992	102,466	101,472	99.03%	-	101,472	99.03%
1993	108,202	106,516	98.44%	-	106,516	98.44%
1994	119,742	117,232*	97.90%	631	117,863	98.43%
1995	126,271	124,184	98.35%	1,762	125,946	99.74%
1996	129,745	128,135	98.76%	1,379	129,514	99.82%
1997	130,850	129,826	99.22%	1,493	131,319	100.36%
1998	128,904	124,877	96.88%	452	125,329	97.23%
1999	140,063	134,660	96.14%	4,545	139,205	99.38%

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

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

SOURCE: City of Denham Springs Tax Office.

City of Denham Springs

ASSESSED AND ESTIMATED ACTUAL VALUE
OF TAXABLE PROPERTY

Last Ten Years

<u>YEAR</u>	<u>ASSESSED VALUE</u>	<u>ESTIMATED ACTUAL VALUE</u>	<u>RATIO OF TOTAL ASSESSED VALUE TO TOTAL ESTIMATED ACTUAL VALUE*</u>
1990	\$21,898,260	\$199,075,091	11%
1991	22,402,820	203,662,000	11
1992	22,275,120	202,501,091	11
1993	21,961,990	199,654,455	11
1994	25,282,810	229,843,727	11
1995	26,809,190	243,719,909	11
1996	27,546,730	250,424,818	11
1997	31,914,520	290,132,000	11
1998	31,439,890	285,817,200	11
1999	34,161,710	310,561,000	11

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

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

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

City of Denham Springs

PROPERTY TAX RATES AND TAX LEVIES -
DIRECT AND OVERLAPPING GOVERNMENTS

Last Ten Years

YEAR	CITY	PARISHWIDE ¹ Tax Rates	SCHOOL DISTRICT #1 (Mills Per Dollar)	PARISH	
				DRAINAGE DISTRICT #1	RECREATION DISTRICT #3
1990	4.60	56.09	23.95	5.52	18.33
1991	4.60	55.02	21.80	5.52	18.33
1992	4.60	56.25	24.34	5.00	18.88
1993	4.71	51.42	22.70	7.50	39.88
1994	4.71	59.24	22.47	7.50	34.88
1995	4.71	59.24	18.74	7.50	30.89
1996	4.71	68.70	61.72	7.50	15.00
1997	4.10	67.45	53.29	7.03	30.00
1998	4.10	67.45	41.87	5.03	20.00
1999	4.10	64.56	33.64	4.53	18.00

TAX LEVIES

1990	\$100,732	\$ 781,294	\$ 333,607	\$ 76,890	\$255,324
1991	103,053	808,089	320,181	81,073	269,216
1992	102,466	815,439	352,850	72,484	273,698
1993	108,202	747,344	329,925	109,006	579,621
1994	119,742	938,215	355,869	118,781	552,413
1995	126,271	1,006,853	318,508	127,471	525,011
1996	129,745	1,193,129	1,071,905	130,254	260,508
1997	130,850	1,414,565	1,117,601	147,432	629,162
1998	128,904	1,359,568	843,960	101,388	403,134
1999	140,063	1,477,355	769,799	103,662	411,902

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

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

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

<u>LAW ENFORCEMENT</u> <u>DISTRICT</u>	<u>JUVENILE DETENTION</u> <u>CENTER</u>	<u>TOTAL</u>
12.21	-	120.70
12.21	-	117.48
12.50	-	121.57
12.51	-	138.72
12.51	-	141.31
12.51	-	133.59
12.51	-	170.14
12.51	3.00	177.38
12.51	3.00	153.96
12.51	3.00	140.34
\$ 170,077	\$ -	\$1,717,924
179,331	-	1,760,943
181,209	-	1,798,146
181,822	-	2,055,920
198,127	-	2,283,147
212,622	-	2,316,736
217,264	-	3,002,805
262,360	62,916	3,764,886
252,160	60,470	3,149,584
286,272	68,650	3,257,703

