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ANNUAL FINANCIAL REPORT
OF THE
TOWN OF KROTZ SPRINGS, LOUISIANA
FOR THE YEAR ENDED JUNE 30, 1998

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By Order of the Legislative Auditor
DEC 09 1998

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JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 (1904-1984)

Harold Dupre, CPA
 Retired

INDEPENDENT AUDITOR'S REPORT

The Honorable Gary Soileau, Mayor
 and Members of the Board of Aldermen
 Town of Krotz Springs, Louisiana

We have audited the accompanying general purpose financial statements of the Town of Krotz Springs, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

Because of the inadequacy of accounting records for the years prior to July 1, 1982, we were unable to form an opinion regarding the amounts at which fixed assets are recorded in the accompanying balance sheet of the General Fixed Assets Account Group at June 30, 1998 (stated at \$1,792,074).

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had prior years' accounting records concerning the General Fixed Assets Account Group been adequate, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Town of Krotz Springs, Louisiana, as of June 30, 1998, 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.

In accordance with Government Auditing Standards, we have also issued a report dated August 24, 1998, on our consideration of the Town of Krotz Springs' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

The Honorable Gary Soileau, Mayor
and Members of the Board of Aldermen
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Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the Town of Krotz Springs, Louisiana, taken as a whole. The combining and individual fund and account group financial statements and schedules listed in the table of contents are presented for purposes of additional analysis and are not a required part of the general purpose financial statements of the Town of Krotz Springs, Louisiana. Such information except for the Schedule of Insurance in Force marked "unaudited," and the financial statements presented in the General Fixed Assets Account Group 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 stated, in all material respects, in relation to the general purpose financial statements taken as a whole.

John S. Dowling + Co.

Opelousas, Louisiana
August 24, 1998

GENERAL PURPOSE FINANCIAL STATEMENTS

TOWN OF KROTZ SPRINGS, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
 JUNE 30, 1998

| | GOVERNMENTAL FUND TYPES | | | | FIDUCIARY FUND TYPE | ACCOUNT GROUPS | | TOTALS (Memorandum Only) JUNE 30, 1998 | TOTALS (Memorandum Only) JUNE 30, 1997 |
|--|-------------------------|-----------------|--------------|------------------|---------------------|------------------|----------------------|--|--|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS | | TRUST AND AGENCY | GENERAL FIXED ASSETS | | |
| <u>ASSETS</u> | | | | | | | | | |
| Cash | \$162,466 | \$103,601 | \$1,148 | | \$5,283 | | | \$531,086 | \$792,514 |
| Investments | 242,450 | 401,467 | | | | | | 1,210,008 | 1,197,629 |
| Receivables, net of allowance for uncollectibles | | | | | | | | | |
| Property taxes | 629 | | | | | | | 629 | 827 |
| Franchise taxes | 33,291 | | | | | | | 33,291 | 18,644 |
| Accounts | | | | | | | | 18,669 | 21,317 |
| Assessments | | | 2,435 | | | | | 6,896 | 13,739 |
| Interest | 910 | 1,362 | | | | | | 2,721 | 2,646 |
| From other governments | 4,628 | | | | | | | 4,628 | 2,697 |
| NSF checks | 131 | | | | | | | 151 | |
| Due from meter deposit account | | | | | 20 | | | 45 | 585 |
| Due from other funds | | | | | 45 | | | 15,849 | 46,277 |
| Prepaid insurance | | 5,538 | | | 4,071 | 6,240 | | 6,478 | 9,205 |
| Restricted assets | | | | | | | | | |
| Cash | 31,035 | | | | | | | 49,110 | 34,004 |
| Investments | | | | | | | | 15,140 | 15,140 |
| Interest receivable | | | | | | | | 69 | 63 |
| Due from operating account | | | | | | | | 2,435 | 1,544 |
| Property and equipment, net of accumulated depreciation | 2,435 | | | | | | | | |
| Amount available in Debt Service Fund | | | | | | | \$1,792,074 | 4,661,667 | 4,643,823 |
| Amount to be provided for retirement of general long-term debt | | | | | | | | | 8,991 |
| | | | | | | | \$24,604 | 24,604 | |
| <u>Total assets</u> | <u>477,975</u> | <u>511,968</u> | <u>2,583</u> | <u>-0-</u> | <u>11,523</u> | <u>1,792,074</u> | <u>24,604</u> | <u>6,582,476</u> | <u>6,809,645</u> |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
 COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS (CONTINUED)
 JUNE 30, 1998

| | GOVERNMENTAL FUND TYPES | | | FIDUCIARY FUND TYPE | | ACCOUNT GROUPS | | | TOTALS | |
|------------------------------------|-------------------------|-----------------|-----------------------|-----------------------------------|------------------|----------------------|----------------|---------------------------------|---------------|-------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE PROJECTS | PROPRIETARY FUND TYPES ENTERPRISE | TRUST AND AGENCY | GENERAL FIXED ASSETS | LONG-TERM DEBT | (Memorandum Only) JUNE 30, 1998 | JUNE 30, 1997 | |
| LIABILITIES | | | | | | | | | | |
| Accounts payable | \$11,049 | | | \$4,333 | \$1,131 | | | \$15,382 | \$26,694 | |
| Payroll taxes payable | | | | | 1,226 | | | 1,231 | 1,421 | |
| Retirement payable | 674 | | | | | | | 1,900 | 2,541 | |
| Accrued compensated absences | 8,878 | | | 3,623 | | | | 12,501 | 9,402 | |
| Due to other funds | 5,640 | | | 1,043 | 9,166 | | | 15,849 | 46,277 | |
| Due to restricted assets | 2,435 | | | | | | | 2,435 | 1,544 | |
| Payable from restricted assets | | | | | | | | | | |
| Customers' deposits | | | | 21,979 | | | | 21,979 | 19,200 | |
| Due to operating account | | | | 45 | | | | 45 | 585 | |
| Due to customers | | | | | | | | | 266 | |
| Street assessment payable | | | | | | | | | 2,216 | |
| Long-term debt | | | | | | | | | | |
| Public improvement bonds payable | | | | | | | | | | 8,991 |
| Compensated absences payable | | | | | | | | 22,184 | | |
| Capital lease payable | | | | | | | | 2,420 | | |
| Total liabilities | 28,676 | -0- | -0- | 31,023 | 11,523 | -0- | | 95,826 | 119,137 | |
| FUND EQUITY | | | | | | | | | | |
| Contributed capital | | | | 3,031,607 | | | | 3,031,607 | 3,023,958 | |
| Investment in general fixed assets | | | | | | | | | | |
| Retained earnings | | | | | | | | | | |
| Reserved | | | | 11,260 | | | | 11,260 | 9,846 | |
| Unreserved | | | | 687,859 | | | | 687,859 | 634,842 | |
| Fund balance | 33,470 | | | | | | | 33,470 | 29,845 | |
| Reserved | 415,829 | | | | | | | 931,380 | 1,224,036 | |
| Unreserved, undesignated | 449,299 | \$511,968 | | | | | | 6,487,650 | 6,690,508 | |
| Total fund equity | 477,975 | 511,968 | -0- | 3,730,726 | -0- | 1,792,074 | -0- | 6,583,476 | 6,809,645 | |
| Total liabilities and fund equity | 477,975 | 511,968 | -0- | 3,761,749 | 11,523 | 1,792,074 | 24,604 | 6,583,476 | 6,809,645 | |

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>GOVERNMENTAL FUND TYPES</u> | | | | <u>TOTALS</u> <u>(Memorandum Only)</u> |
|--|--------------------------------|----------------------------|-------------------------|-----------------------------|---|
| | <u>GENERAL</u> | <u>SPECIAL REVENUE</u> | <u>DEBT SERVICE</u> | <u>CAPITAL PROJECTS</u> | |
| <u>REVENUES</u> | | | | | |
| Taxes | \$268,137 | \$160,467 | | | \$428,604 |
| Licenses and permits | 26,251 | | | | 26,251 |
| Intergovernmental | 24,822 | | | \$22,742 | 47,564 |
| Charges for services | 8,380 | | | | 8,380 |
| Fines and forfeits | 57,142 | | | | 57,142 |
| Investment income | 33,568 | 10,459 | | | 44,027 |
| Miscellaneous | 24,040 | | \$403 | | 24,443 |
| <u>Total revenues</u> | <u>442,340</u> | <u>170,926</u> | <u>403</u> | <u>22,742</u> | <u>636,411</u> |
| <u>EXPENDITURES</u> | | | | | |
| Current operating | | | | | |
| General and administrative | 242,345 | 1,625 | | | 243,970 |
| Street | 305,192 | | | | 305,192 |
| Police | 199,264 | | | | 199,264 |
| Recreation | 30,942 | | | | 30,942 |
| Capital projects | | | | 120,858 | 120,858 |
| Debt service | | | | | |
| Principal retirement | | | 8,991 | | 8,991 |
| Interest and fiscal charges | | | 1,096 | | 1,096 |
| <u>Total expenditures</u> | <u>777,743</u> | <u>1,625</u> | <u>10,087</u> | <u>120,858</u> | <u>910,313</u> |
| <u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u> | <u>(335,403)</u> | <u>169,301</u> | <u>(9,684)</u> | <u>(98,116)</u> | <u>(273,902)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Operating transfers in | 364,931 | | | 98,116 | 463,047 |
| Operating transfers out | (1,025) | (480,521) | | | (481,546) |
| Inception of lease | 3,370 | | | | 3,370 |
| <u>Total other financing sources (uses)</u> | <u>367,276</u> | <u>(480,521)</u> | <u>-0-</u> | <u>98,116</u> | <u>(15,129)</u> |
| <u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u> | <u>31,873</u> | <u>(311,220)</u> | <u>(9,684)</u> | | <u>(289,031)</u> |
| <u>FUND BALANCE, beginning of year</u> | <u>417,426</u> | <u>823,188</u> | <u>13,267</u> | | <u>1,253,881</u> |
| <u>FUND BALANCE, end of year</u> | <u>449,299</u> | <u>511,968</u> | <u>3,583</u> | <u>-0-</u> | <u>964,850</u> |

