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CITY OF PONCHATOULA, LOUISIANA  
REPORT ON AUDIT  
OF GENERAL PURPOSE FINANCIAL STATEMENTS  
FOR THE FISCAL 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 DEC 0 1 1999

CITY OF PONCHATOULA, LOUISIANA

REPORT ON AUDIT  
OF GENERAL PURPOSE FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1999

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# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

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August 19, 1999

## Independent Auditor's Report

The Honorable Julian E. Dufreche, Mayor  
and City Council Members  
City of Ponchatoula, Louisiana

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

We have conducted our audit in accordance with generally accepted auditing standards, and Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Ponchatoula, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund type and similar trust fund for the year then ended in conformity with generally accepted accounting principles.

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 1999, on our consideration of City of Ponchatoula, Louisiana's control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The combining, individual fund, and individual account group financial statements and schedules listed in the table of contents as supplementary information, are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the City of Ponchatoula,

CITY OF PONCHATOULA

Louisiana. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is also not a required part of the general purpose financial statements of The City of Ponchatoula, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

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

Respectfully submitted,

  
DURNIN & JAMES, CPA'S

GENERAL PURPOSE FINANCIAL STATEMENTS  
(COMBINED STATEMENTS - OVERVIEW)



City of Ponchatoula

EXHIBIT A

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS

June 30, 1999

ASSETS AND OTHER DEBITS	GOVERNMENTAL FUND TYPES				FUND TYPE	ACCOUNT GROUPS			TOTALS				
	SPECIAL REVENUE		DEBT SERVICE			CAPITAL PROJECTS		ENTERPRISE		NONEXPENDABLE TRUST			
	GENERAL	REVENUE	SERVICE	DEBT		GENERAL	FIXED ASSETS	LONG-TERM DEBT	GENERAL	LONG-TERM DEBT	(MEMORANDUM ONLY)		
Cash	\$222,098	\$	498,637	\$	8,839	\$	258,794	\$	-	\$	1,053,780	\$	752,463
Investments	-	342,966	165,410	621,783	3,643	89,322	-	-	-	-	1,223,124	-	586,791
Receivables (Net of Allowances for Uncollectibles, Where Applicable):													
Notes	-	230,200	-	-	-	-	-	-	-	-	230,200	-	115,061
Taxes	26,112	132,878	-	-	-	-	-	-	-	-	158,990	-	163,269
Accounts	18,175	-	-	58,265	-	-	-	-	-	-	76,440	-	85,871
Other	-	-	2,227	-	-	259	-	-	-	-	2,486	-	217,579
Due from Other Funds	14,136	-	-	29,418	-	-	-	-	-	-	43,554	-	38,182
Due from Other Governments	27,571	-	-	-	-	-	-	-	-	-	27,571	-	30,611
Restricted Assets:													
Cash	-	-	-	158,262	-	-	-	-	-	-	158,262	-	335,348
Investments	-	-	-	525,822	-	-	-	-	-	-	525,822	-	294,890
Land	-	-	-	92,423	-	-	-	281,748	-	-	374,171	-	374,171
Buildings	-	-	-	41,907	-	-	-	2,153,678	-	-	2,195,585	-	2,153,513
Improvements Other Than Buildings	-	-	-	8,611,451	-	-	-	3,893,225	-	-	12,504,676	-	11,863,697
Equipment	-	-	-	243,572	-	-	-	1,037,949	-	-	1,281,521	-	1,084,725
Construction in Progress	-	-	-	-	-	-	-	-	-	-	-	-	358,190
Accumulated Depreciation	-	-	-	(2,084,503)	-	-	-	-	-	-	(2,084,503)	-	(1,878,203)
Other Debits:													
Amount Available in Debt Service Funds	-	-	-	-	-	-	-	-	-	226,934	226,934	-	230,300
Amount to be Provided for Retirement of General Long-Term Debt	-	-	-	-	-	-	-	-	-	1,956,430	1,956,430	-	1,351,499
<b>Total Assets and Other Debits</b>	<b>\$306,092</b>	<b>\$1,204,581</b>	<b>\$233,049</b>	<b>\$530,522</b>	<b>\$7,938,954</b>	<b>\$89,581</b>	<b>\$7,356,600</b>	<b>\$2,183,364</b>	<b>\$19,954,943</b>	<b>\$18,157,957</b>			

(CONTINUED)

City of Ponchatoula

EXHIBIT A  
(CONTINUED)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

June 30, 1999

	GOVERNMENTAL FUND TYPES				FUND TYPE			ACCOUNT GROUPS			TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	NONEXPENDABLE TRUST	GENERAL ASSETS	GENERAL LONG-TERM DEBT	(MEMORANDUM ONLY)		June 30, 1998	
									June 30, 1999	June 30, 1998		
<b>LIABILITIES, FUND EQUITY AND OTHER CREDITS</b>												
Liabilities:												
Contracts and Retainages Payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,141	\$ -
Accounts Payable	66,608	2,340	-	16,054	-	-	-	-	-	85,002	84,449	-
Bank Overdraft	-	-	-	38,734	-	-	-	-	-	38,734	-	-
Accrued Liabilities	19,510	-	-	-	-	-	-	-	-	19,510	62,644	-
Payable from Restricted Assets -												
Accrued Bond Interest	-	-	-	30,210	-	-	-	-	-	30,210	31,335	-
Customers' Deposits	-	-	-	127,975	-	-	-	-	-	127,975	106,517	-
Revenue Bonds	-	-	-	100,000	-	-	-	-	-	100,000	95,000	-
Due to Other Funds	14,486	8,804	5,332	14,932	-	-	-	-	-	43,554	38,183	-
Revenue Bonds Payable	-	-	-	1,695,000	-	-	-	-	-	1,695,000	1,798,924	-
Capital Improvement Bonds Payable	-	-	-	-	-	-	-	1,285,000	-	1,285,000	1,385,000	-
Certificate of Obligation	-	-	-	-	-	-	-	757,500	-	757,500	22,500	-
Obligations Under Capital Lease	-	-	-	-	-	-	-	59,012	-	59,012	61,673	-
Deferred Revenue	-	227,767	-	-	-	-	-	-	-	227,767	112,625	-
Obligation Under Grant Agreement	-	-	-	-	-	-	-	81,852	-	81,852	112,625	-
<b>Total Liabilities</b>	\$100,604	\$ 238,911	\$ -	\$ 5,332	\$ 2,022,905	\$ -	\$ -	\$2,183,364	\$ 4,551,116	\$ 4,126,618		
<b>Fund Equity and Other Credits</b>												
Investment in General												
Fixed Assets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,366,600	\$ 7,159,639	
Contributed Capital	-	-	-	4,923,113	-	-	-	-	-	4,923,113	4,598,633	
Retained Earnings:												
Reserved for Bond Retirement	-	-	-	425,899	-	-	-	-	-	425,899	397,385	
Unreserved - Undesignated	-	-	-	567,037	-	-	-	-	-	567,037	503,240	

(CONTINUED)

City of Ponchatoula

EXHIBIT A  
(CONTINUED)

COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)

June 30, 1999

	GOVERNMENTAL FUND TYPES				FUND TYPE			ACCOUNT GROUPS			TOTALS	
	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	ENTERPRISE	NONEXPENDABLE TRUST	GENERAL ASSETS	LONG-TERM DEBT	GENERAL	(MEMORANDUM ONLY)			
									June 30, 1999	June 30, 1998		
Fund Balances (Deficits):												
Reserved for Cemetery Maintenance	-	-	-	-	89,581	-	-	-	-	-	89,581	84,731
Reserved for Bond Retirement	-	233,049	-	-	-	-	-	-	-	-	233,049	230,300
Unreserved:												
Designated	13,646	-	-	-	-	-	-	-	-	-	13,646	20,400
Undesignated	207,488	952,124	625,290	-	-	-	-	-	-	-	1,784,902	937,010
Total Fund Equity and Other Credits	\$207,488	\$952,124	\$625,290	\$5,916,049	\$89,581	\$7,366,600	\$-	\$-	\$-	\$-	\$15,403,827	\$14,031,339
Total Liabilities, Fund Equity and Other Credits	\$308,092	\$1,204,681	\$630,622	\$7,938,954	\$89,581	\$7,366,600	\$2,183,364	\$19,954,943	\$18,157,957			

The accompanying notes are an integral part of this statement.

City of Ponchatoula

EXHIBIT B

COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCES - ALL GOVERNMENTAL FUND TYPES

For the Year Ended June 30, 1999

	GOVERNMENTAL FUND TYPES				TOTALS	
	GENERAL	SPECIAL REVENUE	DEBT SERVICE	CAPITAL PROJECTS	(MEMORANDUM ONLY) JUNE 30, 1999	JUNE 30, 1998
<b>Revenues:</b>						
Taxes	\$ 252,730	\$ 1,733,232	\$ -	\$ -	\$ 1,985,962	\$ 1,791,997
Licenses and Permits	272,784	-	-	-	272,784	264,111
Intergovernmental	402,828	46,552	-	-	449,380	410,093
Fines and Forfeitures	87,466	-	-	-	87,466	83,229
Sanitation Service Fees	251,538	-	-	-	251,538	242,626
Culture and Recreation	1,075	-	-	-	1,075	985
Interest	-	-	-	-	-	-
Miscellaneous	<u>116,820</u>	<u>46,516</u>	<u>13,799</u>	<u>23,966</u>	<u>201,101</u>	<u>188,607</u>
Total Revenues	\$ 1,385,241	\$ 1,826,300	\$ 13,799	\$ 23,966	\$ 3,249,306	\$ 2,981,648
<b>Expenditures:</b>						
<b>Current:</b>						
General Government	\$ 488,694	\$ 14,159	\$ -	\$ 1,235	\$ 504,088	\$ 530,237
Public Safety	970,560	147,697	-	-	1,118,257	1,009,468
Public Works	652,057	-	-	-	652,057	605,684
Cemetery	40,099	-	-	-	40,099	38,803
Public Health	-	7,134	-	-	7,134	-
Culture and Recreation	100,432	-	-	-	100,432	97,008
Miscellaneous Programs	171,235	53,357	-	-	224,592	240,632
Capital Outlay	82,031	65,714	-	159,231	306,976	157,029
Debt Service	<u>96,801</u>	<u>-</u>	<u>166,967</u>	<u>-</u>	<u>263,768</u>	<u>215,394</u>
Total Expenditures	\$ 2,601,909	\$ 288,061	\$ 166,967	\$ 160,466	\$ 3,217,403	\$ 2,894,255
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,216,668)	\$ 1,538,239	\$ (153,168)	\$ (136,500)	\$ 31,903	\$ 87,393
<b>Other Financing Sources (Uses):</b>						
Operating Transfers In	\$ 1,232,101	\$ 13,050	\$ 168,967	\$ -	\$ 1,414,118	\$ 1,276,130
Operating Transfers Out	-	(1,398,132)	(13,050)	-	(1,411,182)	(1,276,376)
Proceeds From Debt Issued	59,048	-	-	750,000	809,048	39,165
Debt Issuance Cost	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ 1,291,148	\$ (1,385,082)	\$ 155,917	\$ 750,000	\$ 811,984	\$ 38,919
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 74,481	\$ 153,157	\$ 2,749	\$ 613,500	\$ 843,887	\$ 126,312
Fund Balances at Beginning of Year	<u>133,007</u>	<u>812,613</u>	<u>230,300</u>	<u>11,790</u>	<u>1,187,710</u>	<u>1,061,398</u>
Fund Balances at End of Year	\$ <u>207,488</u>	\$ <u>965,770</u>	\$ <u>233,049</u>	\$ <u>625,290</u>	\$ <u>2,031,597</u>	\$ <u>1,187,710</u>

The accompanying notes are an integral part of this statement.

City of Ponchatoula

EXHIBIT C

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

For the Year Ended June 30, 1999

	GENERAL FUND			SPECIAL REVENUE FUND TYPES			TOTALS (MEMORANDUM ONLY)		
	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)	REVISED BUDGET	ACTUAL	VARIANCE FAVORABLE (UNFAVORABLE)
Revenues:									
Taxes	\$ 254,270	\$ 252,730	\$( 1,540)	\$ 1,715,250	\$ 1,733,232	\$ 17,982	\$ 1,969,520	\$ 1,985,962	\$ 16,442
Licenses and Permits	272,475	272,784	309	-	-	-	272,475	272,784	309
Intergovernmental	413,996	402,828	( 11,168)	33,550	31,877	( 1,673)	447,545	434,705	( 12,841)
Fines and Forfeitures	78,000	87,466	9,466	-	-	-	78,000	87,466	9,466
Sanitation Service Fees	251,500	251,538	38	-	-	-	251,500	251,538	38
Culture and Recreation	1,000	1,075	75	-	-	-	1,000	1,075	75
Interest and									
Miscellaneous	123,148	116,820	( 6,328)	43,875	43,973	98	167,023	160,793	( 6,230)
Total Revenues	\$ 1,394,389	\$ 1,385,241	\$( 9,148)	\$ 1,792,675	\$ 1,809,082	\$ 16,407	\$ 3,187,064	\$ 3,194,323	\$ 7,259
Expenditures:									
Current:									
General Government	\$ 522,694	\$ 488,694	\$ 34,000	\$ 14,094	\$ 14,159	\$( 65)	\$ 536,788	\$ 502,853	\$ 33,935
Public Safety	1,126,928	970,560	156,368	143,056	147,697	( 4,641)	1,269,984	1,118,257	151,727
Public Works	675,858	652,057	23,801	-	-	-	675,858	652,057	23,801
Cemetery	44,212	40,099	4,113	-	-	-	44,212	40,099	4,113
Culture and Recreation	100,119	100,432	( 313)	-	-	-	100,119	100,432	( 313)
Miscellaneous Programs	174,420	171,235	3,185	49,500	43,273	6,227	223,920	214,508	9,412
Capital Outlay	85,848	82,031	3,817	64,185	65,714	( 1,529)	150,033	147,745	2,288
Debt Service	74,023	96,801	( 22,778)	-	-	-	74,023	96,801	( 22,778)
Total Expenditures	\$ 2,804,102	\$ 2,601,909	\$ 202,193	\$ 270,835	\$ 270,843	\$( 8)	\$ 3,074,937	\$ 2,872,752	\$ 202,185
Excess (Deficiency) of Revenues Over Expenditures	\$(1,409,713)	\$(1,216,558)	\$ 193,045	\$ 1,521,840	\$ 1,538,239	\$ 16,399	\$ 112,127	\$ 321,571	\$ 209,444
Other Financing Sources (Uses):									
Operating Transfers In	\$ 1,376,863	\$ 1,232,101	\$(144,762)	\$ 13,050	\$ 13,050	\$ -	\$ 1,389,913	\$ 1,245,151	\$ (144,762)
Operating Transfers Out	-	-	-	(1,398,136)	(1,398,132)	4	(1,398,136)	(1,398,132)	4
Proceeds from Capital Leases	59,048	59,048	-	-	-	-	59,048	59,048	-

(CONTINUED)



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

For the Year Ended June 30, 1999

	<u>PROPRIETARY FUND TYPE ENTERPRISE FUNDS</u>	<u>SIMILAR TRUST FUND NONEXPENDABLE TRUST FUND</u>	<u>TOTALS (MEMORANDUM ONLY)</u>	
			<u>June 30, 1999</u>	<u>June 30, 1998</u>
Operating Revenues:				
Charges for Services	\$ 811,796	\$ -	\$ 811,796	\$ 735,309
Contributions	-	4,850	4,850	7,296
Interest	-	3,964	3,964	4,126
Total Operating Revenues	\$ 811,796	\$ 8,814	\$ 820,610	\$ 746,731
Operating Expenses:				
Salaries and Employee Benefits	\$ 139,383	\$ -	\$ 139,383	\$ 139,929
Materials and Supplies	32,530	-	32,530	35,500
Repairs and Maintenance	99,683	-	99,683	73,511
Utilities and Telephone	138,376	-	138,376	120,267
Insurance	16,992	-	16,992	11,152
Bad Debts	10,010	-	10,010	16,661
Vehicle Expense	7,458	-	7,458	9,909
Engineering	-	-	-	390
Other Expenses	55,861	3,964	59,825	44,479
Depreciation Expense	206,399	-	206,399	198,285
Total Operating Expenses	\$ 706,692	\$ 3,964	\$ 710,656	\$ 650,083
Operating Income	\$ 105,104	\$ 4,850	\$ 109,954	\$ 96,648
Nonoperating Revenues (Expenses):				
Interest Income	\$ 33,076	\$ -	\$ 33,076	\$ 31,421
Interest Expense	(84,280)	-	(84,280)	(94,322)
Total Nonoperating Revenues (Expenses)	\$ (51,204)	\$ -	\$ (51,204)	\$ (62,901)
Income (Loss) before Operating Transfers	\$ 53,900	\$ 4,850	\$ 58,750	\$ 33,747
Operating Transfers In (Out):				
Operating Transfers In	\$ -	\$ -	\$ -	\$ 246
Operating Transfers Out	(2,935)	-	(2,935)	-
Total Operating Transfers In (Out)	\$ (2,935)	\$ -	\$ (2,935)	\$ 246
Net Income (Loss)	\$ 50,965	\$ 4,850	\$ 55,815	\$ 33,993
Add: Current Year Depreciation on Fixed Assets Acquired by Grants Restricted for Construction that Reduces Contributed Capital	41,345	-	41,345	46,486
Increase in Retained Earnings/ Fund Balance	\$ 92,310	\$ 4,850	\$ 97,160	\$ 80,479
Retained Earnings/Fund Balance - Beginning of Year	900,626	84,731	985,357	904,878
Retained Earnings/Fund Balance - End of Year	\$ 992,936	\$ 89,581	\$ 1,082,517	\$ 985,357

The accompanying notes are an integral part of this statement.

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY  
FUND TYPE AND SIMILAR TRUST FUND

For the Year Ended June 30, 1999

	<u>PROPRIETARY</u> <u>FUND TYPE</u> <u>ENTERPRISE</u> <u>FUNDS</u>	<u>SIMILAR</u> <u>TRUST FUND</u> <u>NONEXPENDABLE</u> <u>TRUST FUND</u>	<u>TOTALS</u> <u>(MEMORANDUM ONLY)</u>	
			June 30, 1999	June 30, 1998
Cash Flows From Operating Activities:				
Operating Income (Loss)	\$ 105,104	\$ 4,850	\$ 109,954	\$ 96,648
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	206,399	-	206,399	198,285
Provision for Uncollectible Accounts	-	-	-	( 47,400)
Changes in Assets and Liabilities:				
(Increase) in Accounts Receivable	7,045	-	7,045	38,205
Increase in Accounts Payable	(220,015)	-	(220,015)	3,995
Increase in Customer Deposits	<u>21,458</u>	<u>-</u>	<u>21,458</u>	<u>7,220</u>
Net Cash Provided by Operating Activities	\$ 119,991	\$ 4,850	\$ 124,841	\$ 296,953
Cash Flows From Noncapital Financing Activities:				
Increase (Decrease) in Due from Other Funds	\$ -	\$ -	\$ -	\$ ( 18,076)
Operating Transfers In From Other Funds	5,430	-	5,430	246
Operating Transfers Out to Other Funds	<u>(8,365)</u>	<u>-</u>	<u>(8,365)</u>	<u>-</u>
Net Cash Provided by Noncapital Financing Activities	\$ (2,935)	\$ -	\$ (2,935)	\$ ( 17,830)
Cash Flows From Capital and Related Financing Activities:				
Capital Grants Received	\$ 480,965	\$ -	\$ 480,965	\$ 140,149
Construction of Capital Assets	(298,752)	-	(298,752)	(143,049)
Purchase of Equipment	(15,943)	-	(15,943)	( 54,863)
Contributed Capital-Municipality	-	-	-	-
Proceeds from Revenue Bonds Issued	-	-	-	-
Principal Paid on Revenue Bonds	(98,924)	-	(98,924)	( 95,000)
Interest Paid on Revenue Bonds	(84,280)	-	(84,280)	( 98,452)
Interest Paid on Capital Lease Obligations	-	-	-	-
Principal Paid on Capital Lease Obligations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Cash Used in Capital and Related Financing Activities	\$ (16,934)	\$ -	\$ (16,934)	\$ (251,215)

(CONTINUED)



City of Ponchatoula

EXHIBIT E  
(CONTINUED)

COMBINED STATEMENT OF CASH FLOWS - PROPRIETARY  
FUND TYPE AND SIMILAR TRUST FUND (CONTINUED)

For the Year Ended June 30, 1999

	PROPRIETARY	SIMILAR	TOTALS	
	<u>FUND TYPE</u>	<u>TRUST FUND</u>	<u>(MEMORANDUM ONLY)</u>	
	ENTERPRISE	NONEXPENDABLE	June 30,	June 30,
	<u>FUNDS</u>	<u>TRUST FUND</u>	1999	1998
Cash Flows From Investing Activities:				
Interest Earned on Investments	\$ 33,076	\$ -	\$ 33,076	\$ 31,419
Purchase of Investments	(529,465)	(89,322)	(618,787)	(338,096)
Proceeds from Maturities of Investments	<u>294,890</u>	<u>84,472</u>	<u>379,362</u>	<u>334,390</u>
Net Cash Provided by (Used in) Investing Activities	\$ <u>(201,499)</u>	\$ <u>(4,850)</u>	\$ <u>(206,349)</u>	\$ <u>27,713</u>
Increase (Decrease) in Cash	\$ (101,377)	\$ -	\$ (101,377)	\$ 55,621
Cash - Beginning of Year	<u>479,699</u>	<u>-</u>	<u>479,699</u>	<u>424,078</u>
Cash - End of Year	\$ <u><u>378,322</u></u>	\$ <u><u>-</u></u>	\$ <u><u>378,322</u></u>	\$ <u><u>479,699</u></u>
Reconciliation of Cash Accounts:				
Unrestricted Cash	\$ 220,060	\$ -	\$ 220,060	\$ 144,351
Restricted Cash	<u>158,262</u>	<u>-</u>	<u>158,262</u>	<u>335,348</u>
Total	\$ <u><u>378,322</u></u>	\$ <u><u>-</u></u>	\$ <u><u>378,322</u></u>	\$ <u><u>479,699</u></u>

The accompanying notes are an integral part of this statement.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

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City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS

June 30, 1999

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Introduction

The City of Ponchatoula, Louisiana (the "City") was first incorporated on February 12, 1861. Upon the City's acceptance of the provisions of Act 136 enacted on July 29, 1898, it became governed under the Lawrason Act. The City operates under a Mayor- City Council form of government. The Mayor is elected for a four year term. The City Council consists of five council members. Each council member is elected from a separate district in the City and serves a four year term of office. The Mayor and each member of the City Council are compensated for their service to the City. The City of Ponchatoula is located north of New Orleans, Louisiana and east of Baton Rouge, Louisiana, at the intersections of Interstate Highway 55 and Interstate Highway 12. The population of the City of Ponchatoula according to the most recent census taken in 1990 is 6,022. The current number of commercial and residential utility customers served is 2,250. The City provides the following services: public safety (police and fire), streets, drainage, sanitation, culture-recreation, public improvements, planning and zoning, and general and administrative services. Other services include water and sewer utilities. The City presently maintains 50 miles of roads and streets. The City has 55 full-time employees.

