

CITY OF SPRINGHILL, LOUISIANA

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FINANCIAL STATEMENTS

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 7 5 1999

Jim H. Stevens, Jr. & Company, L.L.P.
Certified Public Accountants
Springhill, Louisiana 71075

CITY OF SPRINGHILL, LOUISIANA

June 30, 1999
Table of Contents

	<u>Page</u>
Independent Auditor's Report	1
General Purpose Financial Statements:	
Combined Balance Sheet - All Fund Types and Account Groups	2
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types	3
Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget (GAAP Basis) and Actual - Governmental Fund Types	4
Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types	5
Combined Statement of Cash Flows - All Proprietary Fund Types	6
Notes to Financial Statements	7-18
Supplementary Information:	
Schedule of Federal Financial Assistance	19
Notes to Schedule of Federal Financial Assistance	20
Compliance, Internal Control and Other Grant Information:	
Report on Compliance and Internal Control over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance with <i>Government Auditing Standards</i>	21-22
Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133	23-24
Schedule of Findings and Questioned Costs, Including Management's Corrective Action Plan	25-27

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Independent Auditor's Report

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

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

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the U.S. General Accounting Office and the *Louisiana Governmental Audit Guide*. 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 financial statements present fairly, in all material respects, the financial position of the City of Springhill, Louisiana, as of June 30, 1999, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

Our audit was made for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 1999, on our consideration of City of Springhill, Louisiana's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.


Certified Public Accountants

October 4, 1999

CITY OF SPRINGHILL, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999

ASSETS	Governmental Fund Types			Proprietary Fund Types		Account Groups			Total (Memorandum Only)
	General	Special Revenue	Debt Service	Enterprise	General	Fixed Assets	Long-Term Debt	1999	
Cash and cash equivalents	707,411	1,225,224	241,278	257,362				2,431,275	
Receivables:									
Taxes	474	3,599						4,073	
Other governments	5,650							5,650	
Trade accounts				87,200				87,200	
Interest	890			1,638				2,528	
Other	208							208	
Due from other funds	19,061							19,061	
Inventories, at cost				3,032				3,032	
Restricted assets:									
Cash		3,370,564		799,722				4,170,286	
Accrued interest receivable		83,025		108				83,133	
Land				23,990	158,892			182,882	
Buildings					1,687,207			1,687,207	
Improvements other than buildings				37,142	5,972,800			6,009,942	
Equipment, Automotive				73,443				73,443	
Equipment				187,367	1,232,423			1,419,790	
Utility plant and equipment				9,783,234				9,783,234	
Accumulated depreciation				(2,232,010)				(2,232,010)	
Amount available in Debt Service Fund							240,773	240,773	
Amount to be provided from:									
Ad valorem taxes		4,682,412	241,278	9,022,228			1,509,227	1,509,227	
Total assets	733,694	4,682,412	241,278	9,022,228	9,051,322		1,750,000	25,480,934	

(Continued)

CITY OF SPRINGHILL, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups
June 30, 1999

	Governmental Fund Types				Proprietary Fund Types		Account Groups			Total (Memorandum Only)
	Special Revenue		Debt Service		Enterprise	General	Fixed Assets	Long-Term Debt	1999	
	General									
LIABILITIES AND FUND EQUITY										
Liabilities:										
Accounts payable	44,951				118,675					163,626
Accrued liabilities	20,340				728					21,068
Prepaid assessments					1,225					1,225
Due to other funds			505		18,556					19,061
Due to other governments	21,134									21,134
Payable from restricted assets:										
Accrued interest payable					60,274					60,274
Meter deposits					78,342					78,342
Bonds payable					5,458,854		1,750,000			7,208,854
Total liabilities	<u>86,425</u>		<u>505</u>		<u>5,736,654</u>		<u>1,750,000</u>			<u>7,573,584</u>
Fund equity:										
Contributed capital					533,538					533,538
Investment in general fixed assets							9,051,322			9,051,322
Retained earnings:										
Unreserved					2,749,982					2,749,982
Reserved for perpetual care					2,054					2,054
Fund balances:										
Designated	2,710									2,710
Reserved for debt service				240,773						240,773
Unreserved - undesignated	644,559	4,682,412								5,326,971
Total retained earnings and fund balances	<u>647,269</u>	<u>4,682,412</u>		<u>240,773</u>	<u>2,752,036</u>					<u>8,322,490</u>
Total fund equity	<u>647,269</u>	<u>4,682,412</u>		<u>240,773</u>	<u>3,285,574</u>		<u>9,051,322</u>			<u>17,907,350</u>
Total liabilities and fund equity	<u>733,694</u>	<u>4,682,412</u>	<u>241,278</u>	<u>9,022,228</u>	<u>9,051,322</u>		<u>1,750,000</u>			<u>25,480,934</u>