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
BUDGET AND ACTUAL
GENERAL AND SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED JUNE 30, 1998

| | GENERAL FUND | | SPECIAL REVENUE FUND | | TOTALS (Memorandum Only) Actual |
|---|--------------|-----------|----------------------|-----------|---------------------------------------|
| | BUDGET | ACTUAL | BUDGET | ACTUAL | |
| <u>REVENUES</u> | | | | | |
| Taxes | \$275,584 | \$268,137 | \$164,512 | \$160,467 | \$428,604 |
| Licenses and permits | 20,833 | 26,251 | | | 26,251 |
| Intergovernmental | 22,509 | 24,822 | | | 24,822 |
| Charges for services | 7,124 | 8,380 | | | 8,380 |
| Fines and forfeits | 57,065 | 57,142 | | | 57,142 |
| Investment income | 30,340 | 33,568 | 10,506 | 10,459 | 44,027 |
| Miscellaneous | 20,107 | 24,040 | | | 24,040 |
| Total revenues | 433,562 | 442,340 | 175,018 | 170,926 | 613,266 |
| | | | | | |
| <u>EXPENDITURES</u> | | | | | |
| Current operating | | | | | |
| General and administrative | 246,023 | 242,345 | 1,666 | 1,625 | 243,970 |
| Street | 309,507 | 305,192 | | | 305,192 |
| Police | 198,797 | 199,264 | | | 199,264 |
| Recreation | 19,948 | 30,942 | | | 30,942 |
| Total expenditures | 774,275 | 777,743 | 1,666 | 1,625 | 779,368 |
| EXCESS OF REVENUES OVER (UNDER) EXPENDITURES | (340,712) | (335,403) | 173,352 | 169,301 | (166,102) |
| | | | | | |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | |
| Operating transfers in | 374,520 | 364,931 | | | 364,931 |
| Operating transfers out | (10,506) | (1,025) | 10,506 | (480,521) | (481,546) |
| Inception of lease | | 3,370 | | | 3,370 |
| Total other financing sources (uses) | 364,014 | 367,276 | (443,818) | (480,521) | (113,245) |
| EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES | 23,301 | 31,873 | (270,466) | (311,220) | (279,347) |
| FUND BALANCE, beginning of year | | 417,426 | | 823,188 | 1,240,614 |
| FUND BALANCE, end of year | | 449,299 | | 511,968 | 961,267 |

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>1998</u> | <u>TOTALS</u> <u>(Memorandum Only)</u> <u>1997</u> |
|--|------------------|--|
| <u>OPERATING REVENUES</u> | | |
| Charges for services | \$224,239 | \$233,847 |
| <u>OPERATING EXPENSES</u> | | |
| Personal services | 83,009 | 94,269 |
| Contractual services | 50,888 | 60,883 |
| Supplies | 13,228 | 13,343 |
| Other expenses | 49,134 | 56,857 |
| Depreciation | <u>139,684</u> | <u>110,753</u> |
| <u>Total operating expenses</u> | <u>335,943</u> | <u>336,105</u> |
| <u>OPERATING (LOSS)</u> | <u>(111,704)</u> | <u>(102,258)</u> |
| <u>NONOPERATING REVENUES</u> | | |
| Interest income | <u>32,034</u> | <u>28,572</u> |
| <u>Total nonoperating revenues</u> | <u>32,034</u> | <u>28,572</u> |
| <u>(LOSS) BEFORE OPERATING TRANSFERS</u> | <u>(79,670)</u> | <u>(73,686)</u> |
| <u>OPERATING TRANSFERS IN</u> | <u>18,499</u> | <u>987</u> |
| <u>NET (LOSS)</u> | <u>(61,171)</u> | <u>(72,699)</u> |
| Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital | <u>115,602</u> | <u>90,658</u> |
| <u>INCREASE IN RETAINED EARNINGS</u> | 54,431 | 17,959 |
| <u>RETAINED EARNINGS</u> , beginning of year | <u>644,688</u> | <u>626,729</u> |
| <u>RETAINED EARNINGS</u> , end of year | <u>699,119</u> | <u>644,688</u> |

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>1998</u> | <u>TOTALS</u> <u>(Memorandum Only)</u> <u>1997</u> |
|---|-----------------|--|
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | |
| Cash received from customers | \$229,380 | \$233,127 |
| Cash payment to suppliers for goods and services | (108,759) | (128,732) |
| Cash payments to employees for services | (85,350) | (93,687) |
| <u>Net cash provided by operating activities</u> | <u>35,271</u> | <u>10,708</u> |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | |
| Operating transfers in (out) | (13,899) | 1,106 |
| <u>Net cash provided (used) by noncapital financing activities</u> | <u>(13,899)</u> | <u>1,106</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | | |
| Purchase of fixed assets | (10,183) | (1,550) |
| Contribution from customers | 2,235 | 1,229 |
| <u>Net cash (used) for capital and related financing activities</u> | <u>(7,948)</u> | <u>(321)</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | |
| Purchase of investments | (12,379) | (11,263) |
| Interest on investments | 32,011 | 29,374 |
| <u>Net cash provided by investing activities</u> | <u>19,632</u> | <u>18,111</u> |
| <u>NET INCREASE IN CASH</u> | <u>33,056</u> | <u>29,604</u> |
| <u>CASH, July 1, 1997</u> | <u>243,607</u> | <u>214,003</u> |
| <u>CASH, June 30, 1998</u> | <u>276,663</u> | <u>243,607</u> |
| <u>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES</u> | | |
| Operating (loss) | \$(111,704) | \$(102,258) |
| Adjustments to reconcile operating (loss) to net cash provided by operating activities: | | |
| Depreciation | 139,684 | 110,753 |
| (Increase) decrease in accounts receivable | 2,648 | (3,341) |
| (Increase) decrease in prepaid insurance | 2,727 | 1,524 |
| (Increase) decrease in NSF checks | (20) | |
| Increase (decrease) in accounts payable | 1,764 | 827 |
| Increase (decrease) in accrued compensated absences | (2,341) | 582 |
| Increase (decrease) in customer meter deposits | 2,779 | 2,355 |
| Increase (decrease) in due to customers | (266) | 266 |
| <u>Total adjustments</u> | <u>146,975</u> | <u>112,966</u> |
| <u>Net cash provided by operating activities</u> | <u>35,271</u> | <u>10,708</u> |

The accompanying notes are an integral part of these statements.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting practices of the Town of Krotz Springs conform to generally accepted accounting principles applicable to governments.

The following is a summary of certain significant accounting policies and practices of the Town of Krotz Springs.

REPORTING ENTITY

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the Town of Krotz Springs 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:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of the Town 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 Town.
2. Organizations for which the Town does not appoint a voting majority but are fiscally dependent on the Town.
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.

The Town of Krotz Springs is a primary government and has no component units. The accompanying general purpose financial statements present information only on the funds maintained by the Town and do not present information on any other governmental unit.

FUND ACCOUNTING

The accounts of the Town 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

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

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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

Capital Projects Fund. The Capital Projects Fund is used to account for the construction of capital facilities by the Town.

Proprietary Fund

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 and services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Fiduciary Fund

Agency Funds. Agency Funds are used to account for assets held by the Town in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds. Agency Funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types 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 fund types 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 (i.e., revenues) and decreases (i.e., expenses) in net total assets.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

The modified accrual basis of accounting is used by all governmental fund types and the fiduciary fund. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that the amount of the transaction can be determined and "available" means that the amount of the transaction is collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period.

Taxpayer-assessed income, gross receipts, and sales taxes are considered "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Anticipated refunds of such taxes are recorded as liabilities and reductions of revenue when they are measurable and their validity seems certain.

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 for principal and interest on general long-term debt which is recognized when due. Expenditures for insurance and similar services which extend over more than one accounting period are accounted for as expenditures of the period of acquisition.

The proprietary fund type is accounted for using the accrual basis of accounting. Its revenues are recognized when they are earned, and its expenses are recognized when they are incurred.

CASH AND INVESTMENTS

Louisiana statutes authorize the Town to invest in United States bonds, treasury notes or certificates, time certificates of deposit in state and national banks, or any other federally insured investment.

At year-end, the carrying amount of the Town's cash and investments was \$1,805,344. The bank balance of cash was \$580,856 and of investments was \$1,225,149. Investments are stated at cost or amortized cost, which approximates market. Investments consist of time certificates of deposit and direct investment in the Louisiana Asset Management Pool (LAMP). Cash and certificates of deposits are fully secured through the pledge of bank-owned securities or federal deposit insurance. Investments in certificates of deposit at June 30, 1998 was \$989,276. The Louisiana Asset Management Pool (LAMP) is a cooperative endeavor designed to create a local government investment vehicle. The cooperative endeavor was created at the initiative of the Louisiana State Treasurer's Office. With investment advice provided by a professional investment manager and custody of the assets maintained by a major Louisiana bank, LAMP has been established to improve administrative efficiency and increase investment yield for all Depositing Members. Investment in LAMP at June 30, 1998 was \$235,873.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

FIXED ASSETS AND LONG-TERM LIABILITIES

All items of property, plant, and equipment (including infrastructure general fixed assets) which do not constitute assets of the Enterprise Funds are recorded in the General Fixed Assets Account Group. Such assets are maintained on the basis of original cost (cash paid plus trade-in allowance, if applicable) and no depreciation is computed or recorded thereon.