The accounting and reporting policies of the City of Ponchatoula, Louisiana conform to generally accepted accounting principles as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principals. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies.

B. Financial Reporting Entity

As the municipal governing authority, for reporting purposes, the City of Ponchatoula is considered a separate financial reporting entity. The financial reporting entity consists of (a) primary government (municipality), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which 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 Statement No. 14 established criteria for determining which component units should be considered part of the City of Ponchatoula for financial reporting purposes. The basic criterion 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:

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the City Council to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City Council.
2. Organizations for which the City Council does not appoint a voting majority but are fiscally dependent on the Council.
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.

Based on the application of the above criteria, it was determined the City of Ponchatoula has no potential component unit. As a result, this report includes all funds and account groups which are controlled by or dependent on the City's executive and legislative branches (the Mayor and City Council). Control by or dependence on the City was determined on the basis of budget adoption, taxing authority, authority to issue debt, election or appointment of governing body, and other general oversight responsibility.

C. Fund Accounting

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped, in the financial statements in this report, into six generic fund types and three broad fund categories as follows:

GOVERNMENTAL FUNDS

Governmental funds are used to account for all or most of the municipality's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of general fixed assets, and the servicing of general long-term debt. Governmental funds include:

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

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted to expenditures for specific purposes.

Debt Service Funds - Debt Service Funds account for resources set aside to pay interest and principal on long-term debt.

Capital Projects Funds - Capital Projects Funds are used to account for financial resources used for the acquisition or construction of major capital facilities not reportable in other funds.

PROPRIETARY FUNDS

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

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-Parish) will not elect to apply FASB Statements and Interpretations issued after November 30, 1989, unless they are adopted by GASB.

FIDUCIARY FUNDS

Fiduciary funds are used to account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the municipality. Fiduciary funds include:

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Nonexpendable Trust Fund - The Nonexpendable Trust Fund is used to account for assets held by the City in a trustee capacity. The Nonexpendable Trust Fund is accounted for essentially as a proprietary fund since capital maintenance is critical.

**D. Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds, including General, Special Revenue, Debt Service, and Capital Projects Funds, are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other uses) in net current assets.

Governmental funds and agency funds are maintained on the modified accrual basis of accounting. Governmental fund revenues are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Sales taxes and gross receipt business taxes are recognized in accordance with GASB Statement No. 22, *Accounting for Taxpayer Assessed Tax Revenues in Governmental Funds*. Sales taxes and gross receipts business taxes are considered "measurable" when received by the City within the current period or soon enough thereafter to be used to pay liabilities of the current period. Anticipated refunds of such taxes are recorded as fund liabilities and reductions of revenue when they are measurable and valid. Special Assessments are recognized as revenues only to the extent that individual installments are considered current assets. Revenues from State and Federal grants are recognized when the reimbursable expenditures have been incurred. Licenses and Permits, Fines and Forfeits, and Miscellaneous Revenues (except investment earnings) are recorded as revenues when received in cash. Charges for Services and investment earnings are recorded as earned since they are measurable and available. Expenditures are recognized in the accounting period in which the related fund liability is incurred, if measurable, except for the following: (1) principal and interest on long-term debt are recorded when due, and (2) claims and judgments, group health claims and compensated absences are recorded as expenditures when paid with expendable available financial resources.

All proprietary funds and non-expendable trust funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (net total assets) is segregated into contributed capital and retained earnings components. Operating statements for proprietary fund types present increases (revenues) and decreases (expenses) in net total assets. Proprietary funds are maintained on the accrual basis of accounting wherein revenues are recognized in the accounting period in which they are earned and become measurable, and expenses are recognized in the period

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

incurred, if measurable.

**E. Budgets and Budgetary Accounting**

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

1. The City Clerk prepares a proposed budget and submits same to the Mayor and City Council no later than fifteen days prior to the beginning of each fiscal year. The proposed budget for the year ended June 30, 1999, was submitted to the City Council on June 11, 1998.
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. The proposed budget for the year ended June 30, 1999, was published on June 19, 1998.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing. A public hearing was held on the proposed budget for the year ended June 30, 1999, on June 29, 1998.
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. The proposed budget for the year ended June 30, 1999, was adopted as Ordinance No. 490 on June 29, 1998.
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. The budget for the year ended June 30, 1999, was amended on March 25, 1999, by the adoption of Ordinance No. 498, and on June 24, 1999, by the adoption of Ordinance No. 505.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General and Special Revenue Funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended by the City Council.
8. Formal budgetary integration is not employed.

**F. Cash and Investments**

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

having their principal offices in Louisiana.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash. Investments are stated at cost.

The City maintains a cash investment pool (Central Depository Account) that is used primarily by the General Fund and the Water and Sewer Enterprise Funds. Each fund's portion of this cash pool is displayed on the combined balance sheet as cash. Investments are separately held by several of the City's funds.

**G. Short-Term Interfund Receivables/Payables**

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**H. Advances to Other Funds**

Noncurrent portions of long-term interfund loan receivables are reported as advances and are offset equally by a fund balance reserve account, which indicates that they do not constitute expendable available financial resources and, therefore, are not available for appropriation.

**I. Inventory**

The City utilizes the "purchase method" of accounting for supplies whereby expendable operating supplies are recognized as expenditures when purchased. The City did not record any inventory at June 30, 1999, as the amount is not material.

**J. Restricted Assets**

Certain proceeds of enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. Applicable bond covenants include adequacy of (1) sewer rates and coverage requirements, (2) annual review of user fees, (3) records, accounts and annual audit requirement, (4) insurance and fidelity bonds, and (5) various miscellaneous covenants regarding appointment of engineer, utilization of funds and other provisions.



City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

**K. Fixed Assets**

Fixed assets of governmental funds are recorded as expenditures at the time purchased or constructed, and the related assets are capitalized in the general fixed assets account group. Public domain or infrastructures are capitalized. Interest costs incurred during construction are capitalized. No depreciation has been provided on general fixed assets. All fixed assets are valued at historical cost or estimated cost if historical cost is not available.

Fixed assets used in the proprietary fund operations are included on the balance sheet of the funds net of accumulated depreciation. Depreciation of all exhaustible fixed assets used by proprietary fund operations is charged as an expense against operations. Depreciation is computed using the following methods and useful lives:

Water and Sewer Utility - Buildings	50 Years
Water and Sewer Improvements	40 - 75 Years
Equipment	10 Years

**L. Compensated Absences**

The City's policy is to allow employees' vacation pay based on employee classification and length of service. Sick leave is provided for by the City but is noncumulative and the employee's right to unused sick leave does not vest. Vacation pay is cumulative with any unpaid amounts paid to employees upon separation from City's service.

The cost of current leave privileges, computed in accordance with GASB Codification Section C60, is recognized as a current-year expenditure in the governmental funds. The cost of leave privileges not requiring current resources is recorded in the general long-term obligations account group. Leave privileges associated with employees of the proprietary funds are recorded as a fund liability and operating expenses under salaries on Exhibit D.

**M. Long-Term Obligations**

Long-term obligations expected to be financed from governmental funds are reported in the general long-term obligations account group. Expenditures for principal and interest payments for long-term obligations are recognized in the governmental funds when due. Long-term obligations expected to be financed from proprietary fund operations are accounted for in those funds.

**N. Fund Equity**

**Contributed Capital**

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developers, customers, or other funds when such

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

resources are restricted for the acquisition or construction of capital assets. Contributed capital is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such resources. This depreciation is closed to the contributed capital account and is reflected as an adjustment to net income.

**Reserves**

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use.

**Designated Fund Balances**

Designated fund balances represent tentative plan for future use of financial resources.

**O. Interfund Transactions**

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers of the primary government are reported as operating transfers.

**P. Sales and Use Taxes**

1. The original 1966 1% sales and use tax passed by the voters is to be used for extending, acquiring, maintaining, constructing, and improving drainage, streets, sidewalks, public buildings, fire department stations and equipment, garbage collection equipment and facilities, and the payment of salaries of certain municipal employees. There is no expiration date on this sales and use tax.
2. The additional 1982 1% sales and use tax passed by the voters is to be used for extending, acquiring, maintaining, constructing, and improving sewers and sewer facilities, waterworks facilities, drainage and drain facilities, and for any other lawful corporate purpose of the City. There is no expiration date on this sales and use tax.

The City, through its governing authority, adopted a resolution on February 9, 1995, authorizing the issuance of \$1,725,000 of Public Improvement Bonds and entered into certain covenants in connection with the security and payment of

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

said bonds. In that resolution the proceeds of the 1982 1% sales and use tax were irrevocably and irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes.

**Q. Comparative Data**

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations.

**R. Total Columns on Combined Statements - Overview**

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

**2. CASH, CASH EQUIVALENTS AND INVESTMENTS**

The City maintains a cash investment pool (Central Depository Account) that is used primarily by the General Fund and the Water and Sewer Enterprise Funds. Each fund's portion of this cash pool is displayed on the combined balance sheet as cash. Investments are separately held by several of the City's funds.

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Under state law, the City may deposit funds in demand deposits, interest bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the City may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less, they are classified as cash equivalents. Investments are stated at cost.

Investments at June 30, 1999 are in the Louisiana Asset Management Pool (LAMP), a local government investment pool. In accordance with GASB Codification Section 150.165, the investment in LAMP is not categorized in the three risk categories provided by GASB Codification Section 150.164 because the Investment is in the pool of funds and thereby not evidenced by securities that exist in physical or book entry form. LAMP is administered by LAMP, Inc., a nonprofit corporation organized under the laws of the State of Louisiana, and is governed by a board of directors comprised of representatives from various local governments and state wide professional organizations. Only local governments having contracted to participate in LAMP have an investment interest in its pool of assets. The primary objective of LAMP is to

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

provide a safe environment for the placement of public funds in short-term, high quality investments. The LAMP portfolio includes only securities and other obligations in which local governments in Louisiana are authorized to invest. Accordingly, LAMP investments are restricted to securities issued, guaranteed, or backed by the U.S. Treasury, the U.S. government, or one of its agencies, enterprises, or instrumentalities, as well as repurchase agreements collateralized by those securities. The dollar weighted average portfolio maturity of LAMP assets is restricted to not more than 90 days. LAMP is designed to be highly liquid to give its participants immediate access to their account balances.

As reflected on Exhibit A, the City has cash totaling \$1,212,042 and investments totaling \$1,748,946 at June 30, 1999. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the bank. These pledged securities are held by and in the name of the fiscal agent bank but pledged to the City. The following is a summary of cash and investments (bank balances) at June 30, 1999, with the related federal deposit insurance and pledge securities:

	Confirmed Bank Balances <u>June 30, 1999</u>	FDIC <u>Insurance</u>	Balance <u>Uninsured</u>
Cash:			
Demand Deposits	\$ -	\$ -	\$ -
Interest Bearing Demand Deposits	1,276,724	100,000	1,176,724
Time Deposits	<u>-</u>	<u>-</u>	<u>-</u>
Total Cash	\$ 1,276,724	\$ 100,000	\$ 1,176,724
Time Deposits	\$ 158,322	\$ 100,000	\$ 58,322
U.S. Treasury Bills	165,410	165,410	-
Investments:			
LAMP	<u>1,425,214</u>	<u>-</u>	<u>-</u>
Total	\$ 1,748,946	\$ 265,410	\$ 1,235,046
Uncollateralized -			
Securities in the Name of and Held by the Fiscal Agent Pledged to the City			<u>1,379,703</u>
Excess of FDIC Insurance and Pledged Securities over Cash and Investment Bank Balances			\$ <u>144,657</u>

Even though the pledged securities are considered uncollateralized (Category 3) under the provisions of GASB Statement 3, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the District that the fiscal agent has failed to pay deposited funds upon demand.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

**3. AD VALOREM TAXES**

The 1974 Louisiana Constitution (Article 7 Section 18) provided that land and improvements for residential purposes be assessed at 10% of fair market value; other property and electric cooperative properties, excluding land, are to be assessed at 15%; and public service properties, excluding land, are to be assessed at 25% of fair market value. Fair market value is determined by the Tangipahoa Parish Assessor on all property subject to taxation except public service properties, which are valued by the Louisiana Tax Commission (LRS 47:1957). The correctness of assessments by the assessor is subject to review and certification by the Louisiana Tax Commission. The assessor is required to reappraise all property subject to taxation at intervals of not more than four years. The City bills and collects its own property taxes using the assessed values determined by the Tangipahoa Parish Tax Assessor.

The 1998 property tax calendar is as follows:

Levy Date	June 12, 1998
Millage Rates Adopted	June 12, 1998
Tax Bills Mailed	December 1, 1998
Due Date	December 31, 1998
Lien Date	January 1, 1999

State law requires the City to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1, of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of one and one-fourth percent per month until the taxes are paid (LRS 47:2101). After notice is given to the delinquent taxpayers, the Sheriff is required by the Constitution of the State of Louisiana to sell the least quantity of property necessary to settle the taxes and interest owed (LRS 47:2181). Therefore, there are no delinquent taxes at year-end.

All property taxes are recorded in governmental funds, and as explained in Note 1(c), revenues in governmental funds are recognized in the accounting period in which they become available and measurable. Property taxes are considered measurable in the calendar year of the tax levy. Accordingly, the entire tax roll less an estimate for uncollectible taxes is recorded as revenue in the current calendar year. Uncollectible taxes are those taxes which based on past experience will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. All of the net taxes receivable at the end of the year are considered available. Available means due, or past due and receivable within the current period, and collected within the current period or expected to be collected soon enough thereafter to pay liabilities of the current period. Property taxes are considered available because they are substantially collected by the tax collector within 60 days subsequent to year-end and are therefore available to liquidate liabilities of the current period.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

For the year ended June 30, 1999, taxes of 16.99 mills were levied on property with taxable assessed valuations totaling \$17,740,978 and were dedicated as follows:

	<u>Authorized Millage</u>	<u>Levied Millage</u>	<u>Levied Taxes</u>	<u>Expiration Date</u>
General Corporate Purposes	6.52	6.52	\$115,671	None
Fire Millage Fund	2.10	2.10	37,256	1999
Police Millage Fund	6.27	6.27	111,236	1999
Equipment Millage Fund	<u>2.10</u>	<u>2.10</u>	<u>37,256</u>	1999
Total	<u>16.99</u>	<u>16.99</u>	<u>\$301,419</u>	

Property taxes receivable and estimated uncollectible taxes for the City of Ponchatoula as of June 30, 1999, are as follows:

	<u>Property Tax Receivable</u>	<u>Estimated Uncollectible Property Taxes</u>	<u>Net Property Taxes Receivable</u>
General Fund	\$ 8,936	\$ 7,698	\$ 1,238
Fire Millage Fund	418	418	-
Police Millage Fund	1,247	1,247	-
Equipment Millage Fund	<u>418</u>	<u>418</u>	<u>-</u>
	<u>\$11,019</u>	<u>\$ 9,781</u>	<u>\$ 1,238</u>

The following are the principal taxpayers for the municipality:

<u>Taxpayer</u>	<u>Type of Business</u>	<u>Assessed Valuation</u>	<u>Percentage Of Total Assessed Valuation</u>
Elmer Candy Corporation	Manufacturing	\$ 871,289	4.91%
BellSouth Telecommunications	Utility	611,582	3.45%
DCA Food Industries	Retail	415,178	2.34%
Gateway Ford, Inc.	Retail	381,533	2.15%
Ponchatoula Homestead Savings	Banking	417,154	2.35%
Deposit Guaranty National Bank	Banking	361,550	2.04%
First Guaranty Bank	Banking	314,267	1.77%
Winn Dixie of Louisiana	Retail	242,942	1.37%
Ponchatoula Nursing Home	Retail	228,944	1.29%
Alton Ochsner	Medical Clinic	<u>244,498</u>	<u>1.38%</u>
		<u>\$4,088,937</u>	<u>23.05%</u>

4. RECEIVABLES

The following is a summary of receivables for June 30, 1999, net of allowances for uncollectible amounts where applicable:

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Funds</u>	<u>Other Funds</u>
Taxes:				
Ad Valorem	\$ 1,238	\$ -	\$ -	\$ -
Sales and Use	-	132,878	-	-
Other	24,874	-	-	-
Intergovernmental - Grants:				
Federal	-	-	-	-
State	27,571	-	-	-
Local	-	-	-	-
Other:				
Accounts	18,175	-	58,265	-
Notes	-	230,200	-	-
Other	-	-	-	2,486
Total	<u>\$71,858</u>	<u>\$363,078</u>	<u>\$ 58,265</u>	<u>\$ 2,486</u>

Uncollectible amounts due for ad valorem taxes, notes receivable 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. The following details the description and amount of the allowance for uncollectible accounts at June 30, 1999.

<u>Class of Receivable</u>	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Proprietary Funds</u>	<u>Other Funds</u>
Taxes:				
Ad Valorem	\$ 7,698	\$ 2,083	\$ -	\$ -
Sales and Use	-	-	-	-
Other	-	-	-	-
Intergovernmental - Grants:				
Federal	-	-	-	-
State	-	-	-	-
Local	-	-	-	-
Other:				
Accounts	-	-	26,400	-
Notes	-	11,261	-	-
Other	-	-	-	-
Total	<u>\$ 7,689</u>	<u>\$ 13,344</u>	<u>\$ 26,400</u>	<u>\$ -</u>

5. FEDERAL, STATE AND OTHER GOVERNMENTS FINANCIAL ASSISTANCE

A. Grants and Direct Financial Assistance from Other Governmental Units

Federal and State grant programs represent an important source of funding to finance housing, employment, construction, and social programs which are

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

beneficial to the City. These funds are recorded in the General, Special Revenue, Capital Projects, and Enterprise Funds. Receivables are established when expenditures are incurred. The grants normally specify the purpose for which funds may be used and are audited annually in accordance with Office of Management and Budget Circular A-133 under the "Single Audit Concept", when applicable.

For the year ended June 30, 1999, the following amounts under various grants and entitlements are recorded as revenues, subsidies, or additions to contributions in the accompanying financial statements:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Enterprise Funds</u>	<u>Total</u>
Federal Government:				
FY 1996 LCDBG -				
Sewer Improvements	\$ -	\$ -	\$265,825	\$265,825
Revenue Equalization - Pilot	7,500	-	-	7,500
FY 1991 LCDBG Economic				
Development	-	30,774	-	30,774
FY 1997 LCDBG Economic				
Development	-	14,675	-	14,675
Council on Aging Grant	<u>108,737</u>	-	-	<u>108,737</u>
	<u>116,237</u>	<u>45,449</u>	<u>265,825</u>	<u>427,511</u>
State of Louisiana:				
Beer and Tobacco Taxes	45,898	-	-	45,898
Video Draw Poker Tax	44,477	-	-	44,477
COPS Grant	33,973	-	-	33,973
Law Enforcement Grant	<u>32,946</u>	<u>1,103</u>	-	<u>34,049</u>
	<u>157,294</u>	<u>1,103</u>	-	<u>158,397</u>
Tangipahoa Parish Council:				
Fire Insurance Fee	<u>11,497</u>	-	-	<u>11,497</u>
	<u>11,497</u>	-	-	<u>11,497</u>
Tangipahoa Parish Fire				
District No. 2:				
Fire Protection Grant	<u>50,000</u>	-	-	<u>50,000</u>
	<u>50,000</u>	-	-	<u>50,000</u>
	<u>\$335,028</u>	<u>\$ 46,552</u>	<u>\$265,825</u>	<u>\$647,405</u>

**B. On-Behalf Payments for Salaries and Benefits**

During 1998 the City implemented GASB Statements No. 24, Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. This standard requires the City to report in the financial statements on-behalf salary and fringe benefit payments made by the State of Louisiana to certain



City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

groups of City employees.

Supplementary salary payments are made by the state directly to certain groups of employees. The City is not legally responsible for these salaries. Therefore, the basis for recognizing the revenue and expenditure (expense) payments is the actual contribution made by the state. For 1999, the state paid supplemental salaries to the following groups of employees of the City: fire and law enforcement employees.

On-behalf payments recorded as revenues and expenditures (expenses) in the 1999 financial statements are as follows:

	<u>State Supplemental Salaries</u>
General Fund:	
Policeman Supplemental Pay	\$42,600
Fireman Supplemental Pay	<u>25,200</u>
Total On-Behalf Payments	<u>\$67,800</u>

The City is required to pay from its own budget the payroll taxes and retirement contributions on these on-behalf payments.

**6. FIXED ASSETS**

A. A summary of changes in general fixed assets follows:

	<u>BALANCE</u> <u>JULY 1, 1998</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>TRANSFERS</u>	<u>BALANCE</u> <u>June 30, 1999</u>
Land	\$ 281,748	\$ -	\$ -	\$ -	\$ 281,748
Buildings	2,143,513	10,165	-	-	2,153,678
Improvements Other Than Buildings	3,893,225	-	-	-	3,893,225
Equipment	<u>841,153</u>	<u>196,796</u>	<u>-</u>	<u>-</u>	<u>1,037,949</u>
Total General Fixed Assets	<u>\$7,159,639</u>	<u>\$206,961</u>	<u>\$-</u>	<u>\$-</u>	<u>\$7,366,600</u>

B. A summary of enterprise funds property, plant and equipment at June 30, 1999, is as follows:

	<u>Water Fund</u>	<u>Sewer Fund</u>	<u>Total</u>
Water and Sewer Utility:			
Buildings	\$ 8,000	\$ 33,908	\$ 41,908
Water Wells, Lines, and Tower	2,414,784	-	2,414,784
Sewer Lines	-	3,897,213	3,897,213

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Equipment and Vehicles	108,973	134,598	243,571
Wastewater Treatment Plant	<u>          -</u>	<u>2,299,454</u>	<u>2,299,454</u>
Total	\$2,531,757	\$6,365,173	\$8,896,930
Less: Accumulated Depreciation	<u>698,703</u>	<u>1,385,900</u>	<u>2,084,603</u>
	\$1,833,054	\$4,979,273	\$6,812,327
Land	89,253	3,170	92,423
Construction in Progress	<u>          -</u>	<u>          -</u>	<u>          -</u>
Net	<u>\$1,922,307</u>	<u>\$4,982,443</u>	<u>\$6,904,750</u>

Depreciation expense on the proprietary fund type property, plant and equipment for the year ended June 30, 1999, totaled \$206,399.

**7. EMPLOYEES PENSION PLAN**

The City of Ponchatoula, Louisiana, provides pension benefits for all of its full-time employees through a joint contributory, defined contribution plan in the state-wide Louisiana Municipal Employees' Retirement System (MERS). The Municipal Employees' Retirement System, State of Louisiana, is the administrator of a cost-sharing, multiple-employer plan.

The Municipal Employees' Retirement System, State of Louisiana was established by Act 356 of the 1954 regular session of the Legislature of the State of Louisiana, to provide retirement benefits to employees of all incorporated villages, towns and cities within the state, which did not have their own retirement system and which elected to become members of the System.

The System is administered by a Board of Trustees composed of nine members, six of whom shall be active and contributing members of the System with at least ten years creditable service, elected by the members of the System; one of whom shall be the president of the Louisiana Municipal Association who shall serve as an ex-officio member during his tenure; one of whom shall be the Chairman of the Senate Retirement Committee; and one of whom shall be the Chairman of the House Retirement Committee of the Legislature of Louisiana.