City of Denham Springs

SPECIAL ASSESSMENT COLLECTIONS

Last Ten Years

<u>YEAR</u>	<u>ASSESSMENTS BEGINNING OF YEAR</u>	<u>ADDITIONS AND ADJUSTMENTS</u>	<u>COLLECTIONS</u>	<u>ASSESSMENTS END OF YEAR</u>
1990	\$ -	\$ -	\$ -	\$ -
1991	-	-	-	-
1992	-	-	-	-
1993	-	-	-	-
1994	-	133,210 ¹	23,535	109,675
1995	109,675 ¹	-	20,860	88,815
1996	88,815	-	30,511	58,304
1997	58,304	-	14,112	44,192
1998	44,192	-	8,525	35,667
1999	35,667	-	8,057	27,610

¹Lakeland Acres Subdivision Paving Project.

SOURCE: Annual Audited General Purpose Financial Statements.

City of Denham Springs

STATEMENT OF LEGAL DEBT LIMIT

General Bonded Indebtedness

POWER TO INCUR DEBT

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

LIMIT OF INDEBTEDNESS

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

MUNICIPAL PURPOSES

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

MAXIMUM DURATION AND INTEREST LIMITATION

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

ISSUING BONDS: VOTE BY TAXPAYERS

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

LEVY OF TAXES

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

Total Assessed Value of Taxable Property		\$34,161,710
--	--	--------------

=====

	10% OF	35% OF
	<u>ASSESSED VALUATION</u>	<u>ASSESSED VALUATION</u>

Legal Debt Limitation	\$3,416,171	\$11,956,599
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=====

=====

There are no outstanding bonds secured by ad valorem taxes of the City of Denham Springs as of June 30, 1999.

City of Denham Springs

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

Last Ten Years

<u>YEAR</u>	<u>POPULATION¹</u>	<u>ASSESSED VALUE²</u>	<u>GENERAL OBLIGATION BONDED DEBT</u>	<u>LESS DEBT SERVICE FUND³</u>
1990	9,155	\$21,898,260	\$ -	\$ -
1991	8,381	22,402,820	-	-
1992	8,784	22,275,120	-	-
1993	8,538	21,961,990	-	-
1994	8,655	25,282,810	-	-
1995	8,797	26,809,190	-	-
1996	8,902	27,546,730	-	-
1997	9,011	31,914,520	-	-
1998	9,171	31,439,890	-	-
1999	9,248	34,161,710	-	-

SOURCES:

¹Estimates prepared by Capital Region Planning Commission.

²Livingston Parish Assessor's Grand Recapitulation of the Assessment Roll for the Parish of Livingston.

³Amount available in Debt Service Fund for repayment of General Obligation Bonds. Annual Audited General Purpose Financial Statements.

<u>NET BONDED DEBT</u>	<u>RATIO OF NET BONDED DEBT TO ASSESSED VALUE</u>	<u>NET BONDED DEBT PER CAPITA</u>
\$ -	- %	\$ -
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-

City of Denham Springs

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

Last Ten Years

<u>YEAR</u>	<u>PRINCIPAL</u>	<u>INTEREST¹</u>	<u>TOTAL DEBT SERVICE²</u>	<u>TOTAL GENERAL GOVERNMENTAL EXPENDITURES³</u>	<u>RATIO OF DEBT SERVICE TO GENERAL GOVERNMENTAL EXPENDITURES</u>
1990	\$ -	\$ -	\$ -	\$3,481,929	- %
1991	-	-	-	3,162,660	-
1992	-	-	-	3,330,963	-
1993	-	-	-	3,540,970	-
1994	-	-	-	4,817,679	-
1995	-	-	-	4,542,641	-
1996	-	-	-	4,715,110	-
1997	-	-	-	5,084,763	-
1998	-	-	-	6,079,148	-
1999	-	-	-	5,977,575	-

¹Excludes paying agent fees and other costs.

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

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

SOURCE: Annual Audited General Purpose Financial Statements.