Long-term liabilities expected to be financed from governmental fund types are accounted for in the General Long-term Debt Account Group, not in the governmental funds.

The two account groups are not "funds." They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

Because of their spending measurement focus, expenditure recognition for governmental fund types is limited to exclude amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities. They are instead reported as liabilities in the General Long-term Debt Account Group.

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 estimated useful lives of the individual assets.

Interest costs during construction, where applicable, are capitalized.

BAD DEBTS

Uncollectible amounts due for ad valorem taxes, miscellaneous liens, and sundry claims are recorded as bad debts through the establishment of an allowance account at the time information available indicates the uncollectibility of the particular receivable.

Uncollectible amounts due for customers' utility receivables are recognized as bad debts through the adjustment of an allowance account to the balance of individual accounts over 90 days old at the end of each fiscal year.

Allowance for uncollectible accounts receivable in the Enterprise Funds at June 30, 1998 is \$466.

BUDGETS AND BUDGETARY ACCOUNTING

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

1. At least 30 days prior to the beginning of the fiscal year the Mayor submits to the Town Council an operating and capital budget for the succeeding year.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BUDGETS AND BUDGETARY ACCOUNTING - Continued

2. A public meeting is scheduled by the Town Council after allowing for at least 10 days notice to the public at the time the budget is initially submitted to the Town Council.
3. The budget must be finally adopted by the Council no later than the last day of the preceding fiscal year.
4. The Mayor and Town Council may authorize transfers of budgetary amounts within departments and revisions requiring alteration of levels of expenditures or transfers between departments.
5. Operating appropriations, to the extent not expended or encumbered, lapse at year-end. Capital appropriations continue in force until the project is completed or deemed abandoned.
6. Formal budgetary integration is employed as a management control device during the year for the General Fund and Special Revenue Funds. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP).

The budgeted accounts shown in these financial statements as of June 30, 1998 were properly amended during a public meeting held on June 29, 1998.

ENCUMBRANCES

The Town does not employ the encumbrance system of accounting.

INVENTORY

The Town practices the policy of recording materials and supplies as expenditures or expenses when acquired. The Town does not record any of these items as inventory because the amount of the items in stock is insignificant.

COMPENSATED ABSENCES

Employees of the Town of Krotz Springs earn vacation and sick leave on a calendar year basis. Unused vacation and sick leave can be carried forward to the next calendar year. Upon termination, unused vacation is paid to employees at the employee's current rate of pay. Unused sick leave is forfeited upon termination. Sick leave is paid upon retirement at the employee's current rate of pay. Accrued compensated absences for sick leave is accounted for in the General Long-term Debt Account Group. Sick leave is paid upon retirement at the employee's current rate of pay. Accrued compensated absences for sick leave is accounted for in the General Long-term Debt Account Group.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Town considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (1) - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

TOTAL COLUMNS ON COMBINED STATEMENTS

Total columns on the Combined Statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or 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.

NOTE (2) - INTERFUND RECEIVABLES, PAYABLES

| | <u>Interfund Receivables</u> | <u>Interfund Payables</u> |
|-----------------------|----------------------------------|-------------------------------|
| General Fund | | \$5,640 |
| Special Revenue Funds | | |
| Sales Tax | \$5,538 | |
| Enterprise Funds | 4,071 | 1,043 |
| Agency Fund | | |
| Payroll Account | <u>6,240</u> | <u>9,166</u> |
| | <u>15,849</u> | <u>15,849</u> |

NOTE (3) - RETIREMENT PLAN

General. The Town participates in funding a retirement plan which is described as follows:

Municipal Employees' Retirement System

Plan Description: The Town provides pension benefits for substantially all of its full-time employees except the police department, through the Municipal Employees' Retirement System of Louisiana, Plan B. This plan is a cost-sharing, multiple-employer, statewide funded plan. In addition to employee payroll deductions, Town funds are remitted to the retirement system and are recorded as expenditures. The retirement system is administered and controlled by a separate board of trustees. Contributions of participating agencies are pooled within the system to fund accrued benefits, with contribution rates approved by the Louisiana Legislature. The Municipal Employees' Retirement System issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to Municipal Employees' Retirement System, 7937 Office Park Boulevard, Baton Rouge, Louisiana 70809, or by calling (225) 925-4810.

Funding Policy: Plan B members of the Municipal Employees' Retirement System are required by state statute to contribute 5% of their annual covered salary and the Town (as the employer) is required to contribute at an actuarially determined rate. The current employer rate is 2.75% of annual covered payroll. The contribution requirements of plan members and the employer are established by, and may be amended by, state law. As required by state law, the employer contributions are determined

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (3) - RETIREMENT PLAN - Continued

Funding Policy: - Continued

by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The employer contribution is additionally funded by the State of Louisiana through the annual Legislative appropriation. The Town of Krotz Springs' employer contributions to Municipal Employees' Retirement System for the years ended June 30, 1998, 1997, 1996, were \$2,906, \$4,003, \$4,507 respectively, and were equal to the required contribution for each year.

NOTE (4) - AD VALOREM TAXES

For the year ended June 30, 1998, the Town of Krotz Springs levied a general tax of 6.52 mills, the statutory maximum, on property with assessed valuation totaling \$15,718,260. Total tax levied was \$102,483. Taxes receivable at June 30, 1998 totaled \$629. There was no allowance for uncollectible accounts at June 30, 1998.

The Town's ad valorem tax, levied for the calendar year, is due on or before December 31 and becomes delinquent on January 1.

NOTE (5) - ACCOUNTS RECEIVABLE - ENTERPRISE FUNDS

The accounts receivable consist of gas, water and sewer billings uncollected as of June 30, 1998. An accounts receivable aging schedule is as follows:

| <u>Days</u> | <u>6/30/98</u> |
|--|----------------|
| Unbilled | \$2,375 |
| 0 - 30 | 13,348 |
| 31 - 60 | 2,317 |
| 61 - 90 | 703 |
| 91 and older | <u>392</u> |
| <u>Total accounts receivable</u> | 19,135 |
| Less: allowance for uncollectible accounts | <u>(466)</u> |
| <u>Net accounts receivable</u> | <u>18,669</u> |

NOTE (6) - RESERVES OF FUND EQUITY

The Town records reserves 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 of the Town.

| | <u>6/30/98</u> |
|---|-----------------|
| General Fund | |
| Reserved for ad valorem taxes paid in protest | \$31,035 |
| Due to operating account | <u>2,435</u> |
| | <u>33,470</u> |
| Enterprise Funds | |
| Reserved for customers' deposits | <u>\$11,260</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (7) - DEBT SERVICE

Public Improvement Bonds dated May 1, 1988, issued for the purpose of financing the street paving project, are secured as to payment by collections of special assessments levied.

The amount of delinquent assessments at June 30, 1998 totaled \$2,435.

NOTE (8) - PROPRIETARY FUNDS - RESTRICTED ASSETS

Certain assets of the Enterprise Funds have been restricted for customers' deposits. These assets consist of cash and short-term investments totaling \$33,284.

NOTE (9) - CONTRIBUTED CAPITAL

Contributed capital on June 30, 1998 consists of:

Gas Fund

| | | |
|--|--------------|---------|
| Contributions from federal agencies | \$566,500 | |
| Contributions from Town of Krotz Springs | | |
| Special Revenue Funds | <u>2,307</u> | |
| | | 568,807 |

| | | |
|--|------------------|-----------|
| Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal agencies | <u>(279,803)</u> | \$289,004 |
|--|------------------|-----------|

Water Fund

| | | |
|---|------------------|---------|
| Contributions from federal agencies | 1,223,606 | |
| Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal and state grants | <u>(225,425)</u> | 998,181 |

Sewer Fund

| | | |
|--|----------------|-----------|
| Contributions from federal and state agencies | 1,480,488 | |
| Contributions from customers | 26,366 | |
| Contributions from Town of Krotz Springs | | |
| Special Revenue Funds | <u>662,985</u> | |
| | | 2,169,839 |

| | | |
|---|------------------|-----------|
| Accumulated depreciation of property, plant, and equipment acquired with contributed capital from federal and state agencies | <u>(425,417)</u> | 1,744,422 |
|---|------------------|-----------|

3,031,607

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (10) - PROPERTY, PLANT, AND EQUIPMENT - ENTERPRISE FUNDS

A summary of property, plant, and equipment of the Enterprise Funds at June 30, 1998 is as follows:

| <u>Description</u> | <u>Life in Years</u> | <u>Cost</u> | <u>Accumulated Depreciation</u> | <u>Net</u> | <u>Depreciation This Year *</u> |
|------------------------------|--------------------------|------------------|-------------------------------------|------------------|-------------------------------------|
| Waterworks and gas system | 15-20 | \$1,976,432 | \$680,720 | \$1,295,712 | \$84,836 |
| Sewer plant and equipment | 40 | <u>2,202,206</u> | <u>628,325</u> | <u>1,573,881</u> | <u>54,848</u> |
| <u>Total</u> | | <u>4,178,638</u> | <u>1,309,045</u> | <u>2,869,593</u> | <u>139,684</u> |

Changes during the year

| | | | | | |
|---------------------------------------|--|------------------|------------------|--|--|
| <u>BALANCE</u> , beginning of year | | \$4,045,203 | \$1,169,361 | | |
| Additions: | | | | | |
| Sewer equipment | | 10,184 | | | |
| Water tower completed | | 123,251 | | | |
| Depreciation | | | <u>139,684</u> | | |
| <u>BALANCE</u> , end of year | | <u>4,178,638</u> | <u>1,309,045</u> | | |

* All assets depreciated under the straight-line method.

NOTE (11) - GENERAL FIXED ASSETS

The Town of Krotz Springs did not have an adequate property control system prior to July 1, 1982 for the General Fixed Assets Account Group.