Act #569 of the year 1968 established by the Legislature of the State of Louisiana provides an optional method for municipalities to cancel Social Security and come under supplementary benefits in the Municipal Employees' Retirement System, effective on and after June 30, 1970.

Effective October 1, 1978, under Act #788, the "regular plan" and the "supplemental plan" were replaced, and are now know as Plan "A" and Plan "B". Plan A combines the original plan and the supplemental plan for those municipalities participating in both plans, while Plan B participates in only the original plan. The City elected to become members of the System on June 27, 1966, and are members of Plan B. There are presently 65 contributing municipalities in Plan A and 56 in Plan B. The City

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

of Ponchatoula is a member of Plan B.

Membership is mandatory as a condition of employment beginning on the date employed if the employee is on a permanent basis working at least thirty-five hours per week, not participating in another public funded retirement system and under age sixty (60) at date of employment. Those individuals paid jointly by a participating employer and the parish are not eligible for membership in the System.

Any member of Plan B can retire providing he meets one of the following criteria:

- A. Age 55 with thirty (30) years of creditable service.
- B. Age 60 with a minimum of ten (10) or more years of creditable service.
- C. Under age 60 with ten (10) years of creditable service eligible for disability benefits.
- D. Survivor's benefits require twenty (20) years creditable service at death of member.

Generally, the monthly amount of the retirement allowance for any member of Plan B shall consist of an amount equal to two percent of the member's final compensation multiplied by his years of creditable service. However, under certain conditions as outlined in the statutes, the benefits are limited to specified amounts. A member is vested after ten (10) years, but he must leave his accumulated contributions in the plan until retirement. If a member withdraws his own money, he is not entitled to the employer-financed monetary credits, even if he was vested. The plan provisions are adopted by the governing body of the entities, within the options available in the state statutes governing MERS and within the actuarial constraints also in the statutes.

The contribution rate for employees is 5.00% of earnable compensation and is established by state statute.

The employer contribution rate is 3.75% of members earnings. The System also receives 1/4 of 1% of ad valorem taxes collected within the respective parishes except for Orleans. Tax monies are apportioned between Plan A and Plan B in proportion to salaries of plan participants. The System also receives revenue sharing funds each year as appropriated by the Legislature. These additional sources of income are used as additional employer contributions. The remaining employer contributions are determined according to actuarial requirements and are set annually.

The City's total payroll in the fiscal year ended June 30, 1999 was \$1,202,490, and the City's contributions were based on a payroll of \$1,134,692. Both the City and the covered employees made the required contributions, amounting to \$99,286. There were no related party transactions.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Trend Information

Contributions required by state statute:

<u>Fiscal</u> <u>Year</u> <u>June 30</u>	<u>Required</u> <u>Contribution</u>	<u>Percentage</u> <u>Contribution</u>
1997	\$74,479	100%
1998	\$74,130	100%
1999	\$99,286	100%

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees' Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

All employees of the City of Ponchatoula, Louisiana are also members of the Social Security System.

**8. ACCOUNTS, SALARIES AND OTHER PAYABLES**

The following is a summary of payables at June 30, 1999:

<u>Class of Payable</u>	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Funds</u>	<u>Debt</u> <u>Service</u> <u>Funds</u>	<u>Capital</u> <u>Projects</u> <u>Funds</u>	<u>Proprietary</u> <u>Funds</u>
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -
Withholdings	4,985	-	-	-	-
Accounts	66,608	2,340	-	-	16,054
Other	<u>14,525</u>	<u>227,767</u>	<u>-</u>	<u>-</u>	<u>68,944</u>
Total	<u>\$ 86,118</u>	<u>\$230,107</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 84,998</u>

**9. COMPENSATED ABSENCES**

At June 30, 1999, employees of the City of Ponchatoula have accumulated and vested \$14,525 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$14,525 is recorded as an obligation of the General Fund, and \$0.00 is recorded within the general long-term obligations account group. The leave liability for employees of the Enterprise Fund, for \$0.00, is accounted for within the fund.

**10. CAPITAL LEASE OBLIGATIONS**

The City of Ponchatoula records items under capital leases as an asset and obligation in the accompanying financial statements.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

The following is a schedule of future minimum lease payments under capital leases, with the present value of the net minimum lease payments, as of June 30, 1999:

Fiscal Year:	<u>Vehicles</u>	<u>Tractor</u>	<u>Backhoe</u>	<u>Total</u>
6/30/00	\$29,784	\$ 1,271	\$10,200	\$41,255
6/30/01	14,011	-	850	14,861
6/30/02	<u>7,005</u>	<u>-</u>	<u>-</u>	<u>7,005</u>
Total minimum lease payments	\$50,800	\$ 1,271	\$11,050	\$63,121
Less amount representing interest	<u>(3,568)</u>	<u>( 12)</u>	<u>( 529)</u>	<u>(4,109)</u>
Present value of minimum lease payments	<u>\$47,232</u>	<u>\$ 1,259</u>	<u>\$10,521</u>	<u>\$59,012</u>

11. **CHANGES IN GENERAL LONG-TERM OBLIGATIONS**

The following is a summary of the long-term obligations transactions for the City of Ponchatoula for the year ended June 30, 1999:

	<u>BALANCE JULY 1, 1998</u>	<u>LEASES OR BONDS ISSUED</u>	<u>BONDS RETIRED AND OTHER REDUCTIONS</u>	<u>BALANCE JUNE 30, 1999</u>
Capital Lease Obligations	\$ 61,673	\$ 59,048	\$ 61,709	\$ 59,012
Public Improvement Sales Tax Bonds	1,385,000	-	100,000	1,285,000
Certificate of Indebtedness	22,500	750,000	15,000	757,500
Sewer Revenue Bonds	<u>1,893,924</u>	<u>-</u>	<u>98,924</u>	<u>1,795,000</u>
	<u>\$3,363,097</u>	<u>\$ 809,048</u>	<u>\$275,633</u>	<u>\$3,896,512</u>

General obligation bonds, revenue bonds, certificates of indebtedness, et cetera, are comprised of the following individual issues:

Capital Lease Obligations:

\$39,365 Capital Lease Obligation

Payable To Ford Motor Credit

Dated 2/3/99; Due in 6 annual installments of \$7,005.47; With Interest at 5.40% (Payable from a pledge of the excess revenues of the general fund)

\$ 32,360

\$19,683 Capital Lease Obligation

Payable To Ford Motor Credit

Dated 2/17/99; Due in 2 annual installments of \$10,125.62; With Interest at 5.95% (Payable from a pledge of the Excess revenues of the general fund)

9,557

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

\$14,021 Capital Lease Obligation Payable To Case Credit Corporation Dated 10/01/96; Due in 36 monthly install- ments of \$423.84; With Interest at 5.90% (Payable from a pledge of the excess Revenues of the general fund)	1,259
\$15,965 Capital Lease Obligation Payable to Ford Motor Credit Dated 06/16/98; Due in 3 installments Of \$5,647.35; With Interest at 6.250% (Payable from a pledge of the excess Revenues of the general fund)	5,315
\$22,900 Capital Lease Obligation Payable to Philip A. Monteleone Dated 01-15-98; Due in 30 monthly installments Of \$850.00; With Interest at 8.50% (Payable From a pledge of the excess revenues of the General fund)	<u>10,521</u>
Total Capital Lease Obligations	<u>\$ 59,012</u>
Certificate of Indebtedness:	
\$150,000 Certificate of Indebtedness dated December 30, 1995; Due in Annual Installments of \$20,600 - \$24,500 through December 30, 1997; With Interest at 6.00% (Payable from a pledge of the excess Revenues of the general fund)	\$ 7,500
\$750,000 Certificate of Indebtedness dated October 21, 1998; Due in Annual Installments of \$60,000 - \$90,000 through September 1, 2008; Interest at 5.20% (Payable from a pledge of the excess Revenues of the General Fund)	<u>\$ 750,000</u>
Total Certificates of Indebtedness	<u>\$ 757,500</u>
Public Improvement Bonds:	
\$1,725,000 Public Improvement Bonds Dated March 1, 1995; Due in Annual Installments of \$75,000 - \$160,000 through March 1, 2009; Interest at 4.10% - 9.00% (Payable from a Pledge of the City's 1982 1% Sales and Use Tax)	<u>\$1,285,000</u>

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Sewer Revenue Bonds:

\$2,400,000 Series 1991 Sewer Revenue Bonds due in Annual Installments of \$75,000 to \$140,000 through March 1, 2012; Interest Rate is 4.45% Plus an Administrative Charge of 0.50% for a Combined Rate of 4.95%. (Payable from a pledge of the City's Sewer revenues.)

\$1,795,000

At June 30, 1999, the City of Ponchatoula has accumulated \$233,049 and \$488,637, in the debt service funds for future debt requirements for the Public Improvement Bonds and the Sewer Revenue Bonds, respectively. The annual requirements to amortize all bonds and/or certificates outstanding at June 30, 1999, including interest of \$1,252,605 is as follows:

<u>YEAR ENDED JUNE 30,</u>	<u>SEWER REVENUE BONDS</u>	<u>CAPITAL LEASE OBLIGATIONS</u>	<u>CERTIFICATE OF INDEBTEDNESS</u>	<u>PUBLIC IMPROVEMENT BONDS</u>	<u>TOTAL</u>
2000	\$ 193,853	\$ 41,255	\$ 105,165	\$ 166,210	\$ 506,483
2001	193,655	14,861	99,190	166,905	474,611
2002	193,210	7,005	95,810	162,230	458,255
2003	192,518	-	97,300	167,390	457,208
2004	191,578	-	98,530	166,750	456,858
2005-2009	<u>1,498,932</u>	<u>-</u>	<u>470,770</u>	<u>826,000</u>	<u>2,795,702</u>
	\$2,463,746	\$ 63,121	\$ 966,765	\$1,655,485	\$ 5,149,117
Interest Portion	<u>(668,746)</u>	<u>(4,109)</u>	<u>(209,265)</u>	<u>(370,485)</u>	<u>(1,252,605)</u>
	<u>\$1,795,000</u>	<u>\$ 59,012</u>	<u>\$ 757,500</u>	<u>\$1,285,000</u>	<u>\$ 3,896,512</u>

12. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SALES AND USE TAX

Proceeds of the 2% sales and use tax levied by the City of Ponchatoula (1999 collections - (\$1,562,962) are dedicated to the following purposes:

The bond resolution requires that the proceeds of the special one percent (1%) sales and use tax now being levied and collected by the City is to be deposited with the City's fiscal agent bank in a 1982 Sales Tax Fund. After the payment of all reasonable and necessary costs and expenses of collecting the tax, certain monthly payments must be made from the 1982 Sales Tax Fund to the Series ST-1995 Public Improvement Bond Sinking Fund and the Series ST-1995 Public Improvement Bond Reserve Fund, which must be established with the City's fiscal agent bank. The payments into the sinking fund are made in amounts sufficient to pay the principal and interest installments currently and will continue monthly until March 2009, unless bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund. Payments into the Reserve Fund will be made by transferring simultaneously upon delivery of the Bonds from the proceeds thereof an amount equal to the Reserve Fund Requirement. The money in the Reserve Fund is retained solely for the purpose of paying the principal and interest on the

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Bonds payable from the Sinking Fund, as to which there would otherwise be default.

Any monies remaining in the Sales Tax Fund on the 20th day of each month after making the required payments into the Series ST-1995 Public Improvement Bond Sinking Fund for the current month and for prior months during which the required payments may not have been made, is considered as surplus.

Such surplus may be used by the City for any of the purposes for which the imposition of the tax is authorized or for the purpose of retiring bonds herein authorized in advance of their maturities.

Balances in the Series ST-1995 Public Improvement Bond Sinking Fund and Series ST-1995 Public Improvement Bond Reserve Fund at June 30, 1999, were in accordance with the bond covenants.

**13. COMPLIANCE WITH SALES TAX BOND COVENANTS**

The City, through its governing authority, adopted a resolution on February 9, 1995, authorizing the issuance of Sales Tax Bonds, Series 1995, in an amount not to exceed \$1,725,000 for public improvements in the City. That bond resolution contained certain covenants and agreements in connection with the security and payment of the bonds. The major covenants contained in the bond resolution and the manner in which the City has complied with these covenants is described as follows:

Records and Accounts and Audit Requirements - In the bond resolution the City is required to maintain and keep accurate records and accounts for the Sales Tax Bonds separate and distinct from its other records and accounts. These Sales Tax Bond records shall be maintained in accordance with generally accepted government accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 1999, the City was in compliance with this bond covenant as the City has established all required funds and was under contract with a certified public accountant for an audit of its records for the year ended June 30, 1999.

Insurance and Fidelity Bonds - In the bond resolution, the City is required to maintain fidelity bonds on all employees in a position of authority or in possession of money derived from the sales tax.

As of June 30, 1999, the City was in compliance with this bond covenant.

Other Requirements - The bond resolution contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 1999, the City was in compliance with these other bond covenants in all material respects.



City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

**14. DEDICATION OF PROCEEDS AND FLOW OF FUNDS - SEWER REVENUES**

The City, through its governing authority, adopted a resolution on August 14, 1991, authorizing the issuance of Sewer Revenue Bonds, Series 1991, in an amount not to exceed \$2,400,000 for acquiring and construction of wastewater treatment facilities. The resolution also authorized the execution of a Loan and Pledge Agreement with the Louisiana Department of Environmental Quality providing for the sale and delivery of said bonds to the Department of Environmental Quality; prescribing the form, fixing the details and providing for the payment of principal and interest on such bonds and entering into certain covenants and agreements in connection with the security and payment of said bonds. In that resolution and the Loan and Pledge Agreement, the revenues of the Sewer System are irrevocably and irrevocably pledged and dedicated in an amount sufficient for payment of the bonds authorized and interest as they become due and for other purposes. In that resolution and the Loan and Pledge Agreement, certain funds were required to be established to account for the receipt and disbursement of Sewer System revenues. An analysis of these accounts is provided as follows:

Revenue Fund - The bond resolution and the Loan and Pledge Agreement require that all revenues of the Sewer System shall be deposited daily in a separately identifiable account to be established with the City's fiscal agent bank and designated as the "Revenue Fund". The revenues deposited into the Sewer Revenue Fund shall be expended in the following priority:

Operation and Maintenance Fund - From the Revenue Fund, the City shall pay all reasonable and necessary costs and expenses of operating and maintaining the Sewer System. The City presently uses the cash pool identified as the Central Depository Account to account for all costs and expenses of maintaining the Sewer System.

Transfers are made from the Revenue Fund to the Central Depository Account in amounts sufficient to cover the costs and expenses of maintaining the Sewer System.

Sinking Fund - After the payment of all reasonable and necessary costs and expenses of maintaining the Sewer System, monies from the Revenue Fund shall be transferred to a separately identifiable account to be established with the City's fiscal agent bank and designated as the "Sinking Fund" in amounts sufficient to pay promptly and fully the principal of and interest on the bonds as they severally become due and payable.

Monies from the Revenue Fund shall be transferred into the Sinking Fund monthly in advance on or before the twentieth (20th) day of each month of each year as follows:

- (i) during the Interim Loan Period, an amount equal to the interest estimated to accrue with respect to the Borrower Bonds for such calendar month based on the Estimated Maximum Draw Schedule, and
- (ii) during the Permanent Loan Period, an amount equal to the principal and interest accruing with respect to the Borrower Bonds for such

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

calendar month.

The payments will continue monthly until March, 2012, unless the bonds are called in advance of their maturity dates, in which event it is possible to reduce the required payments into the sinking fund.

Reserve Fund - From the Revenue Fund, there shall be transferred monthly in advance on or before the twentieth (20th) day of each month of each year, to a separately identifiable account to be established with the City's fiscal agent bank and designated as the "Reserve Fund" a sum at least equal to 25% of the amount required to be paid into the Sinking Fund for such month until such fund accumulates an amount equal to the scheduled maximum principal and interest requirements in any succeeding bond year.

Money in the Reserve Fund is to be retained solely for the purpose of payment of the principal of and interest on all obligations payable from the Sinking Fund for which sufficient funds are not on deposit in the Sinking Fund and as to which there would otherwise be default.

Renewal and Replacement Fund - From the Revenue Fund, there shall be transferred monthly on or before the twentieth (20th) day of each month of each year to a separately identifiable account to be established with the City's fiscal agent bank and designated as the "Renewal and Replacement Fund" an amount equal to five percent (5%) of the Net Revenues of the Sewer System collected in the prior calendar month until such fund accumulates \$50,000. All monies in the Renewal and Replacement Fund may be used for the purpose of paying the costs of any unusual and extraordinary maintenance and any repairs, replacements, extensions and improvements to the Sewer System. Money accumulated in this fund may also be used to pay principal and interest on the bonds falling due at any time there is not sufficient money for payment in the Sinking Fund or the Reserve Fund.

Construction Fund - All proceeds of the loan shall be deposited in a separately identifiable account with the City's fiscal agent bank designated the "Construction Fund" and used solely for the purpose of paying the costs of the project.

All monies remaining in the Revenue Fund after all required deposits into the bond funds described herein shall be considered surplus and may be used for the purpose of retiring bonds in advance of their maturity or for any other lawful purpose.

As of June 30, 1999, balances in the Sinking Fund, Reserve Fund, and Renewal and Replacement Fund were in accordance with the bond covenants.

**15. COMPLIANCE WITH SEWER REVENUE BOND COVENANTS**

The City, through its governing authority, adopted a resolution on August 14, 1991, authorizing the issuance of Sewer Revenue Bonds, Series 1991, in an amount not to exceed \$2,400,000 for acquiring and construction of wastewater treatment facilities and authorized the execution of a Loan and Pledge Agreement with the Louisiana

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Department of Environmental Quality. That bond resolution and agreement contained certain covenants and agreements in connection with the security and payment of the bonds. The major covenants contained in the bond resolution and agreement and the manner in which the City has complied with these covenants is described as follows:

Rate Covenant - In the bond resolution, the City covenants to fix, establish, maintain and collect such rates, fees, rents and other charges of the services and facilities of the Sewer System and to revise the rates whenever necessary as will always provide revenues in each fiscal year sufficient to pay (i) the reasonable and necessary expenses of operating the System, (ii) one hundred twenty-five percent (125%) of the required deposits to the Sinking Fund for such fiscal year, (iii) all other payments required for such fiscal year by the bond resolution and loan agreement, and (iv) all other obligations or indebtedness payable out of the revenues for such fiscal year. In connection therewith, the City adopted Ordinance No. 422 on June 26, 1991, which established sewer user classifications, set specific sewer rates and provided a detailed procedure for annual review and adjustment of sewer rates.

For the fiscal year ended June 30, 1999, operating receipts for the sewer fund totaled \$556,147. For the same period operating disbursements including required deposits into the various debt service funds totaled \$563,014. The City was in compliance with the rate covenant for the year ended June 30, 1999.

In connection with the rate covenant, the bond resolution also contained specific procedures with regards to delinquent sewer customers. The City agreed that the failure of any person to pay the charges for any service rendered by the Sewer System within thirty (30) days of the date on which it is due shall cause such charge to become delinquent and a delinquent charge of ten percent (10%) of the delinquent amount shall be assessed. If a delinquent account is not paid within thirty (30) days of the date of delinquency, the City will shut off water and sewer services to the affected premises. All delinquent accounts shall bear interest at the rate of six percent (6%) per annum.

At June 30, 1999, the City was not in compliance with this bond covenant because the City only charges a delinquent fee of \$1.00 on accounts not paid by the fifteenth day in each month. The City also does not charge interest at 6% per annum on delinquent accounts. However, this is because the City's present computerized billing system does not provide for the calculation of interest.

Annual Review of User Fees - In the Loan and Pledge Agreement, the City is required to review at least annually the adequacy of its Sewer User Fees to satisfy the requirements of the rate covenant and to prepare a report of such review stating the City's opinion regarding the adequacy or inadequacy of the existing user fees. Detailed procedures for the annual review and adjustment of sewer rates is contained in Ordinance No. 422.

At June 30, 1999, a review of the City's sewer user fees had been performed and the City was in compliance with this bond covenant.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Records and Accounts and Audit Requirements - In the bond resolution the City is required to maintain and keep accurate records and accounts for the Sewer System separate and distinct from its other records and accounts. These Sewer System records shall be maintained in accordance with generally accepted government accounting standards and shall be audited annually by an independent certified public accountant.

As of June 30, 1999, the City was in compliance with this bond covenant as the City was under contract with a certified public accountant for an audit of its records for the year ended June 30, 1999.

Insurance and Fidelity Bonds - In the Loan and Pledge Agreement, the City is required to maintain full coverage of insurance on the System. The City is also required to obtain fidelity bonds on all employees in a position of authority or in possession of money derived from the operation of the System.

As of June 30, 1999, the City was in compliance with this bond covenant.

Other Requirements - The bond resolution and the Loan and Pledge Agreement contain additional covenants regarding utilization of funds, appointment of engineer and other miscellaneous provisions.

As of June 30, 1999, the City was in compliance with these other bond covenants in all material respects.

**16. COMPLIANCE WITH CERTIFICATES OF INDEBTEDNESS COVENANTS**

The City, through its governing authority, adopted Ordinance Number 510 on July 23, 1998, authorizing the issuance of Certificates of Indebtedness, Series 1998, in an amount not to exceed \$750,000 for public improvements in the City. That ordinance contained certain covenants and agreements in connection with the security and payment of the certificates. The major covenants contained in the ordinance and the manner in which the City has complied with these covenants is described as follows:

Audit Requirements - In the ordinance the City is required to cause an audit of its records and accounts to be made not later than three (3) months after the close of each fiscal year.

As of June 30, 1999, the City was in compliance with this ordinance covenant as it was under contract with a certified public accountant for an audit of its records for the year ended June 30, 1999.

Sinking Fund - In the ordinance the City is required to create a special fund to be known as "City of Ponchatoula, State of Louisiana, Certificates of Indebtedness, Series 1998, Sinking Fund" to be used for payment of the principal of and the interest on the certificates. The City is required to deposit in the Sinking Fund at least three (3) days in advance of each interest payment date, funds fully sufficient to promptly pay the maturing principal and/or interest so falling due on

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

such date.

As of June 30, 1999, the City was not in compliance with this ordinance covenant as it did not establish the required Sinking Fund.

Other Requirements - The ordinance contains additional covenants regarding collection of tax, legal right to collection of tax, and other miscellaneous provisions.

As of June 30, 1999, the City was in compliance with these other ordinance covenants in all material respects.