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

CITY OF SPRINGHILL, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types Year Ended June 30, 1999

	Governmental Fund Types			Total (Memorandum Only)
	General	Special Revenue	Debt Service	1999
Revenues:				
Taxes	321,235	1,808,308	224,762	2,354,305
Licenses and permits	201,962			201,962
Fines and forfeitures	42,430			42,430
Intergovernmental	46,532			46,532
Charges for services	19,702			19,702
Oil and gas revenues	29,370			29,370
Interest	15,651	142,941	3,455	162,047
Contributions	62,594			62,594
Miscellaneous revenue	148,036			148,036
Total revenue	<u>887,512</u>	<u>1,951,249</u>	<u>228,217</u>	<u>3,066,978</u>
Expenditures:				
Current:				
General government	319,979	29,658		349,637
Public safety	547,323			547,323
Recreation	109,815			109,815
Streets and airport	269,239			269,239
Ward court	65,480			65,480
Transportation	19,351			19,351
Maintenance	110,870			110,870
Driver's license bureau	187			187
Capital Outlays:				
Current expenditures	263,665			263,665
Debt service:				
Principal retirement			80,000	80,000
Interest and fiscal charges			108,189	108,189
Total expenditures	<u>1,705,909</u>	<u>29,658</u>	<u>188,189</u>	<u>1,923,756</u>
Excess (deficiency) of revenues over expenditures	<u>(818,397)</u>	<u>1,921,591</u>	<u>40,028</u>	<u>1,143,222</u>
Other financing sources (uses):				
Operating transfers in	856,966			856,966
Operating transfers (out)		(1,456,966)		(1,456,966)
Total other financing sources (uses)	<u>856,966</u>	<u>(1,456,966)</u>		<u>(600,000)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>38,569</u>	<u>464,625</u>	<u>40,028</u>	<u>543,222</u>
Fund balances, beginning	<u>608,700</u>	<u>4,217,787</u>	<u>200,745</u>	<u>5,027,232</u>
Fund balances, ending	<u><u>647,269</u></u>	<u><u>4,682,412</u></u>	<u><u>240,773</u></u>	<u><u>5,570,454</u></u>

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

CITY OF SPRINGHILL, LOUISIANA

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget (GAAP Basis) and Actual - Governmental Fund Types
Year Ended June 30, 1999