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (12) - CHANGES IN LONG-TERM DEBT

A summary of changes in long-term debt is as follows:

| | <u>General Obligation Bond - 1988 Series</u> | <u>Compensated Absences</u> | <u>Ascom Hasler Lease</u> | <u>Total</u> |
|--|--|---------------------------------|-------------------------------|---------------|
| Balance 7/1/97 | \$8,991 | | | \$8,991 |
| Bonds retired | (8,991) | | | (8,991) |
| Increase in long-term compensated absences payable | | \$22,184 | | 22,184 |
| Capital lease for postage machine | | | \$3,370 | 3,370 |
| Payments on lease | ----- | ----- | (950) | (950) |
| Balance 6/30/98 | <u>-0-</u> | <u>22,184</u> | <u>2,420</u> | <u>24,604</u> |

Compensated Absences - This debt consists of the long-term portion of accrued sick leave which employees have earned and are payable to them in the future.

Ascom Hasler Lease - On August 28, 1997, the Town of Krotz Springs entered into a capital lease for a postage machine from Ascom Hasler Leasing at a total cost of \$3,370. The lease is for a term of 36 months and monthly payments are \$86.33. A final payment of \$262.40 is due at the end of the lease. A summary of future minimum lease payments is as follows:

| | |
|------|--------------|
| 1999 | \$1,036 |
| 2000 | 1,036 |
| 2001 | <u>348</u> |
| | <u>2,420</u> |

Payments on principal during the year ended 6/30/98 were \$950.

NOTE (13) - CHANGES IN GENERAL FIXED ASSETS

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

| | <u>Balance 7/1/97</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance 6/30/98</u> |
|--------------------------------------|---------------------------|------------------|--------------------|----------------------------|
| Land | \$294,898 | | | \$294,898 |
| Buildings | 241,484 | \$53,323 | | 294,807 |
| Improvements other than buildings | 134,390 | | | 134,390 |
| Equipment | 221,892 | 17,508 | | 239,400 |
| Furniture and fixtures | 7,345 | | | 7,345 |
| Other structures and improvements | <u>867,972</u> | <u>272,884</u> | <u>\$319,622</u> | <u>821,234</u> |
| <u>Totals</u> | <u>1,767,981</u> | <u>343,715</u> | <u>319,622</u> | <u>1,792,074</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1998

NOTE (14) - COMMUNITY DEVELOPMENT BLOCK GRANT - WATER TOWER PROJECT

During the fiscal year ended June 30, 1996, the Town of Krotz Springs was awarded a Louisiana Community Development Block Grant in the total amount of \$597,500 for a new water tower for the Town. The Town has drawn down \$22,742 of the total grant and provided \$98,116 of its own money for the fiscal year ended June 30, 1998. The Town has expended \$120,858 during the fiscal year ended June 30, 1998, as follows:

| | |
|---|----------------|
| Engineering | \$8,166 |
| Contractor | <u>112,692</u> |
| <u>Total expended in current</u> | |
| <u>fiscal year</u> | <u>120,858</u> |
| <u>Recap of total grant</u> | |
| Total grant award | \$597,500 |
| Town's match | <u>98,116</u> |
| | 695,616 |
| Cumulative expenditures as of | |
| June 30, 1998 | <u>695,616</u> |
| Remaining grant amount receivable as of | |
| June 30, 1998 | <u>-0-</u> |

NOTE (15) - POSTRETIREMENT BENEFITS

The Town of Krotz Springs provides health insurance for those employees who retire with thirty or more years of continuous service with the Town, and who have attained the age of at least sixty-two. The Town pays 100% of the premium until the employee reaches the age of sixty-five. For the fiscal year ended June 30, 1998, the Town has expended \$900 on health insurance premiums for one retired employee.