**17. INTERFUND ASSETS AND LIABILITIES**

	<u>DUE FROM</u>	<u>DUE TO</u>
General Fund:		
Sewer Enterprise Fund	\$ -	\$ 4,886
Water Enterprise Fund	-	9,600
Solid Waste Collection Fund	8,804	-
FY 1995 Capital Projects Fund	<u>5,332</u>	<u>-</u>
Total General Fund	\$14,136	\$14,486
Special Revenue Funds:		
General Fund	\$ -	\$ 8,804
Total Special Revenue Funds	\$ -	\$ 8,804
Water Enterprise Fund:		
General Fund	\$ 9,600	\$ -
Sewer Enterprise Fund	<u>14,932</u>	<u>-</u>
Total Water Enterprise Fund	\$24,532	\$ -
Sewer Enterprise Fund:		
General Fund	\$ 4,886	\$ -
Water Enterprise Fund	<u>-</u>	<u>14,932</u>
Total Sewer Enterprise Fund	\$ 4,886	\$14,932
Capital Projects Fund:		
General Fund	\$ -	\$ 5,332
Total Capital Projects Fund	<u>\$ -</u>	<u>\$ 5,332</u>
Total All Funds	<u>\$43,554</u>	<u>\$43,554</u>

**18. INTERFUND TRANSFERS**

The following is a summary of the operating transfers between funds during the fiscal year ended June 30, 1999:

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>TRANSFER IN FROM</u>	<u>TRANSFER OUT TO</u>
<b>General Fund:</b>		
1965 Sales Tax Fund	\$ 694,333	\$ -
1982 Sales Tax Fund	534,832	-
Debt Service	-	-
Water Enterprise Fund	2,935	-
Sewer Enterprise Fund	-	-
Total General Fund	<u>\$1,232,100</u>	<u>\$ -</u>
<b>Special Revenue Funds:</b>		
General Fund	\$ -	\$1,229,165
1995 Sales Tax Bond Sinking Fund	13,050	168,967
FY 1993 Capital Projects Fund	-	-
Total Special Revenue Funds	<u>\$ 13,050</u>	<u>\$1,398,132</u>
<b>Debt Service Funds:</b>		
General Fund	\$ -	\$ -
1982 Sales Tax Fund	168,967	13,050
1995 Capital Projects Fund	-	-
Total Debt Service Funds	<u>\$ 168,967</u>	<u>\$ 13,050</u>
<b>Capital Projects Funds:</b>		
FY 1982 Sales Tax Fund	\$ -	\$ -
FY 1965 Sales Tax Fund	-	-
Water Enterprise Fund	-	-
Emergency Housing Rehab Fund	-	-
Total Capital Projects Funds	<u>\$ -</u>	<u>\$ -</u>
<b>Proprietary Funds:</b>		
General Fund	\$ -	\$ 2,935
1993 Capital Projects Fund	-	-
Sewer Enterprise Fund	-	-
Total Proprietary Funds	<u>\$ -</u>	<u>\$ 2,935</u>
Total All Funds	<u><u>\$1,414,117</u></u>	<u><u>\$1,414,117</u></u>

**19. RESERVED AND DESIGNATED RETAINED EARNINGS/FUND BALANCES**

The City records reserves and dedications to indicate that a portion of the fund equity is legally segregated for a specific future use. The following details the description and amount of all reserves and dedications used by the City.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

	<u>BALANCE AT</u> <u>June 30, 1999</u>
Reserves of Fund Balance/Retained Earnings:	
1. Sewer Enterprise Fund	
(a) Reserved for Revenue Bond Debt Service	\$425,899
2. Nonexpendable Trust Fund	
(a) Reserved for Endowment Principal	89,322
(b) Reserved for Cemetery Maintenance	259
3. Debt Service Fund	
(a) Reserved for Capital Improvement Bond Debt Service	<u>233,049</u>
	<u>\$748,529</u>
Designations of Fund Balance:	
1. Special Revenue Funds	
(a) Designated for Mausoleum Maintenance	\$ 12,661
(b) Designated for Housing Rehabilitation	<u>985</u>
	<u>\$ 13,646</u>

**20. SEGMENTS OF ENTERPRISE ACTIVITIES**

Some services provided by the City of Ponchatoula are financed by user charges — sewerage system, water system, and solid waste disposal. The significant financial data for these enterprises are as follows:

	<u>Water</u> <u>System</u>	<u>Sewerage</u> <u>System</u>	<u>Total</u>
Operating Revenues	\$ 260,531	\$ 551,265	\$ 811,796
Depreciation	\$ 46,774	\$ 159,625	\$ 206,399
Operating Income (Loss)	\$ 87,016	\$ 18,088	\$ 105,104
Operating Grants	\$ -	\$ -	\$ -
Operating Transfers In	\$ -	\$ 5,430	\$ 5,430
Taxes	\$ -	\$ -	\$ -
Net Income (Loss)	\$ 94,639	\$ (43,674)	\$ 50,965
Working Capital	\$ 297,556	\$ (17,156)	\$ 280,400
Change in Capital Contributions	\$ -	\$ 265,825	\$ 265,825
Property, Plant and Equipment:			
Additions	\$ 15,944	\$ 656,943	\$ 672,887
Deletions	\$ -	\$ -	\$ -
Total Assets	\$2,355,633	\$5,583,321	\$7,938,954
Obligations Payable	\$ 135,770	\$ 77,203	\$ 212,973
Revenue Bonds Payable	\$ -	\$1,795,000	\$1,795,000
Equity	\$2,219,863	\$3,696,186	\$5,916,049

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

21. CHANGES IN CONTRIBUTED CAPITAL

The changes in the components of contributed capital for the proprietary fund type during the year ended June 30, 1999, is as follows:

Water and Sewer Enterprise Fund:

	COMPONENTS OF CONTRIBUTED CAPITAL			
	FEDERAL GRANTS	STATE GRANTS	MUNICIPALITY	TOTAL
Contributed Capital:				
Balance at June 30, 1998	\$2,662,457	\$219,464	\$2,262,930	\$5,144,851
Additions	265,825	-	-	265,825
Reductions	-	-	-	-
Balance at June 30, 1999	\$2,928,282	\$219,464	\$2,262,930	\$5,410,676
Amortization of Contributed Capital:				
Balance at June 30, 1998	\$ 398,961	\$ 47,257	\$ -	\$ 446,218
Additions:				
Current Year Depreciation On Fixed Assets Acquired By Grants Restricted for Construction	37,546	3,799	-	41,345
Balance at June 30, 1999	\$ 436,507	\$ 51,056	\$ -	\$ 487,563
Net Contributed Capital	\$2,491,775	\$168,408	\$2,262,930	\$4,923,113

22. DEFERRED REVENUES AND OBLIGATION UNDER GRANT AGREEMENT

A. On April 24, 1992, the City of Ponchatoula entered into a contract with the State of Louisiana - Division of Administration for a Louisiana Community Development Block Grant funded by the United States Department of Housing and Urban Development in the amount of \$726,865. The purpose of this grant is to provide infrastructure improvements to the Ponchatoula Industrial Park and a maximum of \$250,000 to provide a long-term permanent financing loan to J & M Industries, Inc. for the purpose of purchasing equipment and for relocating their corporate headquarters in the industrial park. The original loan is a maximum of \$250,000 at 6.00% interest, and is to be repaid by J & M Industries, Inc. in 96 monthly installments of \$3,285. As of June 30, 1999, the amount received by J & M Industries, Inc. under this loan agreement totaled \$250,000. Principal payments through June 30, 1999, total \$167,047. The balance of this note outstanding at June 30, 1999 is \$82,953.

Under the terms of the agreement, the City of Ponchatoula is the maker of this note with J & M Industries, Inc. and holds a security interest in all furniture, fixtures and equipment which are purchased with the LCDBG funds.



City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

However, the City is required to return to the State of Louisiana - Division of Administration all the principal, interest or other payments received from J & M Industries, Inc. under the terms of this note. In fact, the contract requires J & M Industries, Inc. to make the note payments directly to the Division of Administration. The City is required by the LCDBG contract to monitor the repayment of these funds and perform other activities in connection with the LCDBG contract. The City of Ponchatoula is contingently liable to the Division of Administration for repayment of this note should J & M Industries, Inc. default on the note and the City not fulfill its obligations under the contract.

Based on the foregoing information, the deferred revenues at June 30, 1999, are \$81,852, the long-term debt created by this agreement on June 30, 1999, is \$82,953, and the outstanding note receivable from J & M Industries, Inc. on June 30, 1999, is \$82,953.

- B. On March 19, 1998, the City of Ponchatoula entered into a contract with the State of Louisiana - Division of Administration for a Louisiana Community Development Block Grant funded by the United States Department of Housing and Urban Development in the amount of \$168,000. The purpose of this grant is to provide \$150,000 to provide a long-term permanent financing loan to J & M Industries, Inc. for the purpose of purchasing equipment. The original loan is a maximum of \$150,000 at 6.25% interest, and is to be repaid by J & M Industries, Inc. in 84 monthly installments of \$2,209.30. As of June 30, 1999, the amount received by J & M Industries, Inc. under this loan agreement totaled \$150,000. Principal payments through June 30, 1999, total \$4,085. The balance of this note outstanding at June 30, 1999 is \$145,915.

Under the terms of the agreement, the City of Ponchatoula is the maker of this note with J & M Industries, Inc. and holds a security interest in all furniture, fixtures and equipment which are purchased with the LCDBG funds. However, the City is required to return to the State of Louisiana - Division of Administration all the principal, interest or other payments received from J & M Industries, Inc. under the terms of this note. In fact, the contract requirements J & M Industries, Inc. to make the note payments directly to the Division of Administration. The City is required by the LCDBG contract to monitor the repayment of these funds and perform other activities in connection with the LCDBG contract. The City of Ponchatoula is contingently liable to the division of Administration for repayment of this note should J & M Industries, Inc. default on the note and the City not fulfill its obligations under the contract.

Based on the foregoing information, the deferred revenues at June 30, 1999, are \$145,915, the long-term debt created by this agreement on June 30, 1999, is \$145,915, and the outstanding note receivable from J & M Industries, Inc. on June 30, 1999, is \$145,915.

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

23. COMPENSATION OF ELECTED OFFICIALS

<u>NAME AND ADDRESS</u>	<u>POSITION</u>	<u>EXPIRATION OF TERM OF OFFICE</u>	<u>SALARY</u>
Julian E. Dufreche 125 Woodhaven Drive Ponchatoula, LA 70454 (504)386-6281	Mayor	June 30, 2000	\$ 39,600
C. W. Kinchen 248 West Hickory Ponchatoula, LA 70454 (504)386-6275	City Council District A	June 30, 2000	6,000
Frank Self 484 North 11 <sup>th</sup> Street Ponchatoula, LA 70454 (504)386-6348	City Council District B	June 30, 2000	6,000
James McKnight 333 West Magnolia Ponchatoula, LA 70454 (504)386-6779	City Council District C	June 30, 2000	6,000
Ora Lee Pea 1120 South First RR Avenue Ponchatoula, LA 70454 (504)386-7693	City Council District D	June 30, 2000	6,000
Gary Stanga 175 Highland Road Ponchatoula, LA 70454 (504)386-3742	City Council District E	June 30, 2000	6,000
Timothy J. Gideon 575 East Pine Ponchatoula, LA 70454 (504)386-2152	Police Chief	June 30, 2000	34,262

24. YEAR 2000 ISSUE

The Year 2000 Issue is the result of shortcomings in many electronic data processing systems and other electronic equipment that may adversely affect the government's operations as early as fiscal year 1999.

The City of Ponchatoula has completed an inventory of computer systems and other electronic equipment that may be affected by the Year 2000 Issue and that are

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

necessary for conducting the City's operations. Based on this inventory, the City is in the remediation stage in that bid specifications have been drawn up to purchase, from outside vendors, hardware and software believed to be year 2000 compliant for the financial reporting systems; management believes the cost will be negligible. Testing and validation of the systems will need to be completed after the hardware and software are installed.

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

**25. OPERATING BUDGETS**

The City did not adopt an operating budget for the FY 97 L.C.D.B.G. Economic Development Fund. Total revenues for this fund for the fiscal year ended June 30, 1999, totaled \$17,218. Total expenditures for this fund for the year ended June 30, 1999, totaled \$17,218. Inclusion of this fund with all other special revenue funds in a combined statement of revenues, expenditures and changes in fund balance - budget (GAAP Basis) and actual, appearing on Page 8 (Exhibit C), would make the financial statements misleading. Accordingly, these amounts have been omitted from that financial statement.

Reconciliation of the beginning fund balances and actual revenues and expenditures of all special revenue funds, to the amounts reported in Exhibit C is as follows:

	ACTUAL PER *GAAP STATEMENT (EXHIBIT C)	ACTUAL PER EXCLUDED FUNDS	ACTUAL - ALL SPECIAL REVENUE FUND TYPES (EXHIBIT B)
Revenues:			
Taxes	\$ 1,733,232	\$ -	\$ 1,733,232
Intergovernmental	31,877	14,675	46,552
Interest and Miscellaneous	<u>43,973</u>	<u>2,543</u>	<u>46,516</u>
Total Revenues	\$ 1,809,082	\$ 17,218	\$ 1,826,300
Expenditures:			
General Government	\$ 14,159	\$ -	\$ 14,159
Public Safety	147,697	-	147,697
Public Works	-	-	-
Public Health	7,134	-	7,134
Miscellaneous Programs	36,139	17,218	53,357
Capital Outlay	<u>65,714</u>	<u>-</u>	<u>65,714</u>
Total Expenditures	\$ 270,843	\$ 17,218	\$ 288,061

City of Ponchatoula

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

June 30, 1999

Excess of Revenues Over Expenditures	\$ 1,538,239	\$ -	\$ 1,538,239
Other Financing (Uses):			
Operating Transfers In	\$ 13,050	\$ -	\$ 13,050
Operating Transfers Out	<u>(1,398,132)</u>	<u>-</u>	<u>(1,398,132)</u>
Excess of Revenues and Other Sources Over Expenditures and Other Uses	\$ 153,157	\$ -	\$ 153,157
Fund Balance - Beginning of Year	<u>812,613</u>	<u>-</u>	<u>812,613</u>
Fund Balance - End of Year	<u>\$ 965,770</u>	<u>\$ -</u>	<u>\$ 965,770</u>

SUPPLEMENTARY INFORMATION AND SCHEDULES

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS  
AND ACCOUNT GROUPS

GENERAL FUND

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

City of Ponchatoula  
GENERAL FUND

EXHIBIT F

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS

	<u>1999</u>	<u>1998</u>
Cash	\$222,098	\$186,328
Investments	-	-
Receivables (Net of Allowances for Uncollectibles Where Applicable):		
Ad Valorem Taxes	1,238	3,697
Franchise Taxes	24,874	22,137
Garbage Collection Fees	18,175	20,561
Notes	-	-
Other Receivables	-	703
Due from Other Governments	27,571	30,611
Due from Solid Waste Collection Fund	8,804	8,804
Due from FY 1995 Capital Projects Fund	<u>5,332</u>	<u>-</u>
 Total Assets	 <u>\$308,092</u>	 <u>\$272,841</u>

LIABILITIES AND FUND BALANCE

Accounts Payable	\$ 66,608	\$ 66,454
Accrued Liabilities	19,510	58,894
Due to Water Fund	9,600	9,600
Due to Sewer Fund	<u>4,886</u>	<u>4,886</u>
Total Liabilities	\$100,604	\$139,834
 Fund Balance (Deficit) - Unreserved - Undesignated	 <u>207,488</u>	 <u>133,007</u>
 Total Liabilities and Fund Balance	 <u>\$308,092</u>	 <u>\$272,841</u>

See auditor's report.



City of Ponchatoula  
GENERAL FUND

EXHIBIT F-1

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
<b>Revenues:</b>				
Taxes	\$ 254,270	\$ 252,730	\$ ( 1,540)	\$ 239,289
Licenses and Permits	272,475	272,784	309	264,111
Intergovernmental	413,996	402,828	(11,168)	376,916
Fines and Forfeitures	78,000	87,466	9,466	83,229
Sanitation Service Fees	251,500	251,538	38	242,626
Culture and Recreation	1,000	1,075	75	985
Miscellaneous	<u>123,148</u>	<u>116,820</u>	<u>( 6,328)</u>	<u>134,687</u>
Total Revenues	\$ 1,394,389	\$ 1,385,241	\$ ( 9,148)	\$ 1,341,843
<b>Expenditures:</b>				
Current:				
General Government	\$ 522,694	\$ 488,694	\$ 34,000	\$ 479,343
Public Safety	1,126,928	970,560	156,368	898,641
Public Works	675,858	652,057	23,801	605,684
Cemetery	44,212	40,099	4,113	38,803
Culture and Recreation	100,119	100,432	(313)	97,008
Miscellaneous Programs	174,420	171,235	3,185	201,208
Capital Outlay	85,848	82,031	3,817	116,282
Debt Service	<u>74,023</u>	<u>96,801</u>	<u>(22,778)</u>	<u>44,384</u>
Total Expenditures	<u>\$ 2,804,102</u>	<u>\$ 2,601,909</u>	<u>\$ 202,193</u>	<u>\$ 2,481,353</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (1,409,713)	\$ (1,216,668)	\$ 193,045	\$ (1,139,510)
<b>Other Financing Sources (Uses):</b>				
Operating Transfers In	1,376,863	1,232,101	(144,762)	1,000,000
Operating Transfers Out	-	( - )	-	( 246)
Proceeds from Capital Leases	<u>59,048</u>	<u>59,048</u>	<u>-</u>	<u>39,165</u>
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	\$ 26,198	\$ 74,481	\$ 48,283	\$ ( 100,591)
Fund Balance Beginning of Year	<u>133,007</u>	<u>133,007</u>	<u>-</u>	<u>233,598</u>
Fund Balance at End of Year	<u>\$ 159,205</u>	<u>\$ 207,488</u>	<u>\$ 48,283</u>	<u>\$ 133,007</u>

See auditor's report.

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-2

STATEMENT 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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
<b>Taxes:</b>				
Ad Valorem	\$ 114,925	\$ 110,640	\$ ( 4,285)	\$ 107,489
Penalties and Interest	14,060	14,029	( 31)	10,167
Public Utilities Franchise	<u>125,285</u>	<u>128,061</u>	<u>2,776</u>	<u>121,733</u>
	\$ 254,270	\$ 252,730	\$ ( 1,540)	\$ 239,389
<b>Licenses and Permits:</b>				
Occupational Licenses	\$ 263,450	\$ 263,467	\$ 17	\$ 249,720
Building Permits	8,600	8,867	267	13,780
Bingo and Special Permits	<u>425</u>	<u>450</u>	<u>25</u>	<u>611</u>
	\$ 272,475	\$ 272,784	\$ 309	\$ 264,111
<b>Intergovernmental:</b>				
State Supplemental Pay	\$ 65,700	\$ 67,800	\$ 2,100	\$ 63,240
Video Poker Taxes	48,935	44,477	( 4,458)	47,547
Tobacco Taxes	27,500	27,556	56	27,556
Beer Taxes	17,625	18,342	717	14,108
State Grant- Main Street	-	-	-	1,338
Parish Fire Insurance Fees	10,790	11,497	707	10,791
Revenue Equalization - PILOT	7,500	7,500	-	10,561
Council on Aging	110,000	108,737	( 1,263)	123,300
COPS Grant	43,000	33,973	( 9,027)	-
Rural Fire District Grant	50,000	50,000	-	50,000
Law Enforcement Grant	<u>32,946</u>	<u>32,946</u>	<u>-</u>	<u>28,475</u>
	\$ 413,996	\$ 402,828	\$ (11,168)	\$ 376,916
Fines and Forfeitures	\$ 78,000	\$ 87,466	\$ 9,466	\$ 83,229
Sanitation Service Fees	\$ 251,500	\$ 251,538	\$ 38	\$ 242,626
Culture and Recreation	\$ 1,000	\$ 1,075	\$ 75	\$ 985
<b>Miscellaneous:</b>				
FEMA - Hurricane Reimb.	\$ 11,350	\$ 11,356	\$ 6	\$ -
Cemetery - Receipts	10,000	10,450	450	9,036
Interest	12,000	11,207	( 793)	7,135
Entergy Application Fee	2,830	3,065	235	2,725
Maintenance DOTD	4,882	4,881	( 1)	4,881
Health Insurance Refund	14,190	14,192	2	-
DEQ Litter Abatement Grant	10,000	7,334	( 2,666)	-
Miscellaneous	20,552	32,213	11,661	16,127
Grant - Police Eq.	-	-	-	1,202
Fees Culvert Installation	2,500	2,395	( 105)	2,090
Motion Patrol Grant	2,600	2,603	3	839
Land Sale- Industrial Park	-	-	-	86,000
Law Enforcement Training- Reimb.	2,100	2,444	344	900
Appearance Bonds	2,800	2,800	-	3,752
Sale of Equipment	11,880	11,880	-	-
Arts Council Grant	11,500	-	(11,500)	-
Cemetery Perpetual Care Reimb.	<u>3,964</u>	<u>-</u>	<u>( 3,964)</u>	<u>-</u>
	\$ 123,148	\$ 116,820	\$ ( 6,328)	\$ 134,687
	<u>\$1,394,389</u>	<u>\$1,385,241</u>	<u>\$ ( 9,148)</u>	<u>\$1,341,943</u>

See auditor's report.