	General Fund			Special Revenues Fund			Debt Service Fund		
	Budget	Actual	Variance (Unfavorable) Favorable	Budget	Actual	Variance (Unfavorable) Favorable	Budget	Actual	Variance (Unfavorable) Favorable
Revenues:									
Taxes	314,171	321,235	7,064	1,800,000	1,808,308	8,308	220,000	224,762	4,762
Licenses and permits	179,800	201,962	22,162						
Fines and forfeitures	43,850	42,430	(1,420)						
Intergovernmental	40,797	46,532	5,735						
Charges for services	199,440	19,702	(179,738)						
Oil and gas royalties	28,760	29,370	610						
Interest income	12,450	15,651	3,201	102,865	142,941	40,076	3,427	3,455	28
Contributions	19,300	62,594	43,294						
Miscellaneous revenue	146,530	148,036	1,506						
Total revenues	985,098	887,512	(97,586)	1,902,865	1,951,249	48,384	223,427	228,217	4,790
Expenditures:									
Current:									
General government	322,799	319,979	2,820	30,650	29,658	992			
Public safety	553,905	547,323	6,582						
Recreation	107,452	109,815	(2,363)						
Streets and airport	263,054	269,239	(6,185)						
Ward Court	65,620	65,480	140						
Transportation	19,565	19,351	214						
Maintenance garage	112,265	110,870	1,395						
Driver's license bureau		187	(187)						
Debt service:									
Bonds paid							80,000	80,000	
Interest and fiscal charges							107,600	108,189	(589)
Capital outlays	170,437	263,665	(93,228)						
Total expenditures	1,615,097	1,705,909	(90,812)	30,650	29,658	992	187,600	188,189	(589)
Excess (deficiency) of revenues over expenditures	(629,999)	(818,397)	(188,398)	1,872,215	1,921,591	49,376	35,827	40,028	4,201
Other financing sources (uses):									
Bond proceeds	800,000	856,966	56,966						
Operating transfers in				(1,330,000)	(1,456,966)	(126,966)			
Operating transfers (out)									
Total other financing sources (uses)	800,000	856,966	56,966	(1,330,000)	(1,456,966)	(126,966)			
Excess (deficiency) of revenues and other sources over expenditures and other uses	170,001	38,569	(131,432)	542,215	464,625	(77,590)	35,827	40,028	4,201
Fund balances, beginning	608,700	608,700		4,217,787	4,217,787		200,745	200,745	
Fund balances, ending	778,701	647,269	(131,432)	4,760,002	4,682,412	(77,590)	236,572	240,773	4,201

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

CITY OF SPRINGHILL, LOUISIANA

Combined Statement of Revenues, Expenses and Changes in Retained Earnings - All Proprietary Fund Types Year Ended June 30, 1999

	<u>Enterprise Funds</u>
Operating revenues:	
Charges for service	489,290
Sales - cemetery lots	8,600
Assessments	14,135
Miscellaneous	11,194
Recoveries of bad debt	28
Total operating revenues	<u>523,247</u>
Cost of lots sold	<u>1,814</u>
Gross profit	<u>521,433</u>
Operating expenses:	
General and administrative expenses	53,146
Water department expenses	348,276
Sewer department expenses	123,360
Depreciation and amortization	205,937
Total operating expenses	<u>730,719</u>
Income (loss) from operations	<u>(209,286)</u>
Non-operating revenues:	
Interest income	15,332
Interest and fiscal charges - bonds	(124,136)
Total non-operating revenues	<u>(108,804)</u>
Income (loss) before operating transfers	<u>(318,090)</u>
Operating transfers:	
Operating transfers in	600,000
Total operating transfers	<u>600,000</u>
Net income (loss)	<u>281,910</u>
Retained earnings, beginning	<u>2,470,126</u>
 Retained earnings, ending	 <u><u>2,752,036</u></u>

CITY OF SPRINGHILL, LOUISIANA

Combined Statement of Cash Flows - All Proprietary Fund Types
Year Ended June 30, 1999

	<u>Enterprise Funds</u>
Cash flows from operating activities:	
Net income (loss) from operations	<u>(209,286)</u>
Adjustments to reconcile net income (loss) to net cash provided by operating activities:	
Depreciation and amortization	205,937
(Increase) decrease in:	
Accounts receivable	87,052
Inventories	1,205
Accrued interest receivable	37
Prepaid expenses	1,100
Increase (decrease) in:	
Accounts payable	(152,916)
Sales tax payable	(116)
Due to other funds	(16,664)
Meter deposits	4,272
Total adjustments	<u>129,907</u>
Net cash provided by operating activities	<u>(79,379)</u>
Cash flows from non-capital financing activities:	
Transfer from Sales Tax Fund	<u>600,000</u>
Net cash provided by non-capital financing activities	<u>600,000</u>
Cash flows from capital and related financing activities:	
Purchase of fixed assets	(1,316,124)
Bond interest payable	1,232,522
Payment for bond issuance costs	18,364
Contributed capital - perpetual care	2,100
Bonds redeemed	(255,000)
Interest paid	(120,789)
Net cash used by capital and related financing activities	<u>(438,927)</u>
Cash flows from investing activities:	
Interest earned	<u>15,331</u>
Net cash provided by investing activities	<u>15,331</u>
Net increase in cash	97,025
Cash and cash equivalents at the beginning of the year (including \$687,703 in restricted accounts)	960,059
Cash and cash equivalents at the end of the year (including \$799,722 in restricted accounts)	<u><u>1,057,084</u></u>

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies:

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

The accounting and reporting practices of the City of Springhill, Louisiana conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the guides set forth in the *Louisiana Municipal Audit and Accounting Guide*, and to the industry audit guide, *Audits of State and Local Governmental Units*, published by the American Institute of Certified Public Accountants.