FINANCIAL STATEMENTS OF INDIVIDUAL FUNDS

GENERAL FUND

The General Fund is used to account for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund has a greater number and variety of revenue sources than any other fund, and its resources normally finance a wider range of activities. The resources of the General Fund are ordinarily largely expended and replenished on an annual basis.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|---|----------------|----------------|
| <u>ASSETS</u> | | |
| Cash | \$162,466 | \$166,943 |
| Investments | 242,450 | 242,450 |
| Receivables, net of allowance for uncollectibles | | |
| Property taxes | 629 | 827 |
| From other governments | 4,628 | 1,500 |
| Franchise taxes | 33,291 | 18,644 |
| Interest receivable | 910 | 888 |
| From other funds | | 1,197 |
| NSF checks | 131 | |
| Restricted assets | | |
| Cash | 31,035 | 19,310 |
| Due from operating account | <u>2,435</u> | <u>1,544</u> |
| <u>Total assets</u> | <u>477,975</u> | <u>453,303</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$11,049 | \$24,125 |
| Retirement payable | 674 | 1,001 |
| Accrued compensated absences | 8,878 | 3,438 |
| Due to restricted assets | 2,435 | 1,544 |
| Due to other funds | 5,640 | 3,553 |
| Street assessment payable | | <u>2,216</u> |
| <u>Total liabilities</u> | <u>28,676</u> | <u>35,877</u> |
| <u>FUND BALANCE</u> | | |
| Reserved | 33,470 | 20,854 |
| Unreserved, undesignated | <u>415,829</u> | <u>396,572</u> |
| <u>Total fund balance</u> | <u>449,299</u> | <u>417,426</u> |
| <u>Total liabilities and fund balance</u> | <u>477,975</u> | <u>453,303</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | | <u>JUNE 30,</u> |
|--|----------------------|------------------|----------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> | <u>1997</u> |
| | | | <u>(UNFAVORABLE)</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Taxes | \$275,584 | \$268,137 | \$(7,447) | \$255,307 |
| Licenses and permits | 20,833 | 26,251 | 5,418 | 15,688 |
| Intergovernmental | 22,509 | 24,822 | 2,313 | 19,893 |
| Charges for services | 7,124 | 8,380 | 1,256 | 10,715 |
| Fines and forfeits | 57,065 | 57,142 | 77 | 65,676 |
| Investment income | 30,340 | 33,568 | 3,228 | 31,826 |
| Miscellaneous | 20,107 | 24,040 | 3,933 | 20,834 |
| <u>Total revenues</u> | <u>433,562</u> | <u>442,340</u> | <u>8,778</u> | <u>419,939</u> |
| <u>EXPENDITURES</u> | | | | |
| Current operating | | | | |
| General and administrative | 246,023 | 242,345 | 3,678 | 249,659 |
| Street department | 309,507 | 305,192 | 4,315 | 66,765 |
| Police department | 198,797 | 199,264 | (467) | 203,267 |
| Recreation department | 19,948 | 30,942 | (10,994) | 27,162 |
| <u>Total expenditures</u> | <u>774,275</u> | <u>777,743</u> | <u>(3,468)</u> | <u>546,853</u> |
| <u>EXCESS OF REVENUES OVER (UNDER)</u> | | | | |
| <u>EXPENDITURES</u> | <u>(340,713)</u> | <u>(335,403)</u> | <u>5,310</u> | <u>(126,914)</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Operating transfers in | 374,520 | 364,931 | (9,589) | 44,143 |
| Gain on sale of fixed assets | | | | 50 |
| Operating transfers out | (10,506) | (1,025) | 9,481 | (988) |
| Inception of lease | _____ | 3,370 | 3,370 | _____ |
| <u>Total other financing sources (uses)</u> | <u>364,014</u> | <u>367,276</u> | <u>3,262</u> | <u>43,205</u> |
| <u>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES</u> | | | | |
| | <u>23,301</u> | 31,873 | <u>8,572</u> | (83,709) |
| <u>FUND BALANCE</u> , beginning of year | | <u>417,426</u> | | <u>501,135</u> |
| <u>FUND BALANCE</u> , end of year | | <u>449,299</u> | | <u>417,426</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF REVENUES
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | VARIANCE FAVORABLE (UNFAVORABLE) | <u>JUNE 30,</u> |
|-----------------------------------|----------------------|-------------------|--|-----------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | | <u>1997</u> |
| | | | | <u>ACTUAL</u> |
| <u>TAXES</u> | | | | |
| Property taxes | \$131,000 | \$101,945 | \$(29,055) | \$117,885 |
| Franchise - Electric | 141,115 | 162,548 | 21,433 | 132,882 |
| Franchise - Telephone | 750 | 750 | | 750 |
| Franchise - Cable television | <u>2,719</u> | <u>2,894</u> | <u>175</u> | <u>3,790</u> |
| <u>Total taxes</u> | <u>275,584</u> | <u>268,137</u> | <u>(7,447)</u> | <u>255,307</u> |
| <u>LICENSES AND PERMITS</u> | | | | |
| Liquor licenses | 3,200 | 3,250 | 50 | 3,250 |
| Insurance licenses | 16,368 | 21,686 | 5,318 | 10,833 |
| Occupational licenses | 850 | 850 | | 860 |
| Building and moving permits | 15 | 15 | | 45 |
| Video poker licenses | <u>400</u> | <u>450</u> | <u>50</u> | <u>700</u> |
| <u>Total licenses and permits</u> | <u>20,833</u> | <u>26,251</u> | <u>5,418</u> | <u>15,688</u> |
| <u>INTERGOVERNMENTAL</u> | | | | |
| State beer tax | 1,824 | 2,204 | 380 | 2,243 |
| State tobacco tax | 4,045 | 6,685 | 2,640 | 6,685 |
| Housing Authority | 1,900 | 1,193 | (707) | 1,921 |
| Federal grant | 14,740 | 14,740 | | 8,272 |
| State grants | <u> </u> | <u> </u> | <u> </u> | <u>772</u> |
| <u>Total intergovernmental</u> | <u>22,509</u> | <u>24,822</u> | <u>2,313</u> | <u>19,893</u> |
| <u>CHARGES FOR SERVICES</u> | | | | |
| Medical building rental | 2,677 | 2,666 | (11) | 3,265 |
| Recreation income | <u>4,447</u> | <u>5,714</u> | <u>1,267</u> | <u>7,450</u> |
| <u>Total charges for services</u> | <u>7,124</u> | <u>8,380</u> | <u>1,256</u> | <u>10,715</u> |
| <u>FINES AND FORFEITS</u> | | | | |
| Court fines | <u>57,065</u> | <u>57,142</u> | <u>77</u> | <u>65,676</u> |
| <u>INVESTMENT INCOME</u> | | | | |
| Interest income | <u>30,340</u> | <u>33,568</u> | <u>3,228</u> | <u>31,826</u> |
| <u>MISCELLANEOUS</u> | | | | |
| Video poker fees | 11,550 | 12,402 | 852 | 11,801 |
| Grass cutting | 6,557 | 3,278 | (3,279) | 6,919 |
| Other | <u>2,000</u> | <u>8,360</u> | <u>6,360</u> | <u>2,114</u> |
| <u>Total miscellaneous</u> | <u>20,107</u> | <u>24,040</u> | <u>3,933</u> | <u>20,834</u> |
| <u>Total revenues</u> | <u>433,562</u> | <u>442,340</u> | <u>8,778</u> | <u>419,939</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | VARIANCE FAVORABLE (UNFAVORABLE) | <u>JUNE 30,</u> |
|---|----------------------|----------------|--|-----------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | | <u>1997</u> |
| | | | | <u>ACTUAL</u> |
| <u>GENERAL AND ADMINISTRATIVE</u> | | | | |
| <u>Personal services</u> | | | | |
| Salaries | \$44,430 | \$45,867 | \$(1,437) | \$38,648 |
| Mayor and council | 14,596 | 15,513 | (917) | 11,825 |
| Payroll taxes | 3,608 | 3,649 | (41) | 3,000 |
| Compensated absences | 1,000 | (210) | 1,210 | 744 |
| Retirement | 3,876 | 2,903 | 973 | 4,004 |
| <u>Supplies</u> | | | | |
| Office supplies and postage | 16,507 | 17,267 | (760) | 13,362 |
| Uniforms | 1,156 | 963 | 193 | 1,098 |
| <u>Other</u> | | | | |
| Insurance | 26,485 | 25,507 | 978 | 27,541 |
| Utilities | 13,241 | 13,389 | (148) | 13,995 |
| Travel expenses | 850 | 998 | (148) | 773 |
| Conventions and conferences | 6,120 | 6,563 | (443) | 5,708 |
| Telephone | 3,047 | 3,070 | (23) | 2,682 |
| Legal and professional | 7,592 | 8,430 | (838) | 7,702 |
| Repairs and maintenance | 9,394 | 8,874 | 520 | 6,307 |
| Miscellaneous | 5,969 | 6,033 | (64) | 6,030 |
| Publications and notices | 73 | 167 | (94) | 483 |
| Dues and subscriptions | 982 | 1,434 | (452) | 1,480 |
| Pest control | 432 | 432 | | 432 |
| Election expense | 644 | 644 | | 639 |
| Bayou Latanier expenditures | 8,876 | 8,876 | | 90,287 |
| Street assessments | | 194 | (194) | 7,599 |
| Lease expense | | 950 | (950) | |
| <u>Capital outlay</u> | | | | |
| Buildings, improvements, and equipment | <u>77,145</u> | <u>70,832</u> | <u>6,313</u> | <u>5,320</u> |
| <u>Total general and administrative</u> | <u>246,023</u> | <u>242,345</u> | <u>3,678</u> | <u>249,659</u> |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | | <u>JUNE 30,</u> |
|--------------------------------|----------------------|----------------|---|------------------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>VARIANCE</u> <u>FAVORABLE</u> <u>(UNFAVORABLE)</u> | <u>1997</u> <u>ACTUAL</u> |
| <u>STREET DEPARTMENT</u> | | | | |
| <u>Personal services</u> | | | | |
| Salaries and wages | \$17,325 | \$17,039 | \$286 | \$18,008 |
| Payroll taxes | 1,395 | 1,332 | 63 | 1,414 |
| Compensated absences | 200 | 1,294 | (1,094) | (207) |
| <u>Supplies</u> | | | | |
| Materials and supplies | 5,096 | 6,002 | (906) | 5,999 |
| Uniforms | 1,041 | 868 | 173 | 614 |
| Gasoline | 3,317 | 2,894 | 423 | 3,240 |
| <u>Other</u> | | | | |
| Repairs and maintenance | 5,825 | 2,293 | 3,532 | 4,236 |
| Shells, gravel, culverts, etc. | 983 | 827 | 156 | 276 |
| Insurance | 1,691 | 1,409 | 282 | 1,969 |
| Drug testing | | | | 90 |
| Utilities | 4,545 | 3,145 | 1,400 | |
| <u>Capital outlay</u> | | | | |
| Street improvements | <u>268,089</u> | <u>268,089</u> | | <u>31,126</u> |
| <u>Total street department</u> | <u>309,507</u> | <u>305,192</u> | <u>4,315</u> | <u>66,765</u> |
| <u>POLICE DEPARTMENT</u> | | | | |
| <u>Personal services</u> | | | | |
| Salaries | 121,738 | 121,222 | 516 | 115,053 |
| Payroll taxes | 9,804 | 9,479 | 325 | 9,032 |
| Compensated absences | 100 | 4,357 | (4,257) | (63) |
| <u>Supplies</u> | | | | |
| Office supplies and postage | 2,095 | 2,470 | (375) | 3,943 |
| Uniforms | 1,574 | 1,344 | 230 | 795 |
| Gasoline | 6,973 | 7,109 | (136) | 8,638 |
| <u>Other</u> | | | | |
| Insurance | 37,676 | 33,656 | 4,020 | 34,745 |
| Telephone | 3,256 | 3,477 | (221) | 4,088 |
| Repairs - radio and radar | 2,900 | 2,910 | (10) | 1,894 |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
GENERAL FUND
DETAILED SCHEDULE OF EXPENDITURES
BUDGET AND ACTUAL (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | VARIANCE FAVORABLE (UNFAVORABLE) | <u>JUNE 30, 1997</u> <u>ACTUAL</u> |
|--|----------------------|----------------|--|---|
| | <u>BUDGET</u> | <u>ACTUAL</u> | | |
| <u>POLICE DEPARTMENT - Continued</u> | | | | |
| Prisoners' meals | \$466 | \$456 | \$10 | \$106 |
| Auto expense | 8,033 | 9,142 | (1,109) | 5,191 |
| Dues and subscriptions | 138 | 115 | 23 | 130 |
| Conventions and conferences | | | | 421 |
| Miscellaneous | 233 | 194 | 39 | 7,351 |
| Legal and professional | 2,868 | 2,390 | 478 | 1,540 |
| LA Common Law Enforcement | 786 | 786 | | 1,656 |
| LA Supreme Court | 157 | 157 | | 1,089 |
| <u>Capital outlay</u> | | | | |
| Equipment | _____ | _____ | _____ | <u>7,658</u> |
| <u>Total police department</u> | <u>198,797</u> | <u>199,264</u> | <u>(467)</u> | <u>203,267</u> |
| <u>RECREATION DEPARTMENT</u> | | | | |
| <u>Personal services</u> | | | | |
| Salaries | 1,563 | 4,728 | (3,165) | 4,150 |
| Payroll taxes | 124 | 363 | (239) | 326 |
| <u>Supplies</u> | | | | |
| Materials and supplies | 836 | 2,402 | (1,566) | 1,713 |
| <u>Other</u> | | | | |
| Insurance | 1,192 | 1,121 | 71 | 1,127 |
| Utilities | 2,159 | 2,132 | 27 | 1,449 |
| Repairs and maintenance | | 80 | (80) | 1,945 |
| Entry fees | | 150 | (150) | 150 |
| Share of fines | 4,617 | 5,714 | (1,097) | 7,449 |
| <u>Capital outlay</u> | | | | |
| Equipment | <u>9,457</u> | <u>14,252</u> | <u>(4,795)</u> | <u>8,853</u> |
| <u>Total recreation department</u> | <u>19,948</u> | <u>30,942</u> | <u>(10,994)</u> | <u>27,162</u> |
| <u>Total expenditures</u> | <u>774,275</u> | <u>777,743</u> | <u>(3,468)</u> | <u>546,853</u> |

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for resources legally restricted to expenditures for specified current operating purposes or the acquisition of furniture, fixtures, machinery, equipment, or other relatively minor or comparatively short lived assets.

The Sales Tax Fund is used to account for the collection and expenditure of the Town's 1% sales tax.