City of Denham Springs

COMPUTATION OF DIRECT AND OVERLAPPING DEBT

June 30, 1999

	<u>GROSS DEBT OUTSTANDING</u>	<u>AMOUNTS IN DEBT SERVICE FUND FOR PRINCIPAL</u>	<u>NET DEBT OUTSTANDING</u>	<u>CITY OF DENHAM SPRINGS PERCENT</u>	<u>SHARE OF DEBT</u>
<u>GOVERNMENTAL UNIT</u>					
City of Denham Springs	\$ -	\$ -	\$ -	100%	\$ -
<u>OTHER GOVERNMENTAL AGENCIES</u>					
School District #1	\$ 9,151,608	\$1,155,309	\$ 7,996,299	43%	\$3,438,409
Jail Bonds:	24,243	-	24,243	17%	4,121
	69,199	-	69,199	17%	11,764
	240,000	-	240,000	17%	40,800
Gravity Drainage District No. 1	129,093	129,093	-	48%	-
Recreation District No. 3	<u>2,525,000</u>	<u>612,964</u>	<u>1,912,036</u>	48%	<u>917,777</u>
Total Other Governmental Agencies	<u>\$12,139,143</u>	<u>\$1,897,366</u>	<u>\$10,241,777</u>		<u>\$4,412,871</u>
Total Direct and Over- lapping Debt	<u>\$12,139,143</u>	<u>\$1,897,366</u>	<u>\$10,241,777</u>		<u>\$4,412,871</u>
1999 City Population					<u>9,248</u>
Per Capita					<u>\$477</u>

City of Denham Springs

SUMMARY OF REVENUE BOND COVERAGE

Last Ten Years

Utility Enterprise Fund

<u>YEAR</u>	<u>GROSS REVENUE¹</u>	<u>OTHER FINANCIAL SOURCES</u>	<u>EXPENSES²</u>	<u>OTHER USES³</u>	<u>AVAILABLE FOR DEBT SERVICE</u>
1990	\$3,414,207	\$ -	\$2,314,899	\$320,000	\$ 779,308
1991	3,159,926	-	2,245,740	82,189	831,997
1992	3,272,272	-	2,225,549	-	1,046,723
1993	3,453,844	-	2,403,230	-	1,050,614
1994	3,883,907	-	2,733,004	5,108	1,145,795
1995	3,561,853	-	2,576,764	-	985,089
1996	4,042,911	200,000 ⁴	2,998,298	-	1,244,613
1997	3,960,407	200,000 ⁴	3,038,828	-	1,121,579
1998	4,261,063	-	3,176,498	-	1,084,565
1999	4,006,415	-	3,061,149	-	945,266

¹Total Operating Revenues plus Non-Operating Revenues.

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

³Operating Transfers Out.

⁴Operating Transfers In.

⁵Includes the paydown of old debt of \$255,524 at advance refunding. Reduced interest rate from 11.0% to 7.2%.

SOURCE: Annual Audited General Purpose Financial Statements.

DEBT SERVICE REQUIREMENTS

<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>	<u>COVERAGE</u>
\$ 112,690	\$339,546	\$ 452,236	1.05%
112,993	321,633	434,626	1.92
115,564	308,928	424,492	2.47
118,433	296,351	414,784	2.54
121,637	283,236	404,873	2.84
125,214	269,759	394,973	2.49
129,207	255,874	385,081	3.23
128,374	241,685	370,059	3.03
132,735	227,441	360,176	3.01
453,582 ^s	124,029	577,611	1.64

City of Denham Springs

DEMOGRAPHICS STATISTICS

Last Ten Years

<u>YEAR</u>	<u>POPULATION¹</u>	<u>PER CAPITA INCOME²</u>	<u>PUBLIC SCHOOL ENROLLMENT⁴</u>	<u>UNEMPLOYMENT LIVINGSTON PARISH³</u>	<u>UNEMPLOYMENT LABOR MARKET AREA³</u>
1990	9,155	\$ 9,902	16,350	9.4%	5.8%
1991	8,381	9,946	16,150	7.7	5.4
1992	8,784	13,302	16,600	9.1	6.2
1993	8,538	14,330	17,000	8.8	6.4
1994	8,655	14,737	17,400	9.5	6.6
1995	8,797	15,631	18,100	10.5	7.4
1996	8,902	17,017	18,177	8.5	6.1
1997	9,011	17,930	18,522	6.4	5.5
1998	9,171	18,376	18,851	6.4	5.6
1999	9,248	N/A	19,425	5.5	4.2

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

²Parishwide Per Capita Income Per Capital Region Planning Commission.