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

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

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

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

Governmental Fund Types:

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

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

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies: (Continued)

Proprietary Fund Types:

Enterprise Funds. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business 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 or other purpose.

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

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

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

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

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

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

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

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies: (Continued)

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

1. The City Clerk prepares a proposed budget, which is submitted to the Mayor and Board of Aldermen no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program, or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the Board of Aldermen.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue Fund and Debt Service Fund are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted, or as amended from time to time by the Board of Aldermen. The budgets were amended during the year.

E. Bad Debts. Uncollectible amounts due for the customers' utility and ad valorem taxes receivable are recognized as bad debts through the use of the direct write-off method at the time information becomes available which would indicate the uncollectibility of the particular receivable.

F. Property, Plant, and Equipment. Fixed assets used in governmental fund type operations (general fixed assets) accounted for in the General Fixed Assets Account Group are recorded as expenditures in the governmental fund types when purchased. The City has elected to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements. No depreciation has been provided on general fixed assets.

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

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

1. Summary of Significant Accounting Policies: (Continued)

F. Property, Plant and Equipment: (Continued)

The estimated useful lives are as follows:

Utility Fund:

Furniture and fixture.....	5-8 years
Equipment.....	5 years
Automotive equipment.....	3-5 years
Utility plant.....	10-60 years

Cemetery Fund:

Equipment.....	3-5 years
Improvements.....	10-20 years

G. Inventories. Inventory of cemetery lots in the Proprietary Fund and gasoline inventories in the general fund are valued at cost (first-in, first-out).

H. Compensated Absences. The City requires employees to use their vacation time within one year of their anniversary date or it is forfeited. Vacation time is vested and is paid to the employee upon termination. Sick pay is lost upon termination and, therefore, is not subject to accrual.

As of June 30, 1999, the liability for accrued vacation time is \$10,957, which is recorded \$8,275 in the General Fund, and \$2,682 in the Utility Fund.

I. Total Columns on Combined Statements. 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 changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

2. Cash:

Deposits. At June 30, 1999, the carrying amount of the City's deposits was \$6,601,561 and the bank balance was \$6,661,959. Of the total bank balance \$200,000 was covered by federal depository insurance and \$6,461,959 was covered by collateral held by the City's two safekeeping bank agents, in the City's name.

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

Collateral Description	1	2	3	Carrying Amount	Market Value
FDIC Insurance	200,000			200,000	200,000
Obligations of U.S. Treasury or Agencies			5,998,359	5,998,359	6,279,986
Obligations of State of Louisiana			221,834	221,834	357,364
Totals	<u>200,000</u>		<u>6,220,193</u>	<u>6,420,193</u>	<u>6,837,350</u>

One of the City's depository banks was deficient in the amount of \$341,766 of securities pledged to the City to cover funds as of June 30, 1999.

3. Ad Valorem Taxes:

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

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

For the year ended June 30, 1999, taxes of \$350,016 were levied on property with assessed valuations totaling \$17,405,005 and were dedicated as follows:

General corporate purposes	7.11 mills
Retirement of bond indebtedness	<u>13.00 mills</u>
	<u>20.11 mills</u>

There was \$474 in taxes receivable at June 30, 1999, which were considered collectible.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

4. Restricted Assets-Proprietary Fund Type:

Restricted assets were applicable to the following at June 30:

	1999
Cash	799,722
Accrued interest receivable	108
Total	799,830

5. Changes in General Fixed Assets:

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

	Balance July 1, 1998	Additions	Deletions	Balance June 30, 1999
Land & Easement	122,804	36,088		158,892
Buildings	1,673,712	13,495		1,687,207
Improvements other than buildings	5,808,649	164,151		5,972,800
Equipment	1,194,493	37,930		1,232,423
Total general fixed assets	8,799,658	251,664		9,051,322

Fixed asset values have not been estimated; however, the source of funds for acquisition of fixed assets prior to 1959 cannot reasonably be determined.