TOWN OF KROTZ SPRINGS, LOUISIANA
SPECIAL REVENUE FUND
BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>SALES TAX FUND</u> | |
|---|-----------------------|----------------|
| | <u>1998</u> | <u>1997</u> |
| <u>ASSETS</u> | | |
| Cash | \$103,601 | \$382,179 |
| Investments | 401,467 | 401,467 |
| Receivables | | |
| Interest receivable | 1,362 | 1,326 |
| From other funds | 5,538 | 38,216 |
| <u>Total assets</u> | <u>511,968</u> | <u>823,188</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | -0- | -0- |
| <u>FUND BALANCE</u> | | |
| Unreserved, undesignated | \$511,968 | \$823,188 |
| <u>Total fund balance</u> | <u>511,968</u> | <u>823,188</u> |
| <u>Total liabilities and fund balance</u> | <u>511,968</u> | <u>823,188</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
SPECIAL REVENUE FUND
SALES TAX FUND
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | VARIANCE | JUNE 30, |
|---|----------------------|------------------|-----------------|-------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | FAVORABLE | <u>1997</u> |
| | | | (UNFAVORABLE) | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Taxes | | | | |
| Sales tax collections | \$164,512 | \$160,467 | \$(4,045) | \$142,253 |
| Interest income | <u>10,506</u> | <u>10,459</u> | <u>(47)</u> | <u>15,071</u> |
| <u>Total revenues</u> | <u>175,018</u> | <u>170,926</u> | <u>(4,092)</u> | <u>157,324</u> |
| <u>EXPENDITURES</u> | | | | |
| Current operating | | | | |
| General and administrative | | | | |
| Collection fees | 1,666 | 1,604 | 62 | 1,419 |
| Office supplies | <u> </u> | <u>21</u> | <u>(21)</u> | <u> </u> |
| <u>Total expenditures</u> | <u>1,666</u> | <u>1,625</u> | <u>41</u> | <u>1,419</u> |
| <u>EXCESS OF REVENUES OVER</u> | | | | |
| <u>(UNDER) EXPENDITURES</u> | <u>173,352</u> | <u>169,301</u> | <u>(4,051)</u> | <u>155,905</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Operating transfers in | 10,506 | | (10,506) | |
| Operating transfers out | (454,324) | (480,521) | (26,197) | (44,143) |
| <u>Total other financing</u> | | | | |
| <u>sources (uses)</u> | <u>(443,818)</u> | <u>(480,521)</u> | <u>(36,703)</u> | <u>(44,143)</u> |
| <u>EXCESS OF REVENUES AND OTHER</u> | | | | |
| <u>SOURCES OVER (UNDER)</u> | | | | |
| <u>EXPENDITURES AND OTHER USES</u> | <u>(270,466)</u> | <u>(311,220)</u> | <u>(40,754)</u> | <u>111,762</u> |
| <u>FUND BALANCE</u> , beginning of year | | <u>823,188</u> | | <u>711,426</u> |
| <u>FUND BALANCE</u> , end of year | | <u>511,968</u> | | <u>823,188</u> |

DEBT SERVICE FUND

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

TOWN OF KROTZ SPRINGS, LOUISIANA
DEBT SERVICE FUND
BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|---|----------------|---------------|
| <u>ASSETS</u> | | |
| Cash | \$1,148 | \$6,224 |
| Assessments receivable | | |
| Current | | 5,385 |
| Delinquent | <u>2,435</u> | <u>1,658</u> |
| <u>Total assets</u> | <u>3,583</u> | <u>13,267</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | <u>-0-</u> | <u>-0-</u> |
| <u>FUND BALANCE</u> | | |
| Reserved | | \$8,991 |
| Unreserved | <u>\$3,583</u> | <u>4,276</u> |
| <u>Total fund balance</u> | <u>3,583</u> | <u>13,267</u> |
| <u>Total liabilities and fund balance</u> | <u>3,583</u> | <u>13,267</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
DEBT SERVICE FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | JUNE 30, 1998 | | VARIANCE FAVORABLE (UNFAVORABLE) | JUNE 30, 1997 ACTUAL |
|---|----------------|----------------|--|----------------------------|
| | BUDGET | ACTUAL | | ACTUAL |
| <u>REVENUES</u> | | | | |
| Assessments collected | \$7,000 | \$403 | \$(6,597) | \$7,558 |
| <u>Total revenues</u> | <u>7,000</u> | <u>403</u> | <u>(6,597)</u> | <u>7,558</u> |
| <u>EXPENDITURES</u> | | | | |
| Debt service | | | | |
| Bond principal paid | 8,991 | 8,991 | | 8,991 |
| Interest expense | 787 | 787 | | 1,574 |
| Legal and paying agent fees | 800 | 309 | 491 | 729 |
| <u>Total expenditures</u> | <u>10,578</u> | <u>10,087</u> | <u>491</u> | <u>11,294</u> |
| <u>EXCESS OF REVENUES OVER (UNDER) EXPENDITURES</u> | <u>(3,578)</u> | <u>(9,684)</u> | <u>(6,106)</u> | <u>(3,736)</u> |
| <u>FUND BALANCE, beginning of year</u> | | <u>13,267</u> | | <u>17,003</u> |
| <u>FUND BALANCE, end of year</u> | | <u>3,583</u> | | <u>13,267</u> |

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds.

The Town's Capital Projects Fund accounts for a Louisiana Community Development Block Grant received for a water tower project.

TOWN OF KROTZ SPRINGS, LOUISIANA
CAPITAL PROJECTS FUND
BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--|-------------|--------------|
| <u>ASSETS</u> | | |
| Receivable from other governments - Community Development Block Grant | — | \$1,197 |
| <u>Total assets</u> | <u>-0-</u> | <u>1,197</u> |
| <u>LIABILITIES AND FUND BALANCE</u> | | |
| <u>LIABILITIES</u> | | |
| Due to other funds | — | \$1,197 |
| <u>Total liabilities</u> | <u>-0-</u> | <u>1,197</u> |
| <u>FUND BALANCE</u> | | |
| <u>Total liabilities and fund balance</u> | <u>-0-</u> | <u>-0-</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--|-----------------|----------------|
| <u>REVENUES</u> | | |
| Intergovernmental | | |
| Community Development Block | | |
| Grant | \$22,742 | \$519,398 |
| <u>Total revenues</u> | <u>22,742</u> | <u>519,398</u> |
| <u>EXPENDITURES</u> | | |
| Capital projects | | |
| Contractor fees | 112,692 | 482,126 |
| Engineering fees | 8,166 | 30,102 |
| Testing and inspection | | 170 |
| Administrative fees | | 1,074 |
| Salaries | | 4,266 |
| Workshops, publications | | 312 |
| Travel expense | | 23 |
| Payroll taxes | | 325 |
| Permits | | 1,000 |
| <u>Total expenditures</u> | <u>120,858</u> | <u>519,398</u> |
| <u>EXCESS OF REVENUES OVER (UNDER)</u> | | |
| <u>EXPENDITURES</u> | <u>(98,116)</u> | <u>-0-</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | |
| Operating transfers in | 98,116 | |
| <u>Total other financing</u> | | |
| <u>sources (uses)</u> | <u>98,116</u> | <u>-0-</u> |
| <u>EXCESS OF REVENUES AND OTHER</u> | | |
| <u>SOURCES OVER (UNDER) EXPENDITURES</u> | | |
| <u>AND OTHER USES</u> | | |
| <u>FUND BALANCE</u> , beginning of year | _____ | _____ |
| <u>FUND BALANCE</u> , end of year | <u>-0-</u> | <u>-0-</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
CAPITAL PROJECTS FUND
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>JUNE 30, 1998</u> | | <u>VARIANCE</u> | <u>JUNE 30,</u> |
|--|----------------------|-----------------|----------------------|------------------|
| | <u>BUDGET</u> | <u>ACTUAL</u> | <u>FAVORABLE</u> | <u>1997</u> |
| | | | <u>(UNFAVORABLE)</u> | <u>ACTUAL</u> |
| <u>REVENUES</u> | | | | |
| Intergovernmental | | | | |
| Community Development | | | | |
| Block Grant | <u>\$24,000</u> | <u>\$22,742</u> | <u>\$(1,258)</u> | <u>\$519,398</u> |
| <u>Total revenues</u> | <u>24,000</u> | <u>22,742</u> | <u>(1,258)</u> | <u>519,398</u> |
| <u>EXPENDITURES</u> | | | | |
| Capital projects | | | | |
| Water tower construction | <u>122,116</u> | <u>120,858</u> | <u>1,258</u> | <u>519,398</u> |
| <u>Total expenditures</u> | <u>122,116</u> | <u>120,858</u> | <u>1,258</u> | <u>519,398</u> |
| <u>EXCESS OF REVENUES OVER (UNDER)</u> | | | | |
| <u> EXPENDITURES</u> | <u>(98,116)</u> | <u>(98,116)</u> | <u>-0-</u> | <u>-0-</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Operating transfers in | <u>98,116</u> | <u>98,116</u> | | |
| <u>Total other financing</u> | | | | |
| <u>sources (uses)</u> | <u>98,116</u> | <u>98,116</u> | <u>-0-</u> | <u>-0-</u> |
| <u>EXCESS OF REVENUES AND OTHER</u> | | | | |
| <u> SOURCES OVER (UNDER)</u> | | | | |
| <u> EXPENDITURES AND OTHER USES</u> | <u>-0-</u> | | <u>-0-</u> | |
| <u>FUND BALANCE, beginning of year</u> | | | | |
| <u>FUND BALANCE, end of year</u> | | <u>-0-</u> | | <u>-0-</u> |

ENTERPRISE FUNDS

The Enterprise Funds are used to account for operations that are financed and operated in a manner 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.