³Per Capital Region Planning Commission.

⁴Livingston Parish School Board.

City of Denham Springs

CONSTRUCTION

Last Ten Years

<u>RESIDENTIAL CONSTRUCTION</u>			<u>COMMERCIAL CONSTRUCTION</u>	
<u>YEAR</u>	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>	<u>NUMBER OF PERMITS</u>	<u>VALUE</u>
1990	10	\$ 630,600	4	\$1,157,605
1991	5	331,000	1	1,273,900
1992	18	1,344,000	1	300,000
1993	35	2,336,500	10	5,324,500
1994	37	2,816,721	8	1,982,600
1995	42	3,261,150	9	7,233,000
1996	104	5,417,150	34	4,987,980
1997	72	2,471,903	50	11,121,905
1998	85	2,448,471	62	8,739,416
1999	96	5,062,716	38	14,169,551

SOURCE: Denham Springs Office of Planning and Development.

City of Denham Springs

PRINCIPAL SALES TAXPAYERS

June 30, 1999

<u>TAXPAYER</u>	<u>TYPE OF BUSINESS</u>
Wal-Mart Store	General Merchandise
Winn-Dixie Store	Retail Grocery
Delchamps, Inc. Store	Retail Grocery
Rouse's Supermarket	Retail Grocery
Walgreens Store	Retail Pharmacy
Smith Building Supply, Inc.	Retail Hardware
Rite-Aid (Formerly K&B Drug Store)	Retail Pharmacy
James Drug Store	Retail Pharmacy
East Jordan Iron Works, Inc.	Retail Products
Autozone Store	Retail Auto Parts

SOURCE: Livingston Parish School Board · Sales Tax Office.

City of Denham Springs

MISCELLANEOUS STATISTICS

June 30, 1999

Date of Incorporation	May 8, 1903
Form of Government	Mayor - City Council Lawrason Act
Area	City 6 square miles Parish 642 square miles
Fire Protection:	
Number of Stations	2
Number of Firefighters and Officers	20
Number of Volunteer Firemen	6
Police Protection:	
Number of Stations	1
Number of Police Officers	21
Sewers:	
Number of Pumping Stations	27
Type of Treatment System	Rock Reed Filter
Employees:	
Number of Employees	146
Municipal Utilities:	
Number of Gas Customers	4,372
Number of Sewer Customers	5,114
Number of Water Customers	6,054
Number of Waste Disposal Customers	3,149
City Sales Tax Rate	1.5%

10/10/99
10/10/99
10/10/99

CITY OF DENHAM SPRINGS, LOUISIANA
INTERNAL CONTROL AND COMPLIANCE
REPORTS REQUIRED BY GOVERNMENT AUDITING
STANDARDS AND OMB CIRCULAR A-133
YEAR ENDED JUNE 30, 1999

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 _____

CITY OF DENHAM SPRINGS, LOUISIANA

Single Audit Reports

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



Randy J. Bonneau, CPA*
Joseph D. Richard, Jr., CPA*
Ronnie E. Stamper, CPA*
Fernand P. Genre, CPA*
Stephen M. Huggins, CPA*
Monica L. Zumo, CPA*
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2322 Tremont Drive, Suite 200
Baton Rouge, LA 70809

November 24, 1999

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

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated November 24, 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'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 an instance of noncompliance that is required to be reported under Government Auditing Standards and which is described in the accompanying schedule of findings and questioned costs as item 99-1.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to the management of the City of Denham Springs in a separate letter dated November 24, 1999.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Hannis A. Bourgeois, L.L.P.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE
WITH REQUIREMENTS APPLICABLE TO ITS MAJOR PROGRAM
AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133



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November 24, 1999

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

Compliance

We have audited the compliance of the City of Denham Springs, Louisiana with the types of compliance requirements described in the *U. S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to the City's major federal program for the year ended June 30, 1999. The City's major federal program is identified in the summary of auditor's results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City of Denham Springs, Louisiana complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 1999.