A summary of proprietary fund type property, plant and equipment at June 30, 1999, follows:

Water and Sewer Fund:

Real estate	23,990
Furniture and fixtures	50,250
Equipment	130,169
Automotive equipment	73,443
Utility plant	9,783,234
Total	10,061,086
Less:-accumulated depreciation	(2,189,780)
Total Water and Sewer Fund	7,871,306

Cemetery Fund:

Improvements other than buildings	37,142
Equipment	6,948
Total	44,090
Less:-accumulated depreciation	(42,230)
Total Cemetery Fund	1,860
Net Assets -- Enterprise Funds	7,873,166

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

6. Changes in Long-term Debt:

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

	Enterprise Fund	General Long-term debt Account Group	Total
Bonds payable at June 30, 1998	4,554,836	1,830,000	6,384,836
New bonds issued	1,232,522		1,232,522
Bonds retired	(255,000)	(80,000)	(335,000)
Bonds payable at June 30, 1999	5,532,358	1,750,000	7,282,358

Bonds payable at June 30, 1999, are comprised of the following individual issues:

General Obligation:

\$2,200,000 general obligation bonds dated August 1, 1992; due in annual installments through March 1, 2012; interest at 6% to 11%; secured by levy and collection of ad valorem taxes. 1,750,000

Sales Tax Bonds:

\$4,900,000 sales tax bond dated June 23, 1996; due in annual installments beginning March 1, 1997 through March 1, 2016; interest at 2.45% plus a .5% service fee; secured by a 1% sales tax passed in 1991. Draws against this bond are being used to fund construction of sewer improvements. 4,316,222

\$1,400,000 sales tax bond dated June 4, 1997; due in annual installments beginning March 1, 1998 through March 1, 2016; interest at 2.45% plus a .5% service fee; secured by a 1% sales tax passed in 1991. Draws against this bond are being used to fund construction of sewer improvements. 1,216,135

7,282,357

Less unamortized bond costs (73,503)

Total

7,208,854

The annual requirements to amortize all debt outstanding at June 30, 1998, including interest payments of \$827,867, \$1,008,433 and \$366,833 are as follows for 1992 general obligation, 1995 sales tax and 1997 sales tax bond respectively:

Year Ended June 30	1992 General Obligation	1995 Sales Tax	1997 Sales Tax	Total
2000	187,907	327,883	97,907	613,697
2001	193,360	326,982	96,138	616,480
2002	193,135	325,935	99,367	618,437
2003	192,535	329,740	97,450	619,725
2004	196,550	328,250	95,533	620,333
2005-2009	996,880	1,633,295	486,982	3,117,157
2010-2014	617,500	1,646,398	485,195	2,749,093
2015-2016		658,025	193,260	851,285
Totals	2,577,867	5,576,508	1,651,832	9,806,207

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

7. Retained Earnings – Reserved:

During the year ended June 30, 1998, the City began receiving volunteer contributions dedicated for perpetual care of the cemetery.

Under the terms of the perpetual care contracts, 100% of the contributions received are to be retained permanently. Income earned is reserved for payment of cemetery maintenance costs. No expenses have been paid from perpetual care earnings since inception. Transactions for the year are as follows:

	Contributions Perpetual Care	Retained Earnings Reserved for Perpetual Care
Balance July 1, 1998	22,250	1,554
Contributions received	2,100	
Interest received		500
Balance June 30, 1999	24,350	2,054

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

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

Constructing, acquiring, extending, improving, operating, and maintaining sewers and sewerage disposal works, waterworks, garbage collection and waste disposal facilities, fire department stations and related facilities, public parks and recreational facilities, streets, alleys, sidewalks and bridges, purchasing and acquiring the necessary land, equipment and furnishings for the aforesaid public works, building improvements and facilities, and for the payment of salaries of non-elected municipal employees; or for any one or more of said purposes; and such tax to be subject to funding into bonds by the City in the manner authorized by Sub-Part D, Part I, Chapter 6, Title 33 of the Louisiana Revised Statutes of 1950 (R.S. 2711, et. seq.)