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TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>GAS FUND</u> | <u>WATER FUND</u> | <u>SEWER FUND</u> | <u>TOTALS</u> |
|--|-----------------|-------------------|-------------------|-------------------------|
| | | | | <u>1998</u> <u>1997</u> |
| <u>ASSETS</u> | | | | |
| <u>CURRENT ASSETS</u> | | | | |
| Cash and cash equivalents | \$173,922 | \$50,253 | \$34,413 | \$258,588 |
| Investments | 376,929 | 155,441 | 33,721 | 566,091 |
| Receivables, net of allowance for uncollectibles | | | | |
| Accounts | 7,215 | 4,929 | 6,525 | 21,317 |
| Assessments | | | 4,461 | 6,696 |
| Interest receivable | 262 | 29 | 158 | 432 |
| From other funds | | 1,050 | 3,021 | 3,310 |
| NSF checks | | | 20 | 20 |
| Due from meter deposit account | 45 | | 45 | 585 |
| Prepaid insurance | <u>2,160</u> | <u>2,159</u> | <u>2,159</u> | <u>9,205</u> |
| <u>Total current assets</u> | <u>560,533</u> | <u>213,861</u> | <u>84,478</u> | <u>824,170</u> |
| <u>RESTRICTED ASSETS</u> | | | | |
| Cash | 18,075 | | | 14,694 |
| Investments | 15,140 | | | 15,140 |
| Interest receivable | <u>69</u> | | | <u>63</u> |
| <u>Total restricted assets</u> | <u>33,284</u> | <u>-0-</u> | <u>-0-</u> | <u>29,897</u> |
| <u>PROPERTY AND EQUIPMENT</u> | | | | |
| Utility plant, net | <u>287,071</u> | <u>1,008,641</u> | <u>1,573,881</u> | <u>2,875,842</u> |
| <u>Total assets</u> | <u>880,888</u> | <u>1,222,502</u> | <u>1,658,359</u> | <u>3,729,909</u> |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
COMBINING BALANCE SHEET (CONTINUED)
JUNE 30, 1998 AND 1997

| | <u>GAS FUND</u> | <u>WATER FUND</u> | <u>SEWER FUND</u> | <u>TOTALS</u> | |
|---|-----------------|-------------------|-------------------|------------------|------------------|
| | | | | <u>1998</u> | <u>1997</u> |
| <u>LIABILITIES AND FUND EQUITY</u> | | | | | |
| <u>CURRENT LIABILITIES (from current assets)</u> | | | | | |
| Accounts payable | \$1,729 | \$1,803 | \$801 | \$4,333 | \$2,569 |
| Accrued compensated absences | 1,660 | 1,749 | 214 | 3,623 | 5,964 |
| Due to other funds | 600 | 443 | | 1,043 | 32,679 |
| <u>Total</u> | <u>3,989</u> | <u>3,995</u> | <u>1,015</u> | <u>8,999</u> | <u>41,212</u> |
| <u>CURRENT LIABILITIES (from restricted assets)</u> | | | | | |
| Customers' deposits | 21,979 | | | 21,979 | 19,200 |
| Due to operating account | 45 | | | 45 | 585 |
| Due to customers | | | | | 266 |
| <u>Total</u> | <u>22,024</u> | <u>-0-</u> | <u>-0-</u> | <u>22,024</u> | <u>20,051</u> |
| <u>Total liabilities</u> | <u>26,013</u> | <u>3,995</u> | <u>1,015</u> | <u>31,023</u> | <u>61,263</u> |
| <u>FUND EQUITY</u> | | | | | |
| Contributed capital | 2,307 | | | | |
| Contribution from municipality | | | 662,985 | 665,292 | 665,292 |
| Contribution from customers | | | 26,366 | 26,366 | 26,366 |
| Contribution from grants | 566,500 | 1,223,606 | 1,480,488 | 3,270,594 | 3,147,342 |
| Less amortization | (279,803) | (225,425) | (425,417) | (930,645) | (815,042) |
| <u>Total contributed capital</u> | <u>289,004</u> | <u>998,181</u> | <u>1,744,422</u> | <u>3,031,607</u> | <u>3,023,958</u> |
| Retained earnings | | | | | |
| Reserved for customers' deposits | 11,260 | | | 11,260 | 9,846 |
| Unreserved retained earnings | 554,611 | 220,326 | (87,078) | 687,859 | 634,842 |
| <u>Total retained earnings</u> | <u>565,871</u> | <u>220,326</u> | <u>(87,078)</u> | <u>699,119</u> | <u>644,688</u> |
| <u>Total fund equity</u> | <u>854,875</u> | <u>1,218,507</u> | <u>1,657,344</u> | <u>3,730,726</u> | <u>3,668,646</u> |
| <u>Total liabilities and fund equity</u> | <u>880,888</u> | <u>1,222,502</u> | <u>1,658,359</u> | <u>3,761,749</u> | <u>3,729,909</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN RETAINED EARNINGS
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>GAS FUND</u> | <u>WATER FUND</u> | <u>SEWER FUND</u> | <u>TOTALS</u> |
|---|-----------------|-------------------|-------------------|------------------|
| | <u>1998</u> | <u>1998</u> | <u>1998</u> | <u>1997</u> |
| <u>OPERATING REVENUES</u> | | | | |
| Charges for services | \$129,720 | \$42,959 | \$51,560 | \$224,239 |
| Total operating revenues | <u>129,720</u> | <u>42,959</u> | <u>51,560</u> | <u>224,239</u> |
| <u>OPERATING EXPENSES</u> | | | | |
| Personal services | 35,627 | 22,037 | 25,345 | 83,009 |
| Contractual services | 48,908 | | 1,980 | 50,888 |
| Supplies | 8,980 | 2,991 | 1,257 | 13,343 |
| Other expenses | 10,991 | 22,219 | 15,924 | 49,134 |
| Depreciation | 27,493 | 57,343 | 54,848 | 139,684 |
| Total operating expenses | <u>131,999</u> | <u>104,590</u> | <u>99,354</u> | <u>335,943</u> |
| <u>OPERATING (LOSS)</u> | <u>(2,279)</u> | <u>(61,631)</u> | <u>(47,794)</u> | <u>(111,704)</u> |
| <u>NONOPERATING REVENUES</u> | | | | |
| Interest income | <u>23,223</u> | <u>7,803</u> | <u>1,008</u> | <u>32,034</u> |
| <u>INCOME (LOSS) BEFORE OPERATING TRANSFERS</u> | 20,944 | (53,828) | (46,786) | (73,686) |
| <u>OPERATING TRANSFERS IN (OUT)</u> | <u>(19,658)</u> | <u>18,861</u> | <u>19,296</u> | <u>987</u> |
| <u>NET INCOME (LOSS)</u> | 1,286 | (34,967) | (27,490) | (62,699) |
| Add depreciation on fixed assets acquired by grants, entitlements, and shared revenues externally restricted for capital acquisitions and construction that reduces contributed capital | <u>27,305</u> | <u>51,285</u> | <u>37,012</u> | <u>90,658</u> |
| <u>INCREASE IN RETAINED EARNINGS</u> | 28,591 | 16,318 | 9,522 | 54,431 |
| <u>RETAINED EARNINGS, beginning of year</u> | <u>537,280</u> | <u>204,008</u> | <u>(96,600)</u> | <u>644,688</u> |
| <u>RETAINED EARNINGS, end of year</u> | <u>565,871</u> | <u>220,326</u> | <u>(87,078)</u> | <u>644,688</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>GAS FUND</u> | <u>WATER FUND</u> | <u>SEWER FUND</u> | <u>TOTALS</u> |
|--|-----------------|-------------------|-------------------|-----------------|
| <u>CASH FLOWS FROM OPERATING</u> | | | | |
| <u>ACTIVITIES</u> | | | | |
| Cash received from customers | \$134,931 | \$42,691 | \$51,758 | \$229,380 |
| Cash payments to suppliers for goods and services | (66,520) | (23,942) | (18,297) | (108,759) |
| Cash payments to employees for services | (37,299) | (21,336) | (26,715) | (85,350) |
| <u>Net cash provided (used)</u> <u>by operating activities</u> | <u>31,112</u> | <u>(2,587)</u> | <u>6,746</u> | <u>35,271</u> |
| <u>CASH FLOWS FROM NONCAPITAL</u> | | | | |
| <u>FINANCING ACTIVITIES</u> | | | | |
| Operating transfers in (out) | (18,913) | 331 | 4,683 | (13,899) |
| <u>Net cash provided (used)</u> <u>by noncapital financing</u> <u>activities</u> | <u>(18,913)</u> | <u>331</u> | <u>4,683</u> | <u>(13,899)</u> |
| <u>CASH FLOWS FROM CAPITAL AND RELATED</u> | | | | |
| <u>FINANCING ACTIVITIES</u> | | | | |
| Purchase of fixed assets | | | (10,183) | (10,183) |
| Contribution from customers | | | 2,235 | 2,235 |
| <u>Net cash (used) by</u> <u>capital and related</u> <u>financing activities</u> | <u>-0-</u> | <u>-0-</u> | <u>(7,948)</u> | <u>(7,948)</u> |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | |
| Purchase of investments | (12,379) | | | (12,379) |
| Interest on investments | 23,196 | 7,803 | 1,012 | 32,011 |
| <u>Net cash provided by</u> <u>investing activities</u> | <u>10,817</u> | <u>7,803</u> | <u>1,012</u> | <u>19,632</u> |
| <u>NET INCREASE IN CASH</u> | 23,016 | 5,547 | 4,493 | 33,056 |
| <u>CASH, July 1, 1997</u> | <u>168,981</u> | <u>44,706</u> | <u>29,920</u> | <u>243,607</u> |
| <u>CASH, June 30, 1998</u> | <u>191,997</u> | <u>50,253</u> | <u>34,413</u> | <u>276,663</u> |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>GAS FUND</u> | <u>WATER FUND</u> | <u>SEWER FUND</u> | <u>TOTALS</u> |
|---|-------------------|--------------------|-------------------|-------------------|
| <u>RECONCILIATION OF OPERATING INCOME</u> | | | | |
| <u>TO NET CASH PROVIDED (USED) BY</u> | | | | |
| <u>OPERATING ACTIVITIES</u> | | | | |
| Operating (loss) | \$(2,279) | \$(61,631) | \$(47,794) | \$(111,704) |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | | | |
| Depreciation | 27,493 | 57,343 | 54,848 | 139,684 |
| (Increase) decrease in accounts receivable | 2,698 | (268) | 218 | 2,648 |
| (Increase) decrease in prepaid insurance | 910 | 909 | 908 | 2,727 |
| (Increase) decrease in NSF checks | | | (20) | (20) |
| Increase (decrease) in accounts payable | 1,449 | 359 | (44) | 1,764 |
| Increase (decrease) in accrued compensated absences | (1,672) | 701 | (1,370) | (2,341) |
| Increase (decrease) in customers' meter deposits | 2,779 | | | 2,779 |
| Increase (decrease) in due to customers | (266) | | | (266) |
| <u>Total adjustments</u> | <u>33,391</u> | <u>59,044</u> | <u>54,540</u> | <u>146,975</u> |
| <u>Net cash provided (used)</u> <u>by operating activities</u> | <u>31,112</u> | <u>(2,587)</u> | <u>6,746</u> | <u>35,271</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
SCHEDULE OF OPERATING EXPENSES
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--------------------------------|----------------|----------------|
| <u>GAS FUND EXPENSES</u> | | |
| <u>Personal services</u> | | |
| Salaries | \$34,547 | \$40,306 |
| Payroll taxes | 2,752 | 3,164 |
| Compensated absences | (1,672) | 131 |
| <u>Contractual services</u> | | |
| Gas purchases | 48,250 | 58,903 |
| Survey expense | 658 | |
| <u>Supplies</u> | | |
| Materials and supplies | 3,159 | 4,076 |
| Office supplies and postage | | 1,458 |
| Meters and regulators | 5,821 | 2,312 |
| Uniforms | | 651 |
| <u>Other</u> | | |
| Repairs and maintenance | 120 | 550 |
| Insurance | 3,505 | 5,044 |
| Miscellaneous | 332 | 282 |
| Legal and professional | 5,332 | 4,469 |
| Bad debt expense | 224 | 406 |
| Workshops | 230 | 50 |
| Drug testing | 1,248 | 972 |
| <u>Depreciation</u> | <u>27,493</u> | <u>27,494</u> |
| <u>Total gas fund expenses</u> | <u>131,999</u> | <u>150,268</u> |
| <u>WATER FUND EXPENSES</u> | | |
| <u>Personal services</u> | | |
| Salaries | \$19,786 | \$20,261 |
| Payroll taxes | 1,550 | 1,590 |
| Compensated absences | 701 | 166 |
| <u>Supplies</u> | | |
| Materials and supplies | 2,991 | 3,222 |
| <u>Other</u> | | |
| Dues and subscriptions | 150 | 190 |