Internal Control Over Compliance

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

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

Schedule of Expenditures of Federal Awards

We have audited the general purpose financial statements of the City of Denham Springs, Louisiana as of and for the year ended June 30, 1999, and have issued our report thereon dated November 24, 1999. Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the general purpose financial statements. 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.

This report is intended for the information of management and the Office of the Legislative Auditor, State of Louisiana, and federal awarding agencies and pass-through entities. This restriction is not intended to limit the distribution of this report, which, upon acceptance by the City of Denham Springs, Louisiana, is a matter of public record.

Respectfully submitted,

Harris J. Bourgeois, L.L.P.

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1999

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Agriculture</u>			
Passed Through Louisiana Department of Education: Summer Food Service Program FY - 98	10.559	98SFSP6	\$ <u>5,022</u>
Total U.S. Department of Agriculture			5,022
<u>U.S. Department of Interior</u>			
Passed Through State of Louisiana Department of Culture, Recreation, and Tourism - Office of Cultural Development Main Street Grant	15.904	22-97-12021	<u>13,500</u>
Total U.S. Department of Interior			13,500
<u>U.S. Department of Justice</u>			
Office of Community Oriented Policing Services	16.710	95CFWX3657	57,835
Office of Community Oriented Policing Services	16.710	96CMWX0348	9,767
LEMIS 2000	16.579	97-B8-B.15-0078	3,288
Local Law Enforcement Block Grant	16.592	98LBVX6280	22,737
Small Communities Grant	16.592	98CGWX0673	<u>8,572</u>
			102,199

(CONTINUED)

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1999

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Department of Justice- (Cont'd)</u>			
Passed Through Louisiana			
Commission on Law Enforcement and Administration of Criminal Justice:			
Intelligence Unit	16.579	98-B5-B.07-0056	12,139
Intelligence Unit	16.579	97-B5-B.07-0061	4,897
Electronic Equipment Grant	16.579	P99-5-030	1,103
Violence Prevention	16.579	96-M5-M.03-0445	1,546
Community Policing	16.579	98-B5-B.04-0057	8,647
Community Policing	16.579	97-B5-B.04-0084	1,467
Criminal Patrols	16.579	97-B5-B.07-0062	6,786
Criminal Patrols	16.579	98-B5-B.07-0058	8,503
Violence Prevention	16.579	97-M5-M.03-0418	<u>2,210</u>
Total Passed Through Louisiana Commission on Law Enforcement and Administration of Criminal Justice			<u>47,298</u>
Total U.S. Department of Justice			149,497
<u>U.S. Department of Transportation</u>			
Passed Through Louisiana			
Highway Safety Commission:			
State and Community Highway Safety:			
Safe and Sober	20.600	9990-50	568
Traffic Unit	20.600	9938	<u>11,500</u>
Total U.S. Department of Transportation			12,068
<u>FEDERAL EMERGENCY MANAGEMENT AGENCY</u>			
Passed Through State of Louisiana:			
Public Assistance Grant	83.544	N/A	<u>28,419</u>
Total Federal Emergency Management Agency			28,419

(CONTINUED)

City of Denham Springs

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1999

<u>FEDERAL GRANTOR/PASS-THROUGH GRANTOR/PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>PASS-THROUGH ENTITY IDENTIFYING NUMBER</u>	<u>FEDERAL EXPENDITURES</u>
<u>U.S. Environmental Protection Agency</u>			
Passed Through State of Louisiana Department of Environmental Quality: Wastewater Treatment Facility Project	66.418	C-220401-04	<u>3,104,924*</u>
Total Expenditures of Federal Awards			<u><u>\$3,313,430</u></u>

The above Schedule of Expenditures of Federal Awards is prepared on the accrual basis of accounting.

*Indicates major program.