On November 21, 1987, the voters of the City of Springhill, Louisiana approved the collection of an additional ½ percent sales tax.

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

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

In November 1991, the voters of the City of Springhill, Louisiana approved the collection of an additional 1% sales tax.

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

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

9. Pension Plan:

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

Municipal Employees Retirement System of Louisiana (System):

A. Plan Description.

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

All permanent employees working at least 35 hours per week who are not covered by another pension plan and are paid wholly or in part from municipal funds and all elected municipal officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60 with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Employees Retirement System of Louisiana, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (504) 925-4810.

B. Funding Policy.

Under Plan A, members are required by state statute to contribute 9.25 percent of their annual covered salary and the City of Springhill, Louisiana is required to contribute at an actuarially determined rate. The current rate is 6.25 percent of annual covered payroll. The contribution requirements of plan members and the City of Springhill, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Springhill, Louisiana contributions to the System under Plan A for the year ending June 30, 1999, was \$31,200, equal to the required contributions for the year.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

9. Pension Plan: (Continued)

Municipal Police Employees Retirement System of Louisiana (System):

A. Plan Description.

All full-time police department employees engaged in law enforcement may participate in the System. Employees who retire at or after age 50 with at least 20 years of creditable service or at or after age 55 with at least 12 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3 1/3 percent of their final-average salary for each year of creditable service. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service stated above, and do not withdraw their employee contributions, may retire at the ages specified previously and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Municipal Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

B. Funding Policy.

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Springhill, Louisiana is required to contribute at any actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Springhill, Louisiana are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The City of Springhill, Louisiana contributions to the System for the year ending June 30, 1999, was \$19,146, equal to the required contributions for the year.

10. Commitments and Contingencies:

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

11. Interfund Assets/Liabilities:

Due from/to Other Funds balances at June 30, 1999, were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	19,061	
Debt Service Funds		505
Enterprise Funds		18,556
	19,061	19,061

12. Interfund Operating Transfers:

Individual fund operating transfers for fiscal year 1999, were as follows:

	Transfers In	Transfers Out
General Fund	856,966	
Special Revenue Fund		1,456,966
Enterprise Fund	600,000	
	1,456,966	1,456,966

13. Proprietary Fund:

Segment Information:

	Water and Sewer Fund	Cemetery Fund	Total
Operating revenues	500,396	22,851	523,247
Depreciation	205,589	348	205,937
Operating income (loss)	(208,791)	(495)	(209,286)
Net income (loss)	281,303	606	281,909
Property, plant and equipment - net	7,871,306	1,860	7,873,166
Net working capital	774,270	96,992	871,262
Total equity	3,186,722	98,851	3,285,573

Unsold lots - new cemetery. Real estate for the new cemetery was purchased at a cost of \$8,000 in October 1957. Based on the assumption that 3,354 lots could be obtained from this area, \$2.39 was allocated as cost per lot sold. During 1994, the cost of remaining usable lots was reallocated at a cost of \$2.07 per lot.

New real estate was added to the cemetery in 1992 at a cost of \$2,500. Based on the assumption that 168 lots could be obtained from this new area \$14.89 is allocated as cost per lot sold. During 1994, the cemetery was resurveyed, creating an additional 84 usable lots. The cost of all remaining lots was allocated at \$6.98 per lot.

CITY OF SPRINGHILL, LOUISIANA

Notes to Financial Statements
June 30, 1999

13. Proprietary Fund (Continued):

During 1994, new real estate was added to the cemetery at a cost of \$3,500, and additional costs for surveying and staking in the amount of \$486 were incurred in 1995. Based on the assumption that 270 lots could be obtained from this area, \$14.76 was allocated as cost per lot sold.

During 1995, new real estate was added to the cemetery at a cost, including staking and survey costs, of \$6,516. Based on the assumption that 192 lots could be obtained from this area, \$33.94 was allocated as cost per lot sold.