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3

STATEMENT 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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	<u>REVISED BUDGET</u>	<u>ACTUAL</u>		
General Government:				
Legislative-				
Salaries-City Council	\$ 30,000	\$ 27,500	\$ 2,500	\$ 29,500
Payroll Taxes and Employee Benefits	6,755	7,262	(507)	6,018
Insurance	2,820	2,821	( 1)	1,617
Conferences and Conventions	1,500	1,764	(264)	1,359
Telephone	<u>250</u>	<u>213</u>	<u>37</u>	<u>168</u>
Total Legislative	<u>\$ 41,325</u>	<u>\$ 39,560</u>	<u>\$ 1,765</u>	<u>\$ 38,662</u>
Judicial-				
Salaries-Police Court	\$ 40,080	\$ 37,699	\$ 2,381	\$ 30,378
Payroll Taxes and Employee Benefits	6,476	7,048	(572)	4,782
Insurance	-	118	(118)	94
Supplies	2,000	215	1,785	2,706
Training	2,256	2,256	-	<u>2,356</u>
Telephone	<u>125</u>	<u>131</u>	<u>( 6)</u>	
Total Judicial	<u>\$ 50,937</u>	<u>\$ 47,467</u>	<u>\$ 3,470</u>	<u>\$ 40,316</u>
Executive-				
Salaries-Mayor	\$ 77,740	\$ 75,999	\$ 1,741	\$ 55,970
Payroll Taxes and Employee Benefits	16,877	17,755	(878)	12,412
Insurance	2,020	2,484	(464)	1,227
Vehicle	2,700	2,237	463	2,022
Conferences and Conventions	5,000	4,208	792	2,375
Telephone	2,100	2,372	(272)	1,031
Strawberry Festival	350	318	32	<u>457</u>
Supplies	<u>700</u>	<u>534</u>	<u>166</u>	
Total Executive	<u>\$ 107,487</u>	<u>\$ 105,907</u>	<u>\$ 1,580</u>	<u>\$ 75,494</u>
General Government:				
Financial-				
Salaries - City Clerk and Assistants	\$ 105,348	\$ 101,268	\$ 4,080	\$ 99,861
Payroll Taxes and Employee Benefits	17,738	17,183	555	14,421
Insurance	290	1,036	(746)	626
Audit and Accounting	2,752	2,686	66	10,650
Computer	8,500	75	8,425	141
Conferences and Conventions	5,000	4,948	52	4,012
Vehicle	550	477	73	167
Dues and Subscriptions	600	605	( 5)	597
Miscellaneous	200	187	13	84
Telephone	<u>320</u>	<u>391</u>	<u>( 71)</u>	<u>-</u>
Total Financial	<u>\$ 141,298</u>	<u>\$ 128,856</u>	<u>\$ 12,442</u>	<u>\$ 130,559</u>

(CONTINUED)

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3  
(CONTINUED)

STATEMENT 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
	REVISED BUDGET	ACTUAL		
Building Inspector-				
Salaries	\$ 26,210	\$ 25,296	\$ 914	\$ 24,510
Payroll Taxes and Employee Benefits	6,394	6,855	( 461)	5,296
Insurance	1,320	1,320	-	1,612
Vehicle	2,100	2,255	( 155)	1,492
Conferences and Conventions	1,800	1,797	3	619
Supplies	1,900	1,812	88	1,633
Dues and Subscriptions	55	55	-	55
Telephone	1,325	1,241	84	435
City Planner Retainer	1,800	1,650	150	1,350
Building Inspector	1,200	1,200	-	1,200
Mapping	3,000	3,000	-	-
Total Building Inspector	<u>\$ 47,104</u>	<u>\$ 46,481</u>	<u>\$ 623</u>	<u>\$ 38,202</u>
Other General Government-				
Insurance	\$ 23,000	\$ 8,775	\$ 14,225	\$ 41,684
Legal Fees and Costs	13,300	13,526	( 226)	16,009
Audit and Accounting	18,500	17,696	804	17,965
Ordinance Codification	2,200	2,200	-	2,200
Outside Consultant	3,160	4,601	(1,441)	10,404
Repairs to Building	200	209	( 9)	29
Repairs to Equipment	2,000	1,905	95	116
Janitorial Service	2,500	2,200	300	2,445
Maintenance Agreement	3,000	3,033	( 33)	2,993
Conferences and Conventions	900	923	( 23)	2,352
Supplies	18,150	17,726	424	17,994
Office Supplies	6,500	6,951	( 451)	5,052
Postage	5,700	5,173	527	4,533
Rental	1,500	1,688	( 188)	1,527
Dues and Subscriptions	2,250	1,703	547	2,481
Advertising	2,300	2,488	( 188)	1,190
Utilities	10,750	10,681	69	11,683
Telephone	6,350	6,702	( 352)	5,127
Economic Development	5,000	5,000	-	-
City Planner Retainers	-	-	-	300
Pest Control	288	288	-	264
Landscaping	2,545	2,714	( 169)	2,973
Writing Tax Rolls	2,700	2,708	( 8)	2,672
Miscellaneous	1,750	1,533	217	4,117
Total Other General Government	<u>\$ 134,543</u>	<u>\$ 120,423</u>	<u>\$ 14,120</u>	<u>\$ 156,110</u>
Total General Government	<u>\$ 522,694</u>	<u>\$ 488,694</u>	<u>\$ 34,000</u>	<u>\$ 479,343</u>
Public Safety:				
Police:				
Salaries-Police	\$ 436,269	\$ 423,892	\$ 12,377	\$ 382,632
Salaries-Supplemental Pay	41,000	42,600	(1,600)	39,330
Payroll Taxes and Employee Benefits	91,266	99,890	(8,624)	82,063
Less Police Salary Millage	-	(91,905)	91,905	( 75,572)
Grant Match	1,461	1,469	( 8)	-
Grant Administration	2,331	2,331	-	-

(CONTINUED)

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3  
(CONTINUED)

STATEMENT 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-	1998
	REVISED BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Public Safety (Continued):				
Police (Continued):				
Insurance	65,407	64,635	772	50,687
Vehicle	81,000	78,708	2,292	46,858
Supplies	26,000	28,004	( 2,004)	31,075
Uniform	3,600	3,620	( 20)	4,299
Equipment Repairs	2,800	2,991	( 191)	4,188
Telephone	10,975	10,686	289	9,355
Utilities	10,775	10,855	( 80)	8,789
Conference and Conventions	3,000	2,896	104	1,322
Building Maintenance	1,500	1,689	( 189)	743
Prisoner Costs	10,200	10,135	65	9,975
Training	( 430)	( 430)	-	7,102
Miscellaneous	4,053	3,642	411	4,290
Total Police	\$ 791,207	\$ 695,708	\$ 95,499	\$ 607,136
Fire:				
Salaries	\$ 177,287	\$ 168,175	\$ 9,112	\$ 181,399
Salaries-Supplemental Pay	25,200	25,200	-	23,910
Payroll Taxes and Employee Benefits	47,074	51,205	( 4,131)	48,030
Less Fireman Salary Millage	-	(55,792)	55,792	(35,255)
Call Back Pay	8,000	8,560	( 560)	7,200
Insurance	20,700	20,926	( 226)	17,373
Vehicle	12,750	12,622	128	6,640
Supplies	8,665	8,927	( 262)	7,378
Uniform	1,350	1,661	( 311)	1,255
Equipment Repairs	2,000	1,815	185	1,939
Telephone	7,500	7,245	255	6,530
Utilities	10,850	10,693	157	12,921
Conferences and Conventions	2,500	2,500	-	2,500
Miscellaneous	603	475	128	628
Building Maintenance	6,000	5,435	565	3,417
Mileage	-	32	( 32)	32
Training	2,592	2,592	-	3,168
Pre-Planning	-	-	-	-
Total Fire	\$ 333,071	\$ 272,271	\$ 60,800	\$ 289,065
Civil Defense:				
Director	\$ 400	\$ 400	\$ -	\$ 480
Insurance	350	350	-	292
Generator	250	333	( 83)	157
Telephone	650	645	5	631
Supplies	1,000	853	147	880
Total Civil Defense	\$ 2,650	\$ 2,581	\$ 69	\$ 2,440
Total public Safety	\$ 1,126,928	\$ 970,560	\$ 156,368	\$ 898,641

(CONTINUED)

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3  
(CONTINUED)

STATEMENT 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-	1998
	REVISED	ACTUAL	FAVORABLE	ACTUAL
	BUDGET		(UNFAVORABLE)	
Public Works:				
Streets:				
Salaries	\$ 134,544	\$ 131,688	\$ 2,856	\$ 107,391
Payroll Taxes and Employee Benefits	29,403	33,001	(3,598)	24,628
Insurance	32,294	32,299	( 5)	21,924
Street and Traffic Lights	48,500	48,912	( 412)	46,345
Vehicle	13,200	13,366	( 166)	10,903
Materials and Supplies	76,375	74,808	1,567	61,646
Maintenance and Repairs	15,000	14,871	129	27,233
Equipment Repairs and Rentals	-	-	-	-
Conferences	100	-	100	-
Utilities	4,800	4,739	61	4,531
Telephone	6,950	1,138	5,812	689
Miscellaneous	5,450	6,530	(1,080)	11,803
Christmas Decorations and Lights	8,900	8,893	7	11,326
Tree Maintenance	20,000	16,801	3,199	8,415
Uniforms	2,950	3,179	( 229)	1,607
Total Streets	\$ 398,466	\$ 390,225	\$ 8,241	\$ 338,441
Sanitation:				
Building Demolition/Repairs	\$ -	\$ -	\$ -	\$ 5,572
Animal Control	1,825	1,825	-	1,387
Contract Garbage Collection	215,367	197,539	17,828	213,181
Litter Abatement	8,350	9,164	( 814)	-
Mosquito and Pest Control	-	-	-	96
Miscellaneous	450	443	7	650
Coroners Fees	8,500	9,862	(1,362)	9,474
Animal Shelter	12,000	12,000	-	12,000
Trash Hauling	25,000	24,845	155	19,092
Uncollectible Accounts	5,900	6,154	( 254)	5,791
Total Sanitation	\$ 277,392	\$ 261,832	\$ 15,560	\$ 267,243
Total Public Works	\$ 675,858	\$ 652,057	\$ 23,801	\$ 605,684
Cemetery:				
Salaries	\$ -	\$ -	\$ -	\$ 7,663
Payroll Taxes and Employee Benefits	-	-	-	2,226
Insurance	-	-	-	1,415
Supplies	800	651	149	1,063
Maintenance	43,412	39,448	3,964	29,980
Repairs	-	-	-	347
Vehicle and Mower	-	-	-	-
Uniforms	-	-	-	235
Less Perpetual Care Funds	-	-	-	(4,126)
Miscellaneous	-	-	-	-
Total Cemetery	\$ 44,212	\$ 40,099	\$ 4,113	\$ 38,803

(CONTINUED)

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3  
(CONTINUED)

STATEMENT 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-	1998
	REVISED	ACTUAL	FAVORABLE	ACTUAL
	BUDGET		(UNFAVORABLE)	
Culture and Recreation:				
Recreation and Parks:				
Salaries	\$ 5,650	\$ 6,199	\$ ( 549)	\$ 12,492
Payroll Taxes and Employee Benefits	600	680	( 80)	1,113
Insurance	2,780	2,772	8	1,267
Supplies	2,000	2,328	( 328)	2,814
Building Maintenance	2,700	4,460	(1,760)	1,659
Equipment Repairs	5,150	4,714	436	2,409
Utilities	575	568	7	523
Telephone	-	-	-	-
Vehicle	1,150	1,638	( 488)	863
Miscellaneous	1,050	-	1,050	44
Total Recreation and Parks	\$ 21,655	\$ 23,359	\$ (1,704)	\$ 23,184
Community Center:				
Salaries	\$ 34,224	\$ 33,636	\$ 588	\$ 32,357
Payroll Taxes and Employee Benefits	3,807	4,063	( 256)	5,339
Insurance	8,220	8,236	( 16)	2,863
Supplies	12,000	11,856	144	9,333
Maintenance and Upkeep	-	-	-	-
Utilities	14,250	14,216	34	15,419
Telephone	950	887	63	812
Miscellaneous	338	288	50	1,374
Building Repairs	1,400	864	536	3,722
Uniforms	1,200	1,209	( 9)	775
Equipment Repairs	500	339	161	1,830
Vehicle	1,575	1,479	96	-
Total Community Center	\$ 78,464	\$ 77,073	\$ 1,391	\$ 73,824
Total Culture and Recreation	\$ 100,119	\$ 100,432	\$ ( 313)	\$ 97,008
Miscellaneous Programs:				
Miscellaneous	\$ 850	\$ 546	\$ 304	\$ 584
Senior Citizens and Information Center	-	-	-	322
Veterans Service	684	684	-	570
Alligator Maintenance	100	83	17	98
Museum	1,975	1,811	164	1,387
Insurance	1,200	1,163	37	-
Arts Council	11,500	11,500	-	-
Mapping	5,000	5,000	-	-
Industrial Park	28,650	28,282	368	64,799
Main Street Program	14,211	14,054	157	13,073

(CONTINUED)

City of Ponchatoula  
GENERAL FUND

EXHIBIT F-3  
(CONTINUED)

STATEMENT 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-	1998
	REVISED BUDGET	ACTUAL	FAVORABLE (UNFAVORABLE)	ACTUAL
Miscellaneous Programs (Continued):				
Planning and Development	250	250	-	-
Council on Aging	<u>110,000</u>	<u>107,862</u>	<u>2,138</u>	<u>120,375</u>
Total Miscellaneous Programs	<u>\$ 174,420</u>	<u>\$ 171,235</u>	<u>\$ 3,185</u>	<u>\$ 201,208</u>
Capital Outlay:				
General Government	\$ 11,600	\$ 21,314	\$ ( 9,714)	\$ 4,786
Public Safety- Police	73,048	59,048	14,000	56,802
Public Safety - Fire	1,200	1,200	-	411
Less Equipment Millage	-	-	-	-
Public Safety-Civil Defense	-	-	-	259
Public Works- Street Dept.	-	-	-	53,470
Cemetery	-	-	-	-
Culture and Recreation	-	469	( 469)	554
Miscellaneous Programs	-	-	-	-
Total Capital Outlay	<u>\$ 85,848</u>	<u>\$ 82,031</u>	<u>\$ 3,817</u>	<u>\$ 116,282</u>
Debt Service:				
General Government	31,585	31,585	-	29,900
Public Safety - Police	27,152	44,283	(17,131)	-
Public Works - Street Dept.	<u>15,286</u>	<u>20,933</u>	<u>( 5,647)</u>	<u>14,484</u>
Total Debt Service	<u>\$ 74,023</u>	<u>\$ 96,801</u>	<u>\$ (22,778)</u>	<u>\$ 44,384</u>
Total Expenditures	<u>\$2,804,102</u>	<u>\$2,601,909</u>	<u>\$ 202,193</u>	<u>\$2,481,353</u>

See auditor's report.



SPECIAL REVENUE FUNDS

- 1965 Sales Tax Fund - To account for the receipt and use of proceeds of the City of Ponchatoula, Louisiana's 1% sales and use tax passed by the citizens on April 10, 1965. Revenues derived from the sales and use tax are dedicated for the purpose of constructing, acquiring, extending, improving and/or maintaining drainage facilities, streets, sidewalks, public buildings and/or fire department stations and equipment, including fire engines; purchasing and acquiring furnishings for the aforesaid public works, buildings, improvements and facilities; and maintaining and operating garbage collection facilities including the equipment therefore, title to which improvements shall be in the public, and any one or more of said purposes.
- 1982 Sales Tax Fund - To account for the receipt and use of proceeds of the City of Ponchatoula, Louisiana's additional 1% sales and use tax passed by the citizens on April 3, 1982. Revenues derived from the sales and use tax are dedicated to construction and maintaining streets, sewers, sewage disposal works, waterworks facilities and drains and drainage facilities and for any other lawful corporate purposes of the City.
- The proceeds from this sales tax has been pledged and dedicated to the retirement of the \$1,725,000 Series ST-1995 Public Improvement Bonds issued June 23, 1988.
- Solid Waste Collection Fund - To account for the receipt and use of proceeds received for garbage collection in excess of actual expenditures pursuant to Ordinance 411 passed by the Mayor and City Council on April 11, 1990. All proceeds and interest collected are dedicated to offset future increases in garbage collection charges and disposal fees.
- Mausoleum Trust Fund - To account for the receipts, including the sale of crypts and fees, and the transfers to the general fund. The City receives 21% of the sales price of the crypts and has dedicated 10% of the sales price to the maintenance and insurance of the mausoleum. The remaining 11% of the sales price received by the City may be used for any purpose which the City desires.
- Emergency Housing Rehabilitation Fund - To account for the paybacks from low interest Community Development Block Grant loans and appropriations from the City's general fund. The funds are dedicated for emergency home repair to benefit low income residents.
- Fire, Police and Equipment Millage Funds - To account for the receipt and use of proceeds of the City of Ponchatoula, Louisiana's 10 mills property tax passed by the citizens on July 21, 1990. Revenues derived from the property tax are dedicated 6 mills to paying Police Department salaries, 2 mills to paying Fire Department salaries and 2 mills to purchase equipment for the Police and Fire Departments of the City. The tax is for a period of ten years, beginning with the year 1990.

SPECIAL REVENUE FUNDS (CONTINUED)

FY 1991 L.C.D.B.G. - ECONOMIC DEVELOPMENT FUND - To account for the costs associated with construction of infrastructure improvements to the Ponchatoula Industrial Park and an economic development loan to a tenant locating in the industrial park. Financing for this project is provided by a FY 1991 Louisiana Community Development Block Grant - Economic Development Block Grant in the amount of \$726,865. Of this amount, \$250,000 in revolving loan funds is available as a loan to J & M Industries, Inc. to purchase equipment and other costs associated with relocating to the park.

FY 1997 L.C.D.B.G. - ECONOMIC DEVELOPMENT FUND - To account for the costs associated with construction of infrastructure improvements to the Ponchatoula Industrial Park and an economic development loan to a tenant located in the industrial park. Financing for this project is provided by a FY 1997 Louisiana Community Development Block Grant - Economic Development Block Grant in the amount of \$168,000. Of this amount, \$150,000 in revolving loan funds is available as a loan to J & M Industries, Inc. to purchase equipment for the sole purpose of facilitating the expansion of its existing facility located in Ponchatoula, Louisiana.

City of Ponchatoula  
SPECIAL REVENUE FUNDS

COMBINING BALANCE SHEET

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

	ASSETS										TOTALS	
	1995 SALES TAX FUND	1982 SALES TAX FUND	SOLID WASTE COLLECTION FUND	MAUSOLEUM TRUST FUND	EMERGENCY HOUSING REHABILITATION FUND	FIREMAN PAY MILLAGE FUND	POLICEMAN PAY MILLAGE FUND	EQUIPMENT MILLAGE FUND	FY 91 & 97 L.C.D.B.G. ECONOMIC DEVELOPMENT FUNDS	1999	1998	
Cash	\$171,173	\$173,331	\$13,186	\$843	\$28	\$48,740	\$79,230	\$12,106	\$-	\$498,637	\$353,013	
Investments	-	-	-	29,000	-	40,000	273,966	-	-	342,966	329,000	
Due from Other Funds	-	-	-	-	-	-	-	-	-	-	-	
Receivables (Net of Allowance for Uncollectible Accounts:												
Grants	-	-	-	-	-	-	-	-	-	-	1,476	
Taxes	66,439	66,439	-	-	-	-	-	-	-	132,878	137,435	
Notes	-	-	-	-	957	-	-	-	229,243	230,200	115,061	
Total Assets	\$237,612	\$239,770	\$13,186	\$29,843	\$985	\$88,740	\$353,196	\$12,106	\$229,243	\$1,204,681	\$935,985	

LIABILITIES AND FUND BALANCES

Liabilities:												
Accounts Payable	\$432	\$432	\$-	\$-	\$-	\$-	\$-	\$-	\$1,476	\$2,340	\$1,941	
Due to Other Funds	-	-	8,804	-	-	-	-	-	-	8,804	8,805	
Deferred Revenue	-	-	-	-	-	-	-	-	227,767	227,767	112,625	
Total Liabilities	\$432	\$432	\$8,804	\$-	\$-	\$-	\$-	\$-	\$229,243	\$238,911	\$123,372	
Fund Balances:												
Unreserved - Designated	-	-	-	12,661	985	-	-	-	-	13,646	20,400	
Undesignated	237,180	239,338	4,382	17,182	-	88,740	353,196	12,106	-	952,124	792,213	
Total Liabilities and Fund Balances	\$237,612	\$239,770	\$13,186	\$29,843	\$985	\$88,740	\$353,196	\$12,106	\$229,243	\$1,204,681	\$935,985	

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS

COMBINING STATEMENT 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

	1999	1998	FY 91 & 97 L.C.D.B.G. ECONOMIC DEVELOPMENT FUNDS										TOTALS			
	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	FUND	1999	1998
Revenues:																
Taxes	\$ 781,481	\$ 781,481	\$ -	\$ -	\$ 35,293	\$ 99,684	\$ 35,293	\$ -	\$ -	\$ 1,733,232	\$ 1,552,708					
Commissions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	481
Grant	-	-	-	-	-	-	-	-	1,103	46,552	33,177					
Interest and																
Miscellaneous	5,385	5,204	486	1,457	4,487	20,545	858	7,908		46,516	42,365					
Total Revenues	\$ 786,866	\$ 786,685	\$ 486	\$ 1,457	\$ 39,780	\$ 120,229	\$ 37,254	\$ 53,357	\$ 1,826,300	\$ 1,628,731						
Expenditures:																
General Government	\$ 5,579	\$ 5,580	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ 500	\$ -	\$ 14,159	\$ 49,894					
Public Safety	-	-	-	-	55,792	91,905	-	-	-	-	147,697	110,827				
Public Works	-	-	-	-	-	-	-	-	-	-	-	-				
Cemetery	-	-	-	-	-	-	-	-	-	-	-	-				
Industrial Park	-	-	-	-	-	-	-	-	-	-	-	-				
Health and Safety	-	-	-	7,134	-	-	-	-	-	-	7,134	-				
Other	-	-	-	-	-	-	-	-	-	53,357	39,424					
Capital Outlay	-	-	-	-	-	-	-	65,714	-	55,714	14,564					
Total Expenditures	\$ 5,579	\$ 5,580	\$ 500	\$ 7,634	\$ 56,292	\$ 92,405	\$ 66,214	\$ 53,357	\$ 288,061	\$ 214,709						
Excess (Deficiency) of Revenues Over Expenditures	\$ 781,287	\$ 781,105	\$ (14)	\$ 957	\$ (7,448)	\$ (16,512)	\$ (27,824)	\$ (28,960)	\$ -	\$ 1,538,239	\$ 1,414,022					
Other Financing Sources (Uses):																
Operating Transfers In	-	13,050	-	-	-	-	-	-	-	13,050	39,288					
Operating Transfers Out	(694,333)	(703,792)	-	-	-	-	-	-	-	(1,398,132)	(1,236,842)					
Excess (Deficiency) of Revenues and Other Sources Over Expenditures and Other Uses	\$ 86,954	\$ 90,356	\$ (14)	\$ 957	\$ (7,448)	\$ (16,512)	\$ (27,824)	\$ (28,960)	\$ -	\$ 153,157	\$ 216,468					
Fund Balances:																
Beginning of Year	150,226	148,982	4,396	28,886	8,433	105,252	325,372	41,066	-	812,613	596,145					
End of Year	\$ 237,180	\$ 239,338	\$ 4,382	\$ 29,843	\$ 88,740	\$ 353,196	\$ 12,106	\$ -	\$ -	\$ 955,770	\$ 812,613					

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
1965 SALES TAX FUND

EXHIBIT G-2

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

	1999		VARIANCE- FAVORABLE	1998
	REVISED BUDGET	ACTUAL	(UNFAVORABLE)	ACTUAL
Revenues:				
Taxes - Sales Taxes	\$ 768,000	\$ 781,481	\$ 13,481	\$ 691,002
Interest	5,300	5,385	85	2,911
Total Revenues	\$ 773,300	\$ 786,866	\$ 13,566	\$ 693,913
Expenditures:				
General Government:				
Collection Fees	\$ 5,047	\$ 5,079	\$ (32)	\$ 4,492
Enterprise Zone Refund	-	-	-	18,455
Miscellaneous	500	500	-	500
Total Expenditures	\$ 5,547	\$ 5,579	\$ (32)	\$ 23,447
Excess of Revenues Over Expenditures	\$ 767,753	\$ 781,287	\$ 13,534	\$ 670,466
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$(694,333)	\$(694,333)	\$ -	\$(575,000)
FY 1993 Capital Improvement Fund	-	-	-	( 21,050)
Total Other Financing Sources (Uses)	\$(694,333)	\$(694,333)	\$ -	\$(596,050)
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 73,420	\$ 86,954	\$ 13,534	\$ 74,416
Fund Balance at Beginning of Year	150,226	150,226	-	75,810
Fund Balance at End of Year	\$ 223,646	\$ 237,180	\$ 13,534	\$ 150,226

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
1982 SALES TAX FUND

EXHIBIT G-3

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

	1999		VARIANCE- FAVORABLE	1998
	REVISED BUDGET	ACTUAL	(UNFAVORABLE)	ACTUAL
Revenues:				
Taxes - Sales Taxes	\$ 768,000	\$ 781,481	\$ 13,481	\$ 691,002
Interest	<u>5,000</u>	<u>5,204</u>	<u>204</u>	<u>2,841</u>
Total Revenues	\$ 773,000	\$ 786,685	\$ 13,685	\$ 693,843
Expenditures:				
General Government:				
Collection Fee	\$ 5,047	\$ 5,080	\$ 33	\$ 4,492
Enterprise Zone Refund	-	-	-	18,455
Miscellaneous	<u>500</u>	<u>500</u>	<u>-</u>	<u>500</u>
Total Expenditures	\$ <u>5,547</u>	\$ <u>5,580</u>	\$ <u>(33)</u>	\$ <u>23,447</u>
Excess of Revenues Over Expenditures	\$ 767,453	\$ 781,105	\$ 13,652	\$ 670,396
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
1995 Sales Tax Sinking Fund	\$ 13,050	\$ 13,050	\$ -	\$ 39,288
General Fund	(534,833)	(534,832)	1	(425,000)
1995 Sales Tax Sinking Fund	(168,970)	(168,967)	3	(162,798)
FY93 Capital Projects	<u>-</u>	<u>-</u>	<u>-</u>	<u>(52,994)</u>
Total Other Financing Sources (Uses)	\$ <u>(690,753)</u>	\$ <u>(690,749)</u>	\$ <u>4</u>	\$ <u>(601,504)</u>
Excess (Deficiency) of Revenues Over Expenditures and Other Uses	\$ 76,700	\$ 90,356	\$ 13,656	\$ 68,892
Fund Balance at Beginning of Year	<u>148,982</u>	<u>148,982</u>	<u>-</u>	<u>80,090</u>
Fund Balance at End of Year	\$ <u>225,682</u>	\$ <u>239,338</u>	\$ <u>13,656</u>	\$ <u>148,982</u>

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
SOLID WASTE COLLECTION FUND

EXHIBIT G-4

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	ORIGINAL BUDGET	ACTUAL		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest	<u>500</u>	<u>486</u>	<u>(14)</u>	<u>795</u>
Total Revenues	\$ 500	\$ 486	\$ (14)	\$ 795
Expenditures:				
General Government	\$ 500	\$ 500	\$ -	\$ 500
Public Works	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	\$ <u>500</u>	\$ <u>500</u>	\$ <u>-</u>	\$ <u>500</u>
Excess of Revenues Over Expenditures	\$ -	\$ (14)	\$ (14)	\$ 295
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ -	\$ (14)	\$ (14)	\$ 295
Fund Balance at Beginning of Year	<u>4,396</u>	<u>4,396</u>	<u>-</u>	<u>4,101</u>
Fund Balance at End of Year	<u>\$ 4,396</u>	<u>\$ 4,382</u>	<u>\$ (14)</u>	<u>\$ 4,396</u>

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
MAUSOLEUM TRUST FUND

EXHIBIT G-5

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

	1999			
	<u>REVISED BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE- FAVORABLE (UNFAVORABLE)</u>	<u>1998 ACTUAL</u>
Revenues:				
Sale of Crypts	\$ -	\$ -	\$ -	\$ 482
Interest	<u>1,400</u>	<u>1,457</u>	<u>57</u>	<u>1,462</u>
Total Revenues	\$ 1,400	\$ 1,457	\$ 57	\$ 1,944
Expenditures:				
General Government	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
Total Expenditures	<u>\$ 500</u>	<u>\$ 500</u>	<u>\$ -</u>	<u>\$ 500</u>
Excess of Revenues Over Expenditures	\$ 900	\$ 957	\$ 57	\$ 1,444
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ 900	\$ 957	\$ 57	\$ 1,444
Fund Balance at Beginning of Year	<u>28,872</u>	<u>28,886</u>	<u>14</u>	<u>27,442</u>
Fund Balance at End of Year	<u>\$ 29,772</u>	<u>\$ 29,843</u>	<u>\$ 71</u>	<u>\$ 28,886</u>

See auditor's report.