City of Denham Springs

SCHEDULE OF FINDINGS AND QUESTIONED COST

Year Ended June 30, 1999

A. Summary of Audit Results -

1. The auditor's report expresses an unqualified opinion on the general purpose financial statements of the City of Denham Springs, Louisiana.
2. No material weaknesses relating to the audit of the general purpose financial statements are reported in the Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of the General Purpose Financial Statements Performed in Accordance with Government Auditing Standards.
3. No instances of noncompliance material to the financial statements of the City were disclosed during the audit.
4. No material weaknesses relating to the audit of the major federal award programs is reported in the Independent Auditor's Report on Compliance with Requirements Applicable to Its Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133.
5. The auditor's report on compliance for the major federal award program for the City expresses an unqualified opinion.
6. The audit disclosed no findings which are required to be reported under Section 510(a) of OMB Circular A-133.
7. The following program was tested as a Type "A" major program:

<u>FEDERAL GRANTOR/ PASSTHROUGH GRANTOR/ PROGRAM NAME</u>	<u>CFDA NUMBER</u>
<u>U.S. Environmental Protection Agency</u> Passed through State of Louisiana Department of Environmental Quality - Wastewater Treatment Facilities Project	66.418

City of Denham Springs

SCHEDULE OF FINDINGS AND QUESTIONED COST (CONTINUED)

Year Ended June 30, 1999

8. The threshold for distinguishing Types A and B programs was \$300,000.

9. The City was determined to be a low-risk auditee.

B. Findings - Financial Statements Audit

Possible compliance violation - See Summary Schedule of Audit Findings

C. Findings and Questioned Costs - Major Federal Award Program Audit

None

City of Denham Springs

SUMMARY SCHEDULE OF AUDIT FINDINGS

Year Ended June 30, 1999

(99-1) - Possible Compliance Violation (LSA-R.S. 42:1101, et seq.):

Finding:

During our current compliance testing several individual employee relationships were questioned. Upon the request of city management the City's attorney investigated these relationships regarding nepotism among City employees. As per the attorney's findings only two relationships have the potential to fall within the prohibitions of the Code of Governmental Ethics.

Recommendation:

We recommend that the City's attorney prepare an agency head report to the Board of Governmental Ethics with a full disclosure of all facts and circumstances surrounding those relationships. The City should then implement each recommendation, if any, of the Ethics Commission immediately.

Management Response:

Management has requested the City's attorney to prepare an agency head report to the Board of Governmental Ethics giving full disclosure of all facts and circumstances surrounding those questioned relationships. Upon receipt of the recommendations of the Ethics Commission management intends to implement immediately.

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CITY OF DENHAM SPRINGS, LOUISIANA

MANAGEMENT LETTER

JUNE 30, 1999

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 _____



Hannis T. Bourgeois, L.L.P.

Certified Public Accountants

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November 24, 1999

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

In planning and performing our audit of the general purpose financial statements of the City of Denham Springs, Louisiana, for the year ended June 30, 1999, we considered its internal control 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 internal control.

However, during our audit we became aware of several matters that are opportunities for strengthening internal controls and operating efficiency. The following summarizes our comments and suggestions regarding those matters. This letter does not affect our report dated November 24, 1999, on the general purpose financial statements of the City of Denham Springs, Louisiana.

PRIOR YEAR FINDINGS

None

CURRENT YEAR FINDINGS:

Finding 99-1:

During our current year audit work, it was noted that no reconciliation of employee withholdings for employee insurances and retirement was being made. In addition, because of this, payment of the April 1999 employees health insurance was not made until July 1999. Finally, immaterial outages in these areas could not be located.

Recommendation:

We recommend that employee insurance withholdings and retirement accounts be reconciled on a monthly basis to the general ledger.

Management's Response:

Management concurs with this recommendation.

Finding 99-2:

During our testing of accumulated leave, we noted that not all timesheets/cards are being signed by a supervisor according to the City's policy.

Recommendation:

We recommended that more care be taken to assure that all timesheets/cards are being signed according to the City's policy.

Management's Response:

Management concurs with this recommendation.

Finding 99-3:

A detail listing of \$12,762.52 in outstanding NSF checks reconciled to the general ledger was not available.

Recommendation:

We recommend that a complete listing of NSF checks be reconciled to the general ledger on a monthly basis. Any check uncollected after 30 days should be turned over to authorities for collection and any utility services being supplied should be disconnected.

Management's Response:

Management plans to begin reconciling NSF checks to the general ledger at the end of each month.

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

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

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

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

Respectfully submitted,

Arnis J. Bourgeois, L.L.P.