14. Mayor's and Alderman's Expenses:

During the year, the mayor and aldermen were paid salaries and reimbursed for City related out of pocket expenses as follows:

	Compensation	Expenses	Total
Mayor Herrington	34,524	2,466	36,990
Alderman Baker	4,800		4,800
Alderman Bankhead	4,800	1,023	5,823
Alderman Breaux	4,800	338	5,138
Alderman Hilburn	4,800	307	5,107
Alderman McMullan	4,800	400	5,200
Total	58,524	4,534	63,058

15. Subsequent Event, Contingency, Year 2000 Computer Glitch:

Management is aware of the year 2000 computer problem (Y2K) and has taken the following steps:

- A. Assessment of the problem indicated a potential for shut down in the following areas:
 - (1) General ledger accounting system
 - (2) Utility accounting system
 - (3) Airport operations
 - (4) Water plant operations
 - (5) Sewer disposal plant operations

- B. Management purchased a new computer system during the year which is Y2K compliant, at an approximate cost of \$20,000.

- C. New Utility billing software was installed prior to June 30, 1999, and new general ledger software has been installed subsequent to that date. These are companion programs and are expected to be fully operational well before December 31, 1999. Cost of these programs are approximately \$20,000.

- D. Experts have been consulted regarding airport, water plant and sewer plant operations. All are expected by management to be Y2K compliant.

SUPPLEMENTARY INFORMATION

CITY OF SPRINGHILL, LOUISIANA

Schedule of Federal Financial Assistance
For the Year Ended June 30, 1999

Federal Grantor / Pass-Through Grantor Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program or Award Amount	Beginning Balance at July 1, 1998	Receipts or Revenue Recognized	Disbursements/ Expenditures	Ending Balance at June 30, 1998
Department of Agriculture:							
Co-operative Forestry Assistance	10.664	97-46	5,000.00	5,000		5,000	
Department of Education:							
Safe and Drug-Free Schools and Communities State Grants	84.186	99-76-ZE-D	3,861.00		4,506	4,506	
Department of the Interior:							
Historic Preservation Fund Grants-In Aid	15.904	98-HP-18	8,807.00		8,807	8,807	
Department of Justice:							
Juvenile Justice and Delinquency Prevention Allocation to States	16.540	J98-1-007	1,240.00		1,240	1,240	
Public Safety Partnership and Community Policing Services	16.710	N/A	3,222.00		3,222	3,222	
Department of Transportation:							
Airport Improvement Program	20.106	N/A	4,500.00		4,500	4,500	
Environmental Protection Agency:	66.418	N/A	1,316,780.00		1,316,780	1,316,780	
					<u>1,344,055</u>	<u>1,344,055</u>	

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

CITY OF SPRINGHILL, LOUISIANA

Notes to Schedule of Federal Financial Assistance
June 30, 1999

- A. The accompanying Schedule of Federal Financial Assistance presents the activity of all the City of Springhill, Louisiana's federal awards programs. The City's reporting entity is defined in Note 1 to the general purpose financial statements.
- B. The Environmental Protection Agency program monies are recorded as bonds payable in the Water and Sewer Utility Enterprise fund. As disbursements are made the fixed assets are capitalized.

COMPLIANCE, INTERNAL CONTROL AND OTHER GRANT INFORMATION

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

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

We have audited the general purpose financial statements of the City of Springhill, Louisiana as of and for the year ended June 30, 1999, as listed in the table of contents, and have issued our report thereon dated October 4, 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 Louisiana Governmental Audit Guide.

Compliance

As part of obtaining reasonable assurance about whether the City of Springhill, Louisiana's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which, could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with 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 questioned costs as item 99-1 and 99-2.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Springhill, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted 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 the City of Springhill, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable conditions are described in the accompanying schedule of findings and questioned costs as item 99-1, 99-2 and 99-3.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable conditions described above are material weaknesses.