City of Ponchatoula  
SPECIAL REVENUE FUNDS  
EMERGENCY HOUSING REHABILITATION FUND

EXHIBIT G-6

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Revenues:				
Taxes	\$ -	\$ -	\$ -	\$ -
Interest	<u>575</u>	<u>186</u>	<u>(389)</u>	<u>336</u>
Total Revenues	\$ 575	\$ 186	\$ (389)	\$ 336
Expenditures:				
General Government	\$ 500	\$ 500	\$ -	\$ 500
Health Safety	<u>6,900</u>	<u>7,134</u>	<u>(234)</u>	<u>-</u>
Total Expenditures	\$ <u>7,400</u>	\$ <u>7,634</u>	\$ <u>(234)</u>	\$ <u>500</u>
Excess of Revenues Over Expenditures	\$ (6,825)	\$ (7,448)	\$ (623)	\$ ( 164)
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ (6,825)	\$ (7,448)	\$ (623)	\$ ( 164)
Fund Balance at Beginning of Year	<u>8,433</u>	<u>8,433</u>	<u>-</u>	<u>8,597</u>
Fund Balance at End of Year	<u>\$ 1,608</u>	<u>\$ 985</u>	<u>\$ (623)</u>	<u>\$ 8,433</u>

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
FIREMAN PAY MILLAGE FUND

EXHIBIT G-7

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Revenues:				
Taxes - Ad Valorem	\$ 36,000	\$ 35,293	\$ (707)	\$ 35,109
Interest and Miscellaneous	<u>4,850</u>	<u>4,487</u>	<u>(363)</u>	<u>4,955</u>
Total Revenues	\$ 40,850	\$ 39,780	\$ (1,070)	\$ 40,064
Expenditures:				
General Government	\$ 500	\$ 500	\$ -	\$ 500
Public Safety:				
Salaries	<u>51,142</u>	<u>55,792</u>	<u>(4,650)</u>	<u>35,255</u>
Total Expenditures	<u>\$ 51,642</u>	<u>\$ 56,292</u>	<u>\$ (4,650)</u>	<u>\$ 35,755</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (10,792)	\$ (16,512)	\$ (5,720)	\$ 4,309
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ (10,792)	\$ (16,512)	\$ (5,720)	\$ 4,309
Fund Balance at Beginning of Year	<u>105,252</u>	<u>105,252</u>	<u>-</u>	<u>100,943</u>
Fund Balance at End of Year	<u>\$ 94,460</u>	<u>\$ 88,740</u>	<u>\$ (5,720)</u>	<u>\$ 105,252</u>

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
POLICEMAN PAY MILLAGE FUND

EXHIBIT G-8

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Revenues:				
Taxes - Ad Valorem	\$ 107,250	\$ 99,684	\$ (7,566)	\$ 100,486
Interest	<u>15,000</u>	<u>20,545</u>	<u>5,545</u>	<u>20,166</u>
Total Revenues	\$ 122,250	\$ 120,229	\$ (2,021)	\$ 120,652
Expenditures:				
General Government	\$ 500	\$ 500	\$ -	\$ 500
Public Safety:				
Salaries	<u>91,914</u>	<u>91,905</u>	<u>-</u>	<u>75,572</u>
Total Expenditures	<u>\$ 92,414</u>	<u>\$ 92,405</u>	<u>\$ 9</u>	<u>\$ 76,072</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ 29,836	\$ 27,824	\$ (2,012)	\$ 44,580
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ 29,836	\$ 27,824	\$ (2,012)	\$ 44,580
Fund Balance at Beginning of Year	<u>325,372</u>	<u>325,372</u>	<u>-</u>	<u>280,792</u>
Fund Balance at End of Year	<u>\$ 355,208</u>	<u>\$ 353,196</u>	<u>\$ (2,012)</u>	<u>\$ 325,372</u>

See auditor's report.

City of Ponchatoula  
SPECIAL REVENUE FUNDS  
EQUIPMENT MILLAGE FUND

EXHIBIT G-9

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

	1999		VARIANCE- FAVORABLE	1998
	REVISED BUDGET	ACTUAL	(UNFAVORABLE)	ACTUAL
Revenues:				
Taxes - Ad Valorem	\$ 36,000	\$ 35,293	\$ (707)	\$ 35,109
Intergovernmental Grant	1,350	1,103	(247)	1,476
Interest	<u>850</u>	<u>858</u>	<u>8</u>	<u>1,175</u>
Total Revenues	\$ 38,200	\$ 37,254	\$ (946)	\$ 37,760
Expenditures:				
General Government	\$ 500	\$ 500	\$ -	\$ 500
Capital Outlay:				
Equipment	<u>64,185</u>	<u>65,714</u>	<u>(1,529)</u>	<u>14,564</u>
Total Expenditures	\$ <u>64,685</u>	\$ <u>66,214</u>	\$ <u>(1,529)</u>	\$ <u>15,064</u>
Excess (Deficiency) of Revenues Over Expenditures	\$ (26,485)	\$ (28,960)	\$ (2,475)	\$ 22,696
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	\$ -	\$ -	\$ -	\$ -
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ (26,485)	\$ (28,960)	\$ (2,475)	\$ 22,696
Fund Balance at Beginning of Year	<u>41,066</u>	<u>41,066</u>	<u>-</u>	<u>18,370</u>
Fund Balance at End of Year	\$ <u><u>14,581</u></u>	\$ <u><u>12,106</u></u>	\$ <u><u>(2,475)</u></u>	\$ <u><u>41,066</u></u>

See auditor's report.

City Of Ponchatoula  
SPECIAL REVENUE FUNDS  
FY 91 L.C.D.B.G. ECONOMIC DEVELOPMENT FUND

EXHIBIT G-10

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Revenues:				
Intergovernmental Grant	\$ 32,200	\$ 30,774	\$ (1,426)	\$ 31,701
Interest	<u>10,400</u>	<u>5,365</u>	<u>(5,035)</u>	<u>7,723</u>
Total Revenues	\$ 42,600	\$ 36,139	\$ (6,461)	\$ 39,424
Expenditures:				
Economic Development	\$ 42,600	\$ 36,139	\$ (6,461)	\$ 39,424
Total Expenditures	\$ 42,600	\$ 36,139	\$ (6,461)	\$ 39,424
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	-	-	-	-
1995 Sales Tax Sinking Fund	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ -	\$ -	\$ -	\$ -
Fund Balance at Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance at End of Year	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

See auditor's report.

City Of Ponchatoula  
SPECIAL REVENUE FUNDS  
FY 97 L.C.D.B.G. ECONOMIC DEVELOPMENT FUND

EXHIBIT G-11

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

	1999		VARIANCE- FAVORABLE (UNFAVORABLE)	1998 ACTUAL
	REVISED BUDGET	ACTUAL		
Revenues:				
Intergovernmental Grant	\$ -	\$ 14,675	\$ 14,675	\$ -
Interest	-	2,543	2,543	-
Total Revenues	\$ -	\$ 17,218	\$ 17,218	\$ -
Expenditures:				
Economic Development	\$ -	\$ 17,218	\$ (17,218)	\$ -
Total Expenditures	\$ -	\$ 17,218	\$ (17,218)	\$ -
Excess (Deficiency) of Revenues Over Expenditures	\$ -	\$ -	\$ -	\$ -
Other Financing Sources (Uses):				
Operating Transfers In (Out):				
General Fund	-	-	-	-
1995 Sales Tax Sinking Fund	-	-	-	-
Total Other Financing Sources (Uses)	\$ -	\$ -	\$ -	\$ -
Excess (Deficiency) of Revenues Over Expend- itures and Other Uses	\$ -	\$ -	\$ -	\$ -
Fund Balance at Beginning of Year	-	-	-	-
Fund Balance at End of Year	\$ -	\$ -	\$ -	\$ -

See auditor's report.

#### DEBT SERVICE FUNDS

Debt Service Funds - To account for the payment of principal and interest of the following:

1. Series ST-1994 Public Improvement Bonds-General Long-Term Debt for the purpose of capital improvements. The \$1,725,000 serial bonds are due in annual installments, plus interest, through maturity in 2009. Annual interest rate of 4.10% to 9.00%. Payment of these bonds is secured by an irrevocable pledge and dedication of the proceeds of the 1982 1% sales tax.
2. Series 1998 Certificates of Indebtedness - General Long-Term Debt for the purpose of paying the costs of (i) constructing, improving and maintaining streets, (ii) financing and/or refinancing the purchase of vehicles and equipment, (iii) making other capital improvements in the City and (iv) paying the costs incurred in connection with the issuance of the certificates. The \$750,000 serial certificates are due in annual installments, plus interest through maturity in 2008. Annual interest rate of 5.20%. Payment of these certificates is secured by a pledge and dedication of the excess revenues of the General Fund.

City of Ponchatoula  
DEBT SERVICE FUNDS

EXHIBIT H

COMBINING BALANCE SHEET

June 30, 1999  
with Comparative Totals as of June 1998

	ASSETS		TOTALS	
	FY 1998 CAPITAL <u>IMPROVEMENTS</u>	FY 1995 CAPITAL <u>IMPROVEMENTS</u>	<u>1999</u>	<u>1998</u>
Assets:				
Cash	\$ -	\$ 65,412	\$ 65,412	\$ 56,981
Investments	-	165,410	165,410	173,319
Accrued Interest Receivable	-	2,227	2,227	-
Due From Fiscal Agent Bank	-	-	-	-
Total Assets	\$ <u>-</u>	\$ <u>233,049</u>	\$ <u>233,049</u>	\$ <u>230,300</u>
LIABILITIES AND FUND BALANCES				
Liabilities	\$ -	\$ -	\$ -	\$ -
Fund Balance:				
Reserved for Debt Service	-	233,049	233,049	230,300
Unreserved - Undesignated	-	-	-	-
Total Fund Balances	\$ <u>-</u>	\$ <u>233,049</u>	\$ <u>233,049</u>	\$ <u>230,300</u>
Total Liabilities and Fund Balances	\$ <u>-</u>	\$ <u>233,049</u>	\$ <u>233,049</u>	\$ <u>230,300</u>

See auditor's report.



City of Ponchatoula  
DEBT SERVICE FUNDS

EXHIBIT H-1

COMBINING STATEMENT 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>FY 1998 CAPITAL IMPROVEMENTS</u>	<u>FY 1995 CAPITAL IMPROVEMENTS</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Revenues:				
Interest	\$ -	\$ 13,799	\$ 13,799	\$ 10,262
Total Revenues	\$ -	\$ 13,799	\$ 13,799	\$ 10,262
Expenditures:				
General Government	\$ -	\$ -	\$ -	\$ 500
Principal Retirement	-	133,180	133,180	95,000
Interest	-	33,180	33,180	74,910
Paying Agent's Fee	-	-	-	300
Other	-	607	607	300
Total Expenditures	\$ -	\$ 166,967	\$ 166,967	\$ 171,010
(Deficiency) of Revenues Over Expenditures	\$ -	\$ (153,168)	\$ (153,168)	\$ (160,748)
Other Financing Sources (Uses):				
Operating Transfers From In (Out):				
1982 Sales Tax Fund	\$ -	\$ 168,967	\$ 168,967	\$ 162,798
1982 Sales Tax Fund	-	(13,050)	(13,050)	( 39,288)
Total Other Financing Sources	\$ -	\$ 155,917	\$ 155,917	\$ 123,510
Excess (Deficiency) of Revenues and Other Sources Over Expendi- tures and Other Uses	\$ -	\$ 2,749	\$ 2,749	\$ ( 37,238)
Fund Balances at Beginning of Year	-	230,300	230,300	267,538
Fund Balances at End of Year	\$ -	\$ 233,049	\$ 233,049	\$ 230,300

See auditor's report.

#### CAPITAL PROJECT FUNDS

- 1) FY 1993 Capital Improvement Fund-To account for the receipt and use of loan proceeds received from the issuance of Series 1993 \$600,000 Certificate of Obligation. Proceeds of these certificates are dedicated to specific capital improvements in the City to include improving streets, reroofing the Community Center, improving recreational facilities, renovations to City Hall, construction of a maintenance building at the city yard, sewer system rehabilitation, repairing the Kiwanis Park water tower and to purchase equipment.
- 2) FY 1995 Capital Improvement Fund-To account for the receipt and use of bond proceeds received from the issuance of Series ST-1995 \$1,725,000 Capital Improvement Bonds. The proceeds of this bond issue are dedicated to refunding the City's \$600,000 of Certificates of Indebtedness, Series 1993, and paying the cost of constructing, acquiring, extending and improving sewers and sewerage disposal works, waterworks facilities, drains and drainage facilities in the City.
- 3) FY 1998 Capital Improvement Fund-To account for the receipt and use of loan proceeds received from the issuance of Series 1998 \$750,000 Certificates of Indebtedness. Proceeds of these certificates are dedicated for the purpose of paying the costs of (i) constructing, improving and maintaining streets, (ii) financing and/or refinancing the purchase of vehicles and equipment, (iii) making other capital improvements in the City and (iv) paying the costs incurred in connection with the issuance thereof.

City of Ponchatoula  
CAPITAL PROJECTS FUNDS

EXHIBIT I

COMBINING BALANCE SHEET

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

	FY 1998 CAPITAL PROJECTS <u>FUND</u>	FY 1993 CAPITAL PROJECTS <u>FUND</u>	FY 1995 CAPITAL PROJECTS <u>FUND</u>	TOTALS (MEMORANDUM ONLY)	
				<u>1999</u>	<u>1998</u>
<u>ASSETS</u>					
Cash	\$ 2,771	\$ -	\$ 6,068	\$ 8,839	\$ 11,790
Investments	621,783	-	-	621,783	-
Federal Grant	-	-	-	-	-
Notes	-	-	-	-	-
Total Assets	<u>\$624,554</u>	<u>\$ -</u>	<u>\$ 6,068</u>	<u>\$630,622</u>	<u>\$ 11,790</u>
<u>LIABILITIES AND FUND BALANCE</u>					
Accounts Payable	\$ -	\$ -	\$ -	\$ -	\$ -
Construction Contracts Payable	-	-	-	-	-
Construction Retainage Payable	-	-	-	-	-
Due to Other Funds	-	-	5,332	5,332	-
Total Liabilities	\$ -	\$ -	\$ 5,332	\$ 5,332	\$ -
Fund Balance (Deficit):					
Unreserved-Undesignated	624,554	-	736	625,290	11,790
Total Liabilities and Fund Balance	<u>\$624,554</u>	<u>\$ -</u>	<u>\$ 6,068</u>	<u>\$630,622</u>	<u>\$ 11,790</u>

See auditor's report.

City of Ponchatoula  
CAPITAL PROJECTS FUNDS

EXHIBIT I-1

COMBINING STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES

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

	FY 1998 CAPITAL PROJECTS <u>FUND</u>	FY 1993 CAPITAL PROJECTS <u>FUND</u>	FY 1995 CAPITAL PROJECTS <u>FUND</u>	TOTALS (MEMORANDUM ONLY) <u>1999</u> <u>1998</u>	
Revenues:					
Interest Income	\$ 23,620	\$ -	\$ 346	\$ 23,966	\$ 812
Total Revenues	\$ 23,620	\$ -	\$ 346	\$ 23,966	\$ 812
Expenditures:					
General Government	\$ -	\$ 173	\$ 1,062	\$ 1,235	\$ 1,000
Administration	10,582	-	-	10,582	-
Furniture & Equipment	46,100	-	-	46,100	-
City Hall Renovations	-	-	10,165	10,165	26,183
Street Overlay	81,584	-	-	81,584	-
Equipment Lease	10,800	-	-	10,800	-
Total Expenditures	\$ 149,066	\$ 173	\$ 11,227	\$ 160,466	\$ 27,183
(Deficiency) of Revenues over Expenditures	\$ (125,446)	\$ (173)	\$ (10,881)	\$ (136,500)	\$ (26,371)
Other Financing Sources (Uses):					
Transfer from 1982 Sales Tax Fund	\$ -	-	-	-	52,994
Transfer from 1965 Sales Tax Fund	-	-	-	-	21,050
Transfer to FY 1993 Capital Projects Fund	-	-	-	-	-
Certificate of Indebted- ness	750,000	-	-	750,000	-
Total Other Financing Sources (Uses)	\$ 750,000	\$ -	\$ -	\$ 750,000	\$ 74,044
Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over Expenditures and Other Financing Sources (Uses)	\$ 624,554	\$ (173)	\$ (10,881)	\$ 613,500	\$ 47,673
Fund Balances at Beginning of Year	-	173	11,617	11,790	(35,883)
Fund Balances (Deficit) at End of Year	\$ 624,554	\$ -	\$ 736	\$ 625,290	\$ 11,790

See auditor's report.

PROPRIETARY FUNDS

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

City of Ponchatoula  
 PROPRIETARY FUNDS  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J

COMBINING BALANCE SHEET

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

ASSETS

	WATER FUND	SEWER FUND	TOTALS	
			1999	1998
<b>Current Assets:</b>				
Cash	\$ 258,778	\$ 16	\$ 258,794	\$ 144,351
Investments	3,643	-	3,643	-
Due from General Fund	9,600	4,886	14,486	14,486
Due from Sewer Fund	14,932	-	14,932	14,892
Intergovernmental Grant Receivable	-	-	-	215,141
<b>Receivables:</b>				
Accounts Receivable	26,798	57,867	84,665	91,710
Less: Allowance for Uncollectible Accounts	<u>( 8,400)</u>	<u>( 18,000)</u>	<u>( 26,400)</u>	<u>( 26,400)</u>
Total Receivables	<u>\$ 18,398</u>	<u>\$ 39,867</u>	<u>\$ 58,265</u>	<u>\$ 65,310</u>
 Total Current Assets	 \$ 305,351	 \$ 44,769	 \$ 350,120	 \$ 454,180
<b>Restricted Assets:</b>				
Utility Customers' Deposits:				
Cash	\$ 28,930	\$ -	\$ 28,930	\$ 7,017
Investments	<u>99,045</u>	<u>-</u>	<u>99,045</u>	<u>99,500</u>
	\$ 127,975	\$ -	\$ 127,975	\$ 106,517
 Sewer Revenue Fund Cash	 -	 16,168	 16,168	 186,210
Sewer Sinking Fund Cash	-	61,860	61,860	119,808
Sewer Reserve Fund Cash	-	5	5	5
Sewer Revenue Fund Investments	-	229,974	229,974	-
Sewer Reserve Fund Investments	-	196,803	196,803	195,390
Sewer Renewal and Replacement Fund Cash	<u>-</u>	<u>51,299</u>	<u>51,299</u>	<u>22,308</u>
Total Restricted Assets	\$ 127,975	\$ 556,109	\$ 684,084	\$ 630,238
 Plant and Equipment, at Cost	 \$2,531,757	 \$ 6,365,173	 \$ 8,896,930	 \$ 8,224,044
Less: Accumulated Depreciation	<u>(698,703)</u>	<u>(1,385,900)</u>	<u>(2,084,603)</u>	<u>(1,878,203)</u>
	\$1,833,054	\$ 4,979,273	\$ 6,812,327	\$ 6,345,841
 Land	 89,253	 3,170	 92,423	 92,423
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>358,190</u>
Total Plant and Equipment	<u>\$1,922,307</u>	<u>\$ 4,982,443</u>	<u>\$ 6,904,750</u>	<u>\$ 6,796,454</u>
 Total Assets	 <u>\$2,355,633</u>	 <u>\$ 5,583,321</u>	 <u>\$ 7,938,954</u>	 <u>\$ 7,880,872</u>

(CONTINUED)

City of Ponchatoula  
 PROPRIETARY FUNDS  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J  
 (CONTINUED)

COMBINING BALANCE SHEET (CONTINUED)

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

LIABILITIES AND FUND EQUITY

	<u>WATER FUND</u>	<u>SEWER FUND</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Current Liabilities (Payable From Current Assets):				
Accounts Payable	\$ 7,795	\$ 8,259	\$ 16,054	\$ 16,054
Contracts Payable	-	-	-	185,426
Retainage Payable	-	-	-	29,715
Other Accrued Expenses	-	-	-	3,750
Due to Water Fund	-	14,932	14,932	14,892
Bank Overdraft	-	38,734	38,734	-
Total Current Liabilities (Payable from Current Assets) \$	7,795	\$ 61,925	\$ 69,720	\$ 249,837
Current Liabilities (Payable From Restricted Assets):				
Customers' Deposits	\$ 127,975	\$ -	\$ 127,975	\$ 106,517
Accrued Bond Interest	-	30,210	30,210	31,335
Revenue Bonds Payable	-	100,000	100,000	95,000
Total Current Liabilities (Payable from Restricted Assets) \$	127,975	\$ 130,210	\$ 258,185	\$ 232,852
Long-Term Liabilities:				
Revenue Bonds Payable	-	1,695,000	1,695,000	1,798,924
Total Liabilities	\$ 135,770	\$1,887,135	\$2,022,905	\$2,281,613
Equity:				
Contributed Capital:				
Capital Grants	\$1,413,043	\$1,734,703	\$3,147,746	\$2,881,921
Less: Amortization	(258,413)	(229,150)	(487,563)	(446,218)
	\$1,154,630	\$1,505,553	\$2,660,183	\$2,435,703
Municipality	585,132	1,677,798	2,262,930	2,262,930
Total Contributed Capital	\$1,739,762	\$3,183,351	\$4,923,113	\$4,698,633
Retained Earnings:				
Reserved for Revenue Bond Retirement	\$ -	\$ 425,899	\$ 425,899	\$ 397,386
Unreserved - Undesignated	480,101	86,936	567,037	503,240
Total Retained Earnings	\$ 480,101	\$ 512,835	\$ 992,936	\$ 900,626
Total Equity	\$2,219,863	\$3,696,186	\$5,916,049	\$5,599,259
Total Liabilities and Equity	\$2,355,633	\$5,583,321	\$7,938,954	\$7,880,872

See auditor's report.

City of Ponchatoula  
 PROPRIETARY FUNDS  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J-1

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS

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

	WATER FUND	SEWER FUND	TOTALS	
			1999	1998
Operating Revenues:				
Charges for Services	\$ 248,565	\$ 536,012	\$ 784,577	\$ 705,775
Connection Fees and Other Revenue	11,966	15,253	27,219	29,534
Total Operating Revenues	\$ 260,531	\$ 551,265	\$ 811,796	\$ 735,309
Operating Expenses:				
Salaries	\$ 31,711	\$ 77,174	\$ 108,885	\$ 111,676
Payroll Taxes and Employee Benefits	8,793	21,705	30,498	28,253
Supplies	19,181	13,349	32,530	35,500
Repairs and Maintenance	18,648	81,035	99,683	73,511
Vehicle Expense	2,374	5,084	7,458	9,909
Miscellaneous	4,932	39,182	44,114	28,718
Utilities and Telephone	26,108	112,268	138,376	120,267
Depreciation	46,774	159,625	206,399	198,285
Water Chlorination	4,968	-	4,968	5,796
Postage and Office Supplies	(11)	6,790	6,779	5,839
Insurance	8,512	8,480	16,992	11,152
Bad Debts	1,525	8,485	10,010	16,661
Engineering	-	-	-	390
Total Operating Expenses	\$ 173,515	\$ 533,177	\$ 706,692	\$ 645,957
Operating Income (Loss)	\$ 87,016	\$ 18,088	\$ 105,104	\$ 89,352
Non-Operating Revenues (Expenses):				
Interest Income	\$ 15,988	\$ 17,088	\$ 33,076	\$ 31,421
Interest Expense	-	(84,280)	(84,280)	(94,322)
Total Non-Operating Revenues (Expenses)	\$ 15,988	\$ (67,192)	\$ (51,204)	\$ (62,901)
Income (Loss) before Operating Transfers	\$ 103,004	\$ (49,104)	\$ 53,900	\$ 26,451

(CONTINUED)



City of Ponchatoula  
 PROPRIETARY FUNDS  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J-1  
 (CONTINUED)

COMBINING STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN RETAINED EARNINGS (CONTINUED)

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

	<u>WATER</u> <u>FUND</u>	<u>SEWER</u> <u>FUND</u>	<u>TOTALS</u>	
			<u>1999</u>	<u>1998</u>
Operating Transfers In (Out):				
General Fund	\$ (2,935)	\$ -	\$ (2,935)	\$ 246
1993 Capital Projects Fund	-	-	-	-
Debt Service Fund	-	-	-	-
Water Fund	-	5,430	5,430	-
Sewer Fund	<u>(5,430)</u>	<u>-</u>	<u>(5,430)</u>	<u>-</u>
Total Operating Transfers In (Out)	\$ <u>(8,365)</u>	\$ <u>5,430</u>	\$ <u>(2,935)</u>	\$ <u>246</u>
Net Income (Loss)	\$ 94,639	\$ (43,674)	\$ 50,965	\$ 26,697
Add: Current Year				
Depreciation on Fixed Assets Acquired by Grants Restricted for Construction that Reduces Contributed Capital	<u>22,370</u>	<u>18,975</u>	<u>41,345</u>	<u>46,486</u>
Increase (Decrease) in Retained Earnings	\$ 117,009	\$ (24,699)	\$ 92,310	\$ 73,183
Retained Earnings - Beginning of Year	<u>363,092</u>	<u>537,534</u>	<u>900,626</u>	<u>827,443</u>
Retained Earnings - End of Year	<u>\$ 480,101</u>	<u>\$ 512,835</u>	<u>\$ 992,936</u>	<u>\$ 900,626</u>

See auditor's report.

City of Ponchatoula  
 PROPRIETARY FUND  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J-2

COMBINING STATEMENT OF CASH FLOWS

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

	WATER FUND	SEWER FUND	TOTALS	
			1999	1998
Cash Flows From Operating Activities:				
Operating Income (Loss)	\$ 87,016	\$ 18,088	\$ 105,104	\$ 89,352
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities:				
Depreciation	46,774	159,625	206,399	198,285
Provision for Uncollectible Accounts	-	-	-	(47,400)
Changes in Assets and Liabilities:				
(Increase) Decrease in Accounts Receivable	2,163	4,882	7,045	38,205
Increase (Decrease) in Accounts Payable/ Accrued Expenses	(1,746)	(218,269)	(220,015)	3,995
Increase (Decrease) in Customer Deposits	<u>21,458</u>	<u>-</u>	<u>21,458</u>	<u>7,220</u>
Net Cash Provided by Operating Activities	\$ 155,665	\$ ( 35,674)	\$ 119,991	\$ 289,657
Cash Flows From Noncapital Financing Activities:				
(Increase) Decrease in Due from Sewer Fund	\$ (40)	\$ -	\$ (40)	\$ (9,399)
(Increase) Decrease in Due from General Fund	-	-	-	(14,486)
Operating Transfers In From Other Funds	-	5,430	5,430	246
Operating Transfers Out To Other Funds	(8,365)	-	(8,365)	-
Increase in Due to Water Fund	<u>-</u>	<u>40</u>	<u>40</u>	<u>9,399</u>
Net Cash Provided by (Used in) Noncapital Financing Activities	\$ (8,405)	\$ 5,470	\$ (2,935)	\$ (14,240)

(CONTINUED)

City of Ponchatoula  
 PROPRIETARY FUND  
 WATER AND SEWER ENTERPRISE FUNDS

EXHIBIT J-2  
 (CONTINUED)

COMBINING STATEMENT OF CASH FLOWS (CONTINUED)

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

	WATER FUND	SEWER FUND	TOTALS	
			1999	1998
Cash Flows From Capital and Related Financing Activities:				
Capital Grants Received	\$ -	\$ 480,965	\$ 480,965	\$ 140,149
Construction of Capital Assets	-	(298,752)	(298,752)	(143,049)
Purchase of Equipment	( 15,943)		( 15,943)	(54,863)
Contributed Capital - Municipality	-	-	-	-
Proceeds from Revenue Bonds Issued	-	-	-	-
Principal Paid on Revenue Bonds	-	( 98,924)	( 98,924)	(95,000)
Interest Paid on Revenue Bonds	-	( 84,280)	( 84,280)	(98,452)
Net Cash Used in Capital and Related Financing Activities	\$ ( 15,943)	\$ ( 991)	\$ ( 16,934)	\$ (251,215)
Cash Flows From Investing Activities:				
Interest Earned on Investments	\$ 15,988	\$ 17,088	\$ 33,076	\$ 31,419
Purchase of Investments	(102,688)	(426,777)	(529,465)	(334,390)
Proceeds from Maturities of Investments	<u>99,500</u>	<u>195,390</u>	<u>294,890</u>	<u>334,390</u>
Net Cash Provided by Investing Activities	\$ <u>12,800</u>	\$ <u>(214,299)</u>	\$ <u>(201,499)</u>	\$ <u>31,419</u>
Increase (Decrease) in Cash	\$ 144,117	\$ (245,494)	\$ (101,377)	\$ 55,621
Cash - Beginning of Year	<u>143,591</u>	<u>336,108</u>	<u>479,699</u>	<u>424,078</u>
Cash - End of Year	<u>\$ 287,708</u>	<u>\$ 90,614</u>	<u>\$ 378,322</u>	<u>\$ 479,699</u>
Reconciliation of Cash Accounts:				
Unrestricted Cash	\$ 258,778	\$ ( 38,718)	\$ 220,060	\$ 144,351
Restricted Cash	<u>28,930</u>	<u>129,332</u>	<u>158,262</u>	<u>335,348</u>
	<u>\$ 287,708</u>	<u>\$ 90,614</u>	<u>\$ 378,322</u>	<u>\$ 479,699</u>

See auditor's report.

FIDUCIARY FUND

NONEXPENDABLE TRUST FUND

Cemetery Endowment Fund - To account for monies provided by private donors to defray expenses of cleaning and maintaining the Ponchatoula Cemetery. The principal amount of each gift is to be maintained intact and invested. Investment earnings are dedicated to cleaning and maintaining the cemetery. Funds collected are managed by the Ponchatoula Cemetery Endowment Board. This Board consists of five members, each of whom are branch managers of the five financial institutions located in the City, and are approved by the Mayor and City Council. This fund was established upon adoption of Ordinance 408 by the Mayor and City Council on July 12, 1989.

City of Ponchatoula  
 NONEXPENDABLE TRUST FUND  
 CEMETERY ENDOWMENT FUND

EXHIBIT K

COMPARATIVE BALANCE SHEETS

June 30, 1999 and 1998

ASSETS

	<u>1999</u>	<u>1998</u>
Current Assets:		
Investments	\$ 89,322	\$ 84,472
Accrued Interest Receivable	<u>259</u>	<u>259</u>
Total Assets	<u>\$ 89,581</u>	<u>\$ 84,731</u>

LIABILITIES AND FUND BALANCE

Liabilities		
Due to General Fund	\$ -	\$ -
Total Liabilities	\$ -	\$ -
Fund Balance:		
Reserved for Endowment Principal	\$ 89,322	\$ 84,472
Reserved for Cemetery Maintenance	<u>259</u>	<u>259</u>
Total Fund Balance	<u>\$ 89,581</u>	<u>\$ 84,731</u>
Total Liabilities and Fund Balance	<u>\$ 89,581</u>	<u>\$ 84,731</u>

See auditor's report.

City of Ponchatoula  
NONEXPENDABLE TRUST FUND  
CEMETERY ENDOWMENT FUND

EXHIBIT K-1

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

For the Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Operating Revenues:		
Contributions	\$ 4,850	\$ 7,296
Interest	<u>3,964</u>	<u>4,126</u>
Total Operating Revenues	\$ 8,814	\$ 11,422
Operating Expenses:		
Cemetery Maintenance	\$ <u>3,964</u>	\$ <u>4,126</u>
Total Operating Expenses	\$ <u>3,964</u>	\$ <u>4,126</u>
Net Income	\$ 4,850	\$ 7,296
Fund Balance at Beginning of Year	<u>84,731</u>	<u>77,435</u>
Fund Balance at End of Year	<u>\$ 89,581</u>	<u>\$ 84,731</u>

See auditor's report.

City of Ponchatoula  
NONEXPENDABLE TRUST FUND  
CEMETERY ENDOWMENT FUND

EXHIBIT K-2

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:		
Net Income	\$ 4,850	\$ 7,296
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities:		
Increase (Decrease) in Due to General Fund	<u>          -</u>	<u>(3,590)</u>
Net Cash Provided by Operating Activities	\$ 4,850	\$ 3,706
Cash Flows From Investing Activities:		
Proceeds from Maturities of Investments	\$ 84,472	\$ -
Purchase of Investments	<u>(89,322)</u>	<u>(3,706)</u>
Net Cash Used in Investing Activities	<u>( 4,850)</u>	<u>(3,706)</u>
Increase in Cash	\$ -	\$ -
Cash at Beginning of Year	<u>          -</u>	<u>          -</u>
Cash at End of Year	<u><u>          -</u></u>	<u><u>          -</u></u>

See auditor's report.

GENERAL FIXED ASSETS ACCOUNT GROUP

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



City of Ponchatoula

EXHIBIT L

COMPARATIVE STATEMENTS OF GENERAL FIXED ASSETS - BY SOURCES

June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General Fixed Assets, at Cost:		
Land	\$ 281,748	\$ 281,748
Buildings	2,153,678	2,143,513
Improvements Other Than Buildings	3,893,225	3,893,225
Equipment	1,037,949	841,153
Construction in Progress	<u>-</u>	<u>-</u>
Total General Fixed Assets	<u>\$7,366,600</u>	<u>\$7,159,639</u>
Investment in General Fixed Assets from:		
General Obligation Bonds	\$1,752,043	\$1,752,044
Federal Grants	1,963,666	1,953,540
State Grants	833,129	833,129
General Fund Revenues	1,340,767	1,209,645
Sales Tax Revenues	881,556	881,556
Equipment Millage	218,173	152,459
Federal Shared Revenues	238,318	238,318
Special Assessments	45,948	45,948
Gifts	<u>93,000</u>	<u>93,000</u>
Total Investment in General Fixed Assets	<u>\$7,366,600</u>	<u>\$7,159,639</u>

See auditor's report.

City of Ponchatoula

EXHIBIT L-1

STATEMENT OF CHANGES IN GENERAL FIXED ASSETS

For the Year Ended June 30, 1999

	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	EQUIPMENT	CONSTRUCTION IN PROGRESS	TOTAL
General Fixed Assets, Beginning of Year	\$ 281,748	\$ 2,143,513	\$ 3,893,225	\$ 841,153	\$ -	\$ 7,159,639
Additions:						
General Fund Revenues	\$ -	\$ 10,165	\$ -	\$ 120,957	\$ -	\$ 131,122
Equipment Millage	-	-	-	65,714	-	65,714
Sales Tax Revenues	-	-	-	-	-	-
Federal Grant	-	-	-	-	-	-
State Grants	-	-	-	10,125	-	10,125
General Obligation Bonds	-	-	-	-	-	-
Transfers	-	-	-	-	-	-
Total Additions	\$ -	\$ 10,165	\$ -	\$ 196,796	\$ -	\$ 206,961
Total Balances and Additions	\$ 281,748	\$ 2,153,678	\$ 3,893,225	\$ 1,037,949	\$ -	\$ 7,366,600
Deductions:						
Assets Sold Transferred	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
General Fixed Assets, End of Year	\$ 281,748	\$ 2,153,678	\$ 3,893,225	\$ 1,037,949	\$ -	\$ 7,366,600

See auditor's report.

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.

City of Ponchatoula

EXHIBIT M

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 PAYMENT OF GENERAL LONG-TERM DEBT		
Amount Available in Debt Service Funds	\$ 226,934	\$ 230,300
Amount to be Provided in Future Years from:		
Sales and Use Tax	\$1,058,066	\$1,154,700
General Fund Revenues	816,512	84,173
Repayment of Note Receivable	<u>81,852</u>	<u>112,626</u>
	<u>1,956,430</u>	<u>1,351,499</u>
 Total Available and to be Provided	 <u>\$2,183,364</u>	 <u>\$1,581,799</u>
 GENERAL LONG-TERM DEBT PAYABLE		
Public Improvement Bonds Payable	\$1,285,000	\$1,385,000
Certificate of Obligation	757,500	22,500
Obligations Under Capital Leases	59,012	61,673
Obligation Under Grant Agreement	<u>81,852</u>	<u>112,626</u>
	<u>\$2,183,364</u>	<u>\$1,581,799</u>

See auditor's report.

OTHER SUPPLEMENTARY INFORMATION SCHEDULES

SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS

SCHEDULE OF COMPENSATION PAID ELECTED OFFICIALS

June 30, 1999

Term of Office - July 1, 1996 Through June 30, 2000

<u>NAME AND ADDRESS</u>	<u>POSITION</u>	<u>EXPIRATION OF TERM OF OFFICE</u>	<u>SALARY</u>
Julian E. Dufreche 125 Woodhaven Drive Ponchatoula, LA 70454 (504)386-6281	Mayor	June 30, 2000	\$ 39,600
C. W. Kinchen 248 West Hickory Ponchatoula, LA 70454 (504)386-6275	City Council District A	June 30, 2000	6,000
Frank Self 484 North 11th street Ponchatoula, LA 70454 (504)386-6348	City Council District B	June 30, 2000	6,000
James McKnight 333 West Magnolia Ponchatoula, LA 70454 (504)386-6779	City Council District C	June 30, 2000	6,000
Ora Lee Pea 1120 South First RR Ave Ponchatoula, LA 70454 (504)386-7693	City Council District D	June 30, 2000	6,000
Gary Stanga 175 Highland Road Ponchatoula, LA 70454 (504)386-3742	City Council District E Mayor Pro-tem	June 30, 2000	6,000
Timothy J. Gideon 575 East Pine Ponchatoula, LA 70454 (504)386-2152	Police Chief	June 30, 2000	34,262
			<u>\$103,862</u>

See auditor's report.

SCHEDULE OF CHANGES IN CASH ACCOUNTS  
CREATED PURSUANT TO ARTICLE V, SECTION 5 OF  
THE \$2,400,000 SEWER REVENUE BONDS SERIES 1991  
LOAN AND PLEDGE AGREEMENT



City of Ponchatoula

SCHEDULE 2

SCHEDULE OF CHANGES IN CASH ACCOUNTS  
 CREATED PURSUANT TO ARTICLE V, SECTION 5 OF  
 THE \$2,400,000 SEWER REVENUE BONDS SERIES 1991  
 LOAN AND PLEDGE AGREEMENT

For the Year Ended June 30, 1999

	REVENUE FUND SEC. 5.01	OPERATION AND MAINTENANCE FUND SEC. 5.02	SINKING FUND SEC. 5.03	RESERVE FUND SEC. 5.04	RENEWAL AND REPLACEMENT FUND SEC. 5.05	CONSTRUCTION FUND SEC. 5.06	TOTAL
Balance at Beginning of Year	\$186,210	\$ 7,777	\$119,808	\$195,395	\$ 22,308	\$ -	\$ 531,498
Cash Receipts:							
Sewer Fees Received	\$529,242	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,242
Transfers from:							
Revenue Fund	-	291,381	141,930	-	16,900	-	450,211
Sewer Escrow Fund	-	-	-	-	-	-	-
Sewer Sinking Fund	-	-	-	-	10,500	-	10,500
Sewer Bond Reserve Fund	-	-	-	-	-	-	-
Loan From Water Fund	-	-	-	-	-	-	-
Proceeds from Issuance of Bonds	-	-	-	-	-	-	-
Interest	10,907	-	3,295	1,413	1,591	-	17,206
Total Receipts	\$540,149	\$291,381	\$145,225	\$ 1,413	\$ 28,991	\$ -	\$1,007,159
Total Available	\$726,359	\$299,158	\$265,033	\$196,808	\$ 51,299	\$ -	\$1,538,657
Cash Disbursements:							
Transfers to:							
Operating and Maintenance	\$321,387	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 321,387
Sinking Fund	141,930	-	-	-	-	-	141,930
Reserve Fund	-	-	-	-	-	-	-
Renewal and Replacement Fund	16,900	-	10,500	-	-	-	27,400
Sewer Revenue Fund	-	-	-	-	-	-	-
Construction Costs	-	-	-	-	-	-	-
Operating Expenses	-	337,876	-	-	-	-	337,876
Bond Paid	-	-	98,924	-	-	-	98,924
Interest Paid	-	-	93,749	-	-	-	93,749
Equipment Purchased	-	-	-	-	-	-	-
Total Disbursements	\$480,217	\$337,876	\$203,173	\$ -	\$ -	\$ -	\$1,021,266
Balance at End of Year	\$245,142	\$(38,718)	\$ 51,860	\$195,808	\$ 51,299	\$ -	\$ 517,391

See auditor's report.

SCHEDULE OF INSURANCE COVERAGE IN FORCE (UNAUDITED)



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

June 30, 1999

<u>INSURANCE COMPANY</u>	<u>COVERAGE</u>	<u>AMOUNT</u>	<u>EXPIRATION DATE</u>
Commercial Union	Ponchatoula Collinswood Museum		
	Building	\$ 40,000	8/03/99
	Contents	\$ 15,000	8/03/99
	Liability	\$ 300,000	8/03/99
	Fire	\$ 100,000	8/03/99
Commercial Union	Employee Fidelity Bonds		
	Julian Dufreche	\$ 40,000	12/05/99
	Elizabeth LeSaicherre	\$ 40,000	12/05/99
	Ramona Umbach	\$ 40,000	12/05/99
	Gina Norton	\$ 20,000	12/05/99
	Stella Kraemer	\$ 20,000	12/05/99
	Marcia Sandifer	\$ 20,000	12/05/99
	Sue Davis	\$ 20,000	12/05/99
	Gary Stanga	\$ 40,000	12/05/99
Philadelphia Life Insurance Company	Accident and Health		
	Ponchatoula Civil Defense		4/23/00
	Loss of Life, Limbs, or Sight	\$ 4,000	
	Medical Payments	\$ 1,000	
	Daily In Hospital Benefit	\$ 25	

See auditor's report.

SCHEDULE OF CHANGES IN SEWER FUND FIXED ASSETS

City of Ponchatoula

SCHEDULE 4

SCHEDULE OF CHANGES IN SEWER FUND FIXED ASSETS

For the Year Ended June 30, 1999

	BUILDINGS	LINES	EQUIPMENT	MACHINERY WASTEWATER SEWER AND PLANT	TREATMENT LAND	CONSTRUCTION IN PROGRESS	TOTAL
Fixed Assets, Beginning of Year	\$ 2,000	\$ 3,272,179	\$ 134,598	\$ 2,299,454	\$ 3,170	-	\$ 5,711,401
Additions:							
Sewer Extension - Hwy 51 N.	31,907	625,034	-	-	-	-	656,941
Sewer Extension - Yokum Road	-	-	-	-	-	-	-
Sewer Extension Barringer Drive	-	-	-	-	-	-	-
Sewer Extension Fisher Lane	-	-	-	-	-	-	-
Deductions:							
Assets Sold	-	-	-	-	-	-	-
Construction Costs Capitalized	-	-	-	-	-	-	-
Fixed Assets, End of Year	\$ 33,907	\$ 3,897,213	\$ 134,598	\$ 2,299,454	\$ 3,170	-	\$ 6,368,342

See auditor's report.