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

J. H. Stevens & Company, L.L.P.
Certified Public Accountants

October 4, 1999

Jim H. Stevens, Jr. & Company, L.L.P.
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**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH
MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

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

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

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

Internal Control Over Compliance

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

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

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

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

Certified Public Accountants

October 4, 1999

CITY OF SPRINGHILL, LOUISIANA

Schedule of Findings and Questioned Costs
Including Management's Corrective Action Plan
June 30, 1999

Section I - Summary of Auditor's Results

Financial Statements

Type of Report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	Yes
99-1: The City is in violation of LSA-R.S. 39:1309. The budgets were not amended for operating transfers and capital outlays in excess of original projections. One large expenditure was not budgeted.	
99-2: The City is in violation of LSA-R.S. 39:1219. As of June 30, 1999 funds on deposit at one local institution were approximately \$342,000.00 under-secured by pledge of securities in compliance with LSA-R.S. 39:1221.	
99-3: The City had expense advances for travel for various purposes, which had been outstanding for several months, and also some travel reimbursements for which documentation was incomplete.	

Federal Awards

Internal control over major programs:	
Material weaknesses identified?	No
Reportable conditions identified not considered to be material weaknesses?	None reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section. 510(a)	No
Identification of major programs:	
<u>CFDA Number</u>	<u>Name of Federal Program</u>
10.664	Department of Agriculture: Co-operative Forestry Assistance
84.186	Department of Education: Safe and Drug-Free Schools and Communities State Grants
15.904	Department of the Interior: Historic Preservation Fund Grants-In Aid

CITY OF SPRINGHILL, LOUISIANA

Schedule of Findings and Questioned Costs
Including Management's Corrective Action Plan
June 30, 1999

Federal Awards (Continued)

16.540		Department of Justice: Juvenile Justice and Delinquency Prevention Allocation to States
16.710		Department of Justice: Public Safety Partnership and Community Policing Services
20.106		Department of Transportation: Airport Improvement Program
66.418		Environmental Protection Agency
Dollar threshold used to distinguish between Type A and Type B programs:		300,000
Auditee qualify as a low-risk auditee		No

Section II – Financial Statement Findings

99-1:

Condition:	The City had not budgeted for the cost of an outside contractor who was hired to remove the garbage and trash at streetside. The City was under budgeted for capital outlays in the general fund, and for operating transfers in the general fund, and operating transfers out in the special revenue fund.
Recommendation:	We recommend a closer monitoring of actual compared to budget expenditures and appropriate budget amendments throughout the year.
Management's Corrective Action Plan:	We concur and are in process of installing an updated accounting system, which will be used to more adequately monitor and utilize the budgeting process as a tool of management.

CITY OF SPRINGHILL, LOUISIANA

Schedule of Findings and Questioned Costs Including Management's Corrective Action Plan June 30, 1999

Section II – Financial Statement Findings (Continued)

99-2:

Condition: As of June 30, 1999, the City had approximately \$342,000.00 in funds at Regions Bank in excess of the amount pledged as collateral on bank deposits.

Recommendation: We recommend a closer monitoring of the amounts pledged in relationship to the amounts outstanding by the City officials.

Management's

Corrective Action Plan: We concur with the finding and will monitor the amounts pledged in relationship to the amounts of outstanding deposits on a monthly basis.

99-3:

Condition: We found instances where several months elapsed between the time a travel advance was given and the time that expense settlement reimbursements or refunds were made. In addition, we found two advances that had been outstanding for several months without an accounting for the expenses being made. In addition, we found two instances where travel reimbursement included an accounting for the money but not copies of expense receipts.

Recommendation: We recommend that management and the council address these situations with specific written travel reimbursement policies. We further recommend that expense advances be kept to a minimum and expense reimbursements be available immediately after the seminar or other travel. We further recommend that any travel advances be posted to a separate accounts receivable on the general ledger, and that the person receiving the advance be sent a statement at the end of each month and this statement be presented to the Mayor for his review and follow-up until such time as the travel advance is settled.

Management's

Corrective Action Plan: We concur with the finding noted and the recommendations made. We will address this issue with the council in the future and establish policies, which will be fair to all concerned, but will enhance accountability to the City.

Section III – Federal Award Findings and Questioned Costs

No matters were reported.

GENERAL PURPOSE FINANCIAL STATEMENTS