SCHEDULE OF SEWER FUND USERS, RATES AND BILLINGS

City of Ponchatoula

SCHEDULE 5

SCHEDULE OF SEWER FUND USERS, RATES AND BILLINGS

June 30, 1999

TYPE OF USER	RATES ESTABLISHED BY ORDINANCE 504		ACTUAL BILLINGS FOR JUNE, 1999		ESTIMATED ANNUAL BILLING
	UNIT	CHARGE PER UNIT	UNIT	AVERAGE CHARGE PER UNIT	
1) Family Rate Residential	Each	\$17.50	Each	\$ 17.50	\$447,720
2) Metered Residential	Each	A	Each	\$ 23.33	\$ 1,680
3) Flat Rate Commercial	Each	\$17.50	Each	\$ 17.50	\$ 32,550
4) Metered Commercial	Each	A	Each	\$ 17.50	\$ 11,340
5) Apartment Houses and Multi-Family Each Unit, if Metered	Each	A	N/A-None Metered	\$ -	\$ -
6) Metered Industrial	Various	B	Various	\$131.82	\$ 4,746
7) Institutional	Various	C	Various	\$397.59	\$ 19,084
				\$43,093	\$517,120

Special Note: The City's present computerized utility billing system does not have the ability to accumulate year-to-date charges by customer. This schedule required by Section 12.03(h) of the \$2,400,000 Sewer Revenue Bond, Series 1991, Loan and Pledge Agreement was prepared by multiplying the actual number of customers billed for service in June 1999, by the actual rates in effect and computed an average monthly billing. This average monthly billing was multiplied by twelve months in the fiscal year to arrive at the estimated billings for the fiscal year ended June 30, 1999.

A - \$17.50 minimum up to 13,000 gallons plus \$1.36 per 1,000 gallons after 13,000.

B - \$17.50 minimum, or a sewer rate based on number of employees, sinks, commodes and/or floor drains.

C - The City may elect to allow a rate for sewer based on a per student, occupant/patient basis, number of sinks, commodes and/or floor drains, or number of employees.

See auditor's report.



SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended June 30, 1999

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
DIRECT FEDERAL AWARDS:			
U.S. Department of Housing And Urban Development:			
Passed through Louisiana Division of Administration:			
Community Development Block Grants - Small Cities Program			
FY 1996 LCDBG Contract #107-700157	14.219	N/A	\$ <u>273,043</u>
Total Expenditure of Federal Awards			\$ <u>273,043</u>

OTHER SUPPLEMENTAL INFORMATION:

U.S. Department of Housing  
and Urban Development

Passed through Louisiana  
Division of Administration:

Community Development Block  
Grants - Small Cities Program

FY 1997 LCDBG Contract #107-800280	14.219	Note 2 (d)	\$168,000
FY 1991 LCDBG Contract #501-7005	14.219	Note 2 (a)	-
FY 1991 LCDBG Contract #101-208	14.219	Note 2 (b)	-

Total U.S. Department of Housing and Urban Development	\$ <u>168,000</u>
--	-------------------

U.S. Environmental Protection Agency:

Passed through Louisiana Department  
of Environmental Quality:

Municipal Facilities Revolving  
Fund Loan Program Loan #  
CS-221002-1

Total U.S. Environmental Protection Agency	Note 2 (a)	-
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(Continued)

City of Ponchatoula

SCHEDULE 6  
(CONTINUED)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (CONTINUED)

For the Year Ended June 30, 1999

<u>Federal Grantor/Pass-Through Grantor/Program or Cluster Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Justice:</u>			
FY 1996 Local Law Enforcement Block Grants Program Award #96LBVX0946	N/A	N/A	\$ -
FY 1997 Local Law Enforcement Block Grants Program Award #97LBVX3137	N/A	N/A	-
FY 1998 Local Law Enforcement Block Grants Program Award #98LBVX3137			32,946
FY 1998 Local Law Enforcement Block Grants Program Grant #98UMWX1423	N/A	N/A	33,973
Total U.S. Department of Justice			<u>\$ 66,919</u>
<u>U.S. Department of Transportation:</u>			
Passed through Louisiana Department of Transportation And Development:			
Public Transportation Operating Assistance Program	20.509	741-53-0104	\$ 107,862
Total U.S. Department Of Transportation			<u>\$ 107,862</u>
Total Federal Awards			<u>\$ 615,824</u>

The accompanying notes are an integral part of this schedule.

City of Ponchatoula

NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

For the Year Ended June 30, 1999

**Note 1. Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Ponchatoula, Louisiana, and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the general purpose financial statements.

**Note 2. Other Supplementary Information**

- a. Indicates Community Development Block Grant low interest loan program for emergency home repairs to benefit low income residents. The contract with the State Division of Administration has expired but we continue to maintain and service these low interest loans. Total notes receivable at June 30, 1998, was \$12,596. New loans during the fiscal year ended June 30, 1999, totaled \$-0-. Principal payments during the fiscal year ended June 30, 1999, totaled \$378. Total notes receivable as of June 30, 1999, were \$12,218. Delinquent notes receivable as of June 30, 1999, totaled \$11,261.
- b. Indicates Community Development Block Grant for Economic Development. This grant is for roadway, lighting, water and sewer infrastructure improvements in the Ponchatoula Industrial Park and a low interest loan to assist J & M Industries, Inc. to relocate. Their total loans advanced to J & M Industries, Inc. as of June 30, 1999, were \$250,000. Principal and interest received during year ended June 30, 1999, totaled \$36,139. Notes receivable as of June 30, 1999, totaled \$82,953.
- c. Indicates \$2,400,000 Sewer Revenue Bond issued by the City of Ponchatoula held by the State of Louisiana, Department of Environmental Quality for improvements to the sewer system and wastewater treatment plant. Funding is provided from the Municipal Facilities Revolving Fund Loan Program. Bonds outstanding at June 30, 1998, totaled \$2,400,000. Additional drawdowns during the fiscal year ended June 30, 1999, totaled \$-0-. Principal repayments during the fiscal year ended June 30, 1999, totaled \$95,000. Bond outstanding as of June 30, 1999, totaled \$1,795,000.
- d. Indicates Community Development Block Grant for Economic Development. This grant is for an economic development loan to assist J & M Industries, Inc. in facilitating the expansion of its existing facility located in Ponchatoula, Louisiana. Their total loans advanced to J & M Industries, Inc. as of June 30, 1999, were \$150,000. Principal and interest received during the year ended June 30, 1999, totaled \$6,253. Notes receivable as of June 30, 1999 totaled \$146,290.

OTHER INDEPENDENT AUDITOR'S REPORTS  
AND FINDINGS AND RECOMMENDATIONS

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

# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA\*  
Dennis E. James, CPA\*  
\*A Professional Corporation

Member  
American Institute of  
Certified Public Accountants

Charles D. Mathews, CPA  
Bryon C. Garrety, CPA

Member  
Society of Louisiana  
Certified Public Accountants

August 19, 1999

Independent Auditor's Report on Compliance and on Internal  
Control Over Financial Reporting Based on an Audit of  
Financial Statements Performed in  
Accordance with Government Auditing Standards

The Honorable Julian E. Dufreche, Mayor  
and the Members of the City Council  
City of Ponchatoula, Louisiana

We have audited the general purpose financial statements of The City of Ponchatoula, Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated August 19, 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 City of Ponchatoula, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance that are required to be reported under Government Auditing Standards which are described in the accompanying schedule of findings and recommendations as items 99-1 and 99-2.

## Internal Control Over Financial Reporting

In planning and performing our audit, we considered City of Ponchatoula, Louisiana'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect City of Ponchatoula, Louisiana's ability to record, process, summarize

CITY OF PONCHATOULA

and report financial data consistent with the assertions of management in the general purpose financial statements. Reportable conditions are described in the accompanying schedule of findings and recommendations as items 99-3 through 99-4. We also noted other matters involving the internal control over financial reporting that we have reported to management of the City of Ponchatoula in a separate letter dated August 19, 1999.

A material weakness is a reportable condition in which the design or operation of one or more of the specific internal control structure elements does not reduce to a relatively low level the risk that errors or irregularities in 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 the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

This report is for the information of management, federal awarding agencies, pass through statistics the Louisiana Legislative Auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and City Council of the City of Ponchatoula, Louisiana, is a matter of public record.

Respectfully submitted,

  
DURNIN & JAMES, CPA'S



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

# Durnin & James

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August 19, 1999

Independent Auditor's Report on Compliance with Requirements  
Applicable to Each Major Federal Financial Assistance  
Program and Internal Control over Compliance  
in Accordance with OMB Circular A-133

The Honorable Julian E. Dufreche, Mayor  
and Members of the City Council  
City of Ponchatoula, Louisiana

Compliance

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

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, 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 City of Ponchatoula Louisiana's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on City of Ponchatoula, Louisiana's compliance with those requirements.

In our opinion, City of Ponchatoula, Louisiana's complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 1999.

Internal Control Over Compliance

The management of City of Ponchatoula, 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 City of Ponchatoula, Louisiana internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

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

Respectfully submitted,

  
DURNIN & JAMES, CPA'S

FINDINGS AND RECOMMENDATIONS

City of Ponchatoula

CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 1999  
FINDINGS AND RECOMMENDATIONS

COMPLIANCE

99-1 - Sinking Fund Not Established

FINDING:

During our audit and testing of debt service payments, we noted the City did not establish a special fund to be known as "City of Ponchatoula, State of Louisiana, Certificates of Indebtedness, Series 1998 Sinking Fund" as required by the authorizing resolution adopted to issue the certificates. The City did include in the FY 98-99 budget and actually paid from the general fund the required interest payment due March 1, 1999.

RECOMMENDATION:

We recommend the City immediately establish the sinking fund as required by the authorizing resolution and deposit sufficient funds to meet the funding requirements.

MANAGEMENT'S RESPONSE:

In management's corrective action plan dated November 8, 1999, the Mayor indicated that the City was under the assumption that a sinking fund was not required for the Series 1998 Certificate of Indebtedness. The required sinking fund will be established immediately and funded in accordance with the authorizing resolution.

99-2 - Employee Use of City Credit Cards

FINDING:

During our audit and testing of expenditures, we noted an instance in which an employee of the Main Street program while out of town for city business charged an unauthorized purchase to the City's credit card. The accounts payable clerk immediately informed the city clerk and notified the employee for prompt reimbursement to the City for the amount due.

RECOMMENDATION:

We recommend that the City adopt a comprehensive, written travel policy which is made a part of the employee personnel manual. This policy, which can be communicated to each employee who travels out of town on City business, should define what expenditures are allowable, what documentation should accompany each expenditure and what is considered prohibited expenditures.

MANAGEMENT'S RESPONSE:

In management's corrective action plan dated November 8, 1999, the Mayor indicated that the City is presently drafting a comprehensive personnel manual and travel policy which will include a section regarding the use of City credit cards.

INTERNAL CONTROL OVER FINANCIAL REPORTING

99-3 - Purchase Orders Not Approved

FINDING:

During our audit and testing of expenditures, we noted instances in which approved purchase orders did not accompany paid invoices. When reviewing the City's policy for

City of Ponchatoula

CURRENT YEAR AUDIT FINDINGS  
For the Year Ended June 30, 1999

FINDINGS AND RECOMMENDATIONS (CONTINUED)

approving invoices for payment with the accounts payable clerk, the city clerk and the mayor, we noted the City does not have a formal, written policy for internal control procedures over purchasing and accounts payable. The City has operated under a verbal policy which cannot be sufficiently documented and which has not been updated recently. Considering the population growth of the City and surrounding community and the impact such growth has had on the City's budget, we feel the City should adopt a comprehensive, written purchasing policy to document the City's procedures for purchasing and accounts payable.

RECOMMENDATION:

We recommend that the City adopt a comprehensive, written purchasing policy which documents in writing the City's established internal control procedures over purchasing and accounts payable. Such a written policy should be communicated to all responsible personnel and could aid in establishing detailed job descriptions and employee evaluations.

MANAGEMENT'S RESPONSE:

In management's corrective action plan dated November 8, 1999, the Mayor indicated he will appoint the City Clerk to research and formulate a comprehensive, written purchasing policy to document the City's procedures for purchasing and accounts payable.

99-4 - No Established Travel Policy

FINDING:

During our audit and testing of cash disbursements, we noted instances in which the documentation supporting the travel expenditure was not sufficient. We also noted that the City does not have a comprehensive, written travel policy which defines what expenditures are allowable, what documentation should accompany each expenditure and what is considered prohibited expenditures.

RECOMMENDATION:

We recommend that the City adopt a comprehensive, written travel policy which is made a part of the employee personnel manual. This policy, which can be communicated to each employee who travels out of town on City business, should define what expenditures are allowable, what documentation should accompany each expenditure and what is considered prohibited expenditure. We recommend the City travel policy comply with the documentation requirements of the Internal Revenue Code with regards to meals, lodging and incidental expenses.

MANAGEMENT'S RESPONSE:

In management's corrective action plan dated November 8, 1999, the Mayor indicated that the City is presently drafting a comprehensive personnel manual and plans to include a travel policy for the City. Use of the City credit card, allowable expenditures, documentation required and unallowable expenditures will be included in the policy. The policy will include the documentation requirements of the Internal Revenue Code with regards to meals, lodging and incidental expenses.

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

City of Ponchatoula

CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS

For the Year Ended June 30, 1999

<u>Ref.#</u>	<u>Description of Finding</u>	<u>Corrective Action Plan</u>	<u>Name of Contact Person</u>	<u>Anticipated Completion Date</u>
<b><u>Compliance:</u></b>				
99-1	Sinking Fund Not Established	Establish Sinking Fund	Liz LeSaicherre	12/31/99
99-2	Credit Card Use	Adopt Travel Policy	Julian Dufreche	12/31/99
<b><u>Internal Control:</u></b>				
99-3	Purchase Orders Not Approved	Adopt Purchase Order Policy	Liz LeSaicherre	12/31/99
99-4	Travel Policy	Adopt Travel Policy	Julian Dufreche	12/31/99



SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

City of Ponchatoula

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

For the Year Ended June 30, 1999

Ref.#	Fiscal Year Findings Initially Occurred June 30, 1998	Description of Findings	Corrective Action		Additional Explanation
			Actual expenditures exceeded by more than five percent.	Taken	
98-1	June 30, 1998	Actual expenditures exceeded by more than five percent.	Yes	Partial Corrective Action Taken The City of Ponchatoula obtained new software which is helpful in monitoring the budget vs. actual.	
98-2	June 30, 1998	Accounts payable not recorded timely (daily).	Yes	For the year ended June 30, 1999, accounts payable were recorded timely.	
98-3	June 30, 1998	The City did not adequately monitor the subrecipient's use of F7A Section 5311 Rural Public Transportation Program Funds.	Yes	For the year ended June 30, 1999, use of funds appears to have been adequately monitored.	
98-4	June 30, 1998	Form DPSMV 1794 and blue copy of ticket re: fines and bonds not forwarded to Baton Rouge as required by state law.	Yes	None	
98-5	June 30, 1998	The Year 2000 Issue was not addressed.	Yes	The City of Ponchatoula has initiated a remediation plan.	

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

City of Ponchatoula

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

For the Year Ended June 30, 1999

<u>FEDERAL GRANTOR/ PROGRAM TITLE</u>	<u>FEDERAL CFDA NUMBER</u>	<u>FINDING/ NONCOMPLIANCE</u>	<u>QUESTIONED COSTS</u>
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None.

See auditor's report.

MANAGEMENT LETTER

# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA\*  
Dennis E. James, CPA\*  
\*A Professional Corporation

Member  
American Institute of  
Certified Public Accountants

Charles D. Mathews, CPA  
Bryon C. Garrety, CPA

Member  
Society of Louisiana  
Certified Public Accountants

August 19, 1999

## Management Letter

The Honorable Julian E. Dufreche, Mayor  
and Members of the City Council  
City of Ponchatoula, Louisiana

Dear Mayor Dufreche and Members of City Council:

We have audited the financial statements of City of Ponchatoula as of and for the year ended June 30, 1999, and have issued our report thereon dated August 19, 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, and the provisions of OMB and Circular A-133.

As part of our examination, we have issued our report on the financial statements, dated August 19, 1999, and our report on internal control and compliance with laws, regulations, and contracts, dated August 19, 1999.

During the course of our examination, we became aware of the following matter which represents a suggestion for improvement in existing policies and procedures.

### Suggest 99-1 - Proof of Insurance Required for Contractor

#### CONDITION:

During our audit and testing of expenditures, we noted instances in which contractors who perform work for the City do not carry general liability insurance or workers' compensation insurance. As a result, the City must pay the cost of insurance for the jobs these contractors perform for the City.

#### RECOMMENDATION:

We recommend the City consider adopting a policy which requires contractors to provide proof of insurance before being awarded the contract.

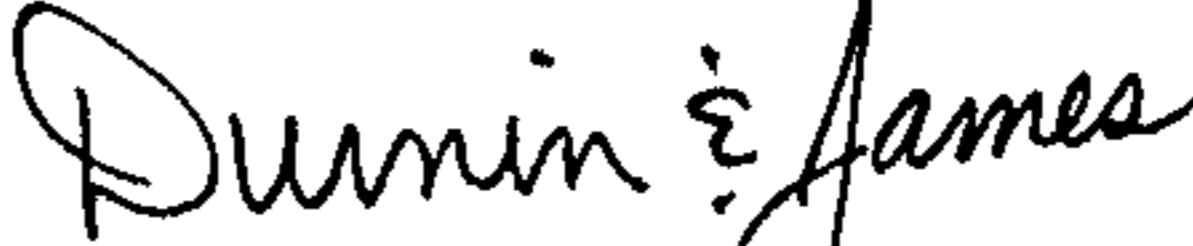
#### MANAGEMENT'S RESPONSE:

In management's corrective action plan dated November 8, 1999, the Mayor indicated that the City will consider adopting a policy that contractors provide proof of insurance before they can be considered for approval.

CITY OF PONCHATOULA

We recommend management address the foregoing issue as an improvement to operations in the administration of public programs. We are available to further explain the suggestion of help implement the recommendation.

Respectfully submitted,

  
DURNIN & JAMES, CPA'S

# Durnin & James

•CERTIFIED PUBLIC ACCOUNTANTS•

John N. Durnin, CPA\*  
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November 10, 1999

The Honorable Julian E. Dufreche, Mayor  
and Members of the Ponchatoula City Council  
City of Ponchatoula, Louisiana

We have audited the general purpose financial statements of the City of Ponchatoula for the year ended June 30, 1999, and have issued our report thereon dated August 19, 1999. Professional standards require that we provide you with the following information related to our audit.

## Our Responsibility under Generally Accepted Auditing Standards and Government Auditing Standards

As stated in our engagement letter dated June 2, 1999, our responsibility, as described by professional standards, is to plan and perform our audit to obtain reasonable, but not absolute, assurance about whether the general purpose financial statements are free of material misstatement. Because of the concept of reasonable assurance and because we did not perform a detailed examination of all transactions, there is a risk that material errors, irregularities, or illegal acts, including fraud and defalcations, may exist and not be detected by us.

As part of our audit, we considered the internal control structure of the City of Ponchatoula. Such considerations were solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control structure.

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City of Ponchatoula's compliance with certain provisions of laws, regulations, contracts, and grants. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

## Significant Accounting Policies

Management has the responsibility for selection and use of appropriate accounting policies. In accordance with the terms of our engagement letter, we will advise management about the appropriateness of accounting policies and their application. The significant accounting policies used by the City of Ponchatoula are described in Note 1 to the general purpose financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the year ended June 30, 1999. We noted no transactions entered into by the City of Ponchatoula during the year that were both significant and unusual, and of which, under professional standards, we are required to inform you, or transactions for which there is a lack of authoritative guidance or consensus.



Accounting Estimates

Accounting estimates are an integral part of the general purpose financial statements prepared by management and are based on management's current judgments. Certain accounting estimates are particularly sensitive because of their significance to the general purpose financial statements and because of the possibility that future events affecting them may differ significantly from management's current judgments.

Management's estimate of the allowance for doubtful accounts is based on historical water and sewer revenues, historical loss levels, and an analysis of the collectibility of individual accounts. We evaluated the key factors and assumptions used to develop the allowance in determining that it is reasonable in relation to the proprietary fund-type financial statements taken as a whole.

Significant Audit Adjustments

For purposes of this letter, professional standards define a significant audit adjustment as a proposed correction of the general purpose financial statements that, in our judgment, may not have been detected except through our auditing procedures. These adjustments may include those proposed by us but not recorded by the City of Ponchatoula that could potentially cause future financial statements to be materially misstated, even though we have concluded that such adjustments are not material to the current financial statements.

We proposed several audit adjustments related to accounts receivable and accounts payable. The corrections were not considered material in relation to the individual fund-type financial statements of the City of Ponchatoula taken as a whole. The City has agreed to the proposed audit adjustments and will record the adjustments in the accounting records of the City of Ponchatoula for the year ended June 30, 1999.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter that could be significant to the general purpose financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Consultations with Other Independent Accountants

To the best of our knowledge, management has not consulted with or obtained opinions from other independent accountants during the past year that are subject to the requirements of Statement on Auditing Standards No. 50, "Reports on the Application of Accounting Principles."

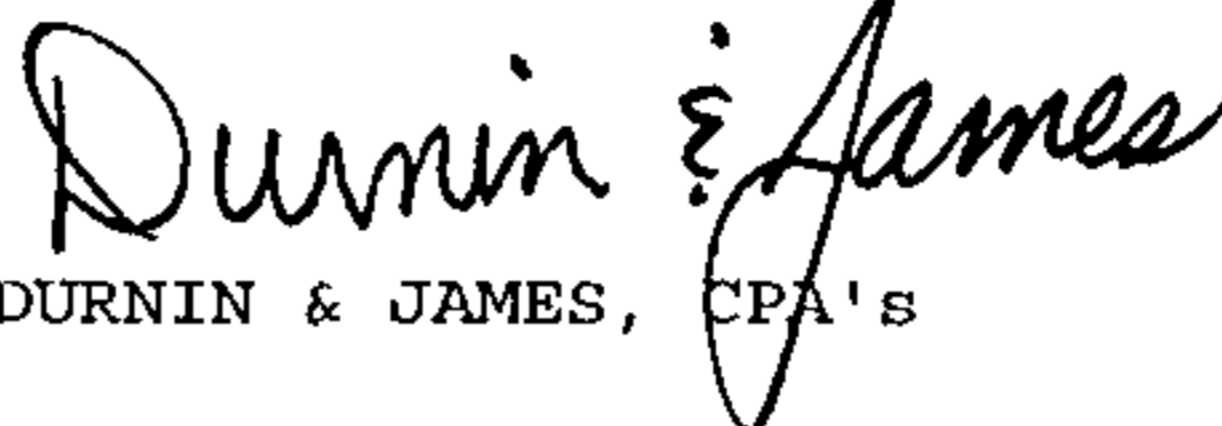
Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing our audit.

City of Ponchatoula  
November 10, 1999  
Page Three

This report is for the information of management, the Louisiana Legislative Auditor and the Census Bureau. This restriction is not intended to limit the distribution of this report which, upon acceptance by the Mayor and City Council of the City of Ponchatoula, Louisiana, is a matter of public record.

Respectfully submitted,

  
DURNIN & JAMES, CPA'S

DEJ/bdm

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