Continued on next page.

TOWN OF KROTZ SPRINGS, LOUISIANA
ENTERPRISE FUNDS
SCHEDULE OF OPERATING EXPENSES (CONTINUED)
FOR THE YEARS ENDED JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--|----------------|----------------|
| <u>WATER FUND EXPENSES - Continued</u> | | |
| Repairs and maintenance | \$4,869 | \$1,336 |
| Insurance | 3,505 | 5,085 |
| Legal and professional | 3,332 | 3,269 |
| Utilities | 8,715 | 9,409 |
| Bad debt expense | 187 | |
| Telephone | 848 | 703 |
| Pipes and fittings | 613 | |
| Miscellaneous | | 70 |
| | <u>57,343</u> | <u>28,309</u> |
| <u>Depreciation</u> | | |
| <u>Total water fund expenses</u> | <u>104,590</u> | <u>73,610</u> |
| <u>SEWER FUND EXPENSES</u> | | |
| <u>Personal services</u> | \$24,770 | \$26,300 |
| Salaries | 1,945 | 2,065 |
| Payroll taxes | (1,370) | 286 |
| Compensated absences | | |
| <u>Contractual services</u> | | |
| Survey expense | 1,980 | 1,980 |
| <u>Supplies</u> | | |
| Office supplies and postage | 1,257 | 1,624 |
| <u>Other</u> | | |
| Repairs and maintenance | 347 | 4,588 |
| Insurance | 3,504 | 5,085 |
| Legal and professional | 3,332 | 3,669 |
| Utilities | 8,399 | 11,600 |
| Miscellaneous | 50 | |
| Dues and subscriptions | | 80 |
| Bad debt expense | 292 | |
| | <u>54,848</u> | <u>54,950</u> |
| <u>Depreciation</u> | | |
| <u>Total sewer fund expenses</u> | <u>99,354</u> | <u>112,227</u> |

FIDUCIARY FUND TYPES

Fiduciary Fund Types include Trust and Agency funds which are used to account for assets held by a government in a trustee capacity or as an agent for individuals, private organizations, other governments, and/or other funds.

The Payroll Account is used to account for the Town's payroll and related expenses.

TOWN OF KROTZ SPRINGS, LOUISIANA
AGENCY FUND - PAYROLL ACCOUNT
BALANCE SHEET
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--------------------------|---------------|---------------|
| <u>ASSETS</u> | | |
| Cash | \$5,283 | \$8,255 |
| Due from other funds | <u>6,240</u> | <u>3,554</u> |
| <u>Total assets</u> | <u>11,523</u> | <u>11,809</u> |
| <u>LIABILITIES</u> | | |
| Payroll taxes payable | \$1,131 | \$1,421 |
| Retirement payable | 1,226 | 1,540 |
| Due to other funds | <u>9,166</u> | <u>8,848</u> |
| <u>Total liabilities</u> | <u>11,523</u> | <u>11,809</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
AGENCY FUND - PAYROLL ACCOUNT
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE YEAR ENDED JUNE 30, 1998

| | <u>BALANCE</u> <u>JULY 1,</u> <u>1997</u> | <u>ADDITIONS</u> | <u>DEDUCTIONS</u> | <u>BALANCE</u> <u>JUNE 30,</u> <u>1998</u> |
|--------------------------|---|------------------|-------------------|--|
| <u>ASSETS</u> | | | | |
| Cash | \$8,255 | \$305,710 | \$308,682 | \$5,283 |
| Due from other funds | <u>3,554</u> | <u>13,830</u> | <u>11,144</u> | <u>6,240</u> |
| <u>Total assets</u> | <u>11,809</u> | <u>319,540</u> | <u>319,826</u> | <u>11,523</u> |
| <u>LIABILITIES</u> | | | | |
| Payroll taxes payable | \$1,421 | \$65,288 | \$65,578 | \$1,131 |
| Retirement payable | 1,540 | 5,286 | 5,600 | 1,226 |
| Due to other funds | <u>8,848</u> | <u>4,775</u> | <u>4,457</u> | <u>9,166</u> |
| <u>Total liabilities</u> | <u>11,809</u> | <u>75,349</u> | <u>75,635</u> | <u>11,523</u> |

FINANCIAL STATEMENTS OF ACCOUNT GROUPS

GENERAL FIXED ASSETS ACCOUNT GROUP

The General Fixed Assets Account Group accounts for fixed assets not used in proprietary fund operations or accounted for in trust funds.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF GENERAL FIXED ASSETS
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--|------------------|------------------|
| <u>GENERAL FIXED ASSETS</u> | | |
| Land | \$294,898 | \$294,898 |
| Building | 294,807 | 241,484 |
| Improvements other than building | 134,390 | 134,390 |
| Equipment | 239,400 | 221,892 |
| Furniture and fixtures | 7,345 | 7,345 |
| Other structures and improvements | <u>821,234</u> | <u>867,972</u> |
| <u>Total general fixed assets</u> | <u>1,792,074</u> | <u>1,767,981</u> |
| <u>INVESTMENT IN GENERAL FIXED ASSETS</u> | | |
| General fund | \$770,859 | \$746,766 |
| Special assessments | 198,349 | 198,349 |
| Federal revenue sharing fund | 207,871 | 207,871 |
| Sales tax fund | 325,373 | 325,373 |
| Federal grants | 184,281 | 184,281 |
| State grants | <u>105,341</u> | <u>105,341</u> |
| <u>Total investments in general fixed assets</u> | <u>1,792,074</u> | <u>1,767,981</u> |

GENERAL LONG-TERM DEBT ACCOUNT GROUP

The General Long-term Debt Account Group accounts for long-term debt intended to be financed from governmental funds.

TOWN OF KROTZ SPRINGS, LOUISIANA
STATEMENT OF GENERAL LONG-TERM DEBT
JUNE 30, 1998 AND 1997

| | <u>1998</u> | <u>1997</u> |
|--|---------------|--------------|
| <u>AMOUNT AVAILABLE AND TO BE PROVIDED</u> | | |
| <u>FOR THE PAYMENT OF GENERAL LONG-TERM DEBT</u> | | |
| Amount available in Debt Service Fund for debt retirement | | \$8,991 |
| Amount to be provided for retirement of general long-term obligations | \$24,604 | _____ |
| <u>Total available and to be provided</u> | <u>24,604</u> | <u>8,991</u> |
| <u>GENERAL LONG-TERM DEBT</u> | | |
| Bonds payable | | |
| Due within one year | | \$8,991 |
| Compensated absences payable | \$22,184 | |
| Capital lease payable | <u>2,420</u> | _____ |
| <u>Total general long-term debt</u> | <u>24,604</u> | <u>8,991</u> |

RELATED REPORTS

John Newton Stout, CPA
 Joel Lanclos, Jr., CPA
 Russell J. Stelly, CPA
 Dwight Ledoux, CPA
 Chizal S. Fontenot, CPA
 James L. Nicholson, Jr., CPA
 G. Kenneth Pavy, II, CPA
 Darren J. Cart, CPA



JOHN S. DOWLING & COMPANY
 A CORPORATION OF CERTIFIED PUBLIC ACCOUNTANTS

John S. Dowling, CPA
 (1904-1984)

Harold Dupre, CPA
 Retired

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 Gary Soileau, Mayor
 and Members of the Board of Aldermen
 Town of Krotz Springs, Louisiana

We have audited the general purpose financial statements of the Town of Krotz Springs, Louisiana as of and for the year ended June 30, 1998, and have issued our report thereon dated August 24, 1998. In our report, our opinion on the financial statements was qualified because of the inadequacy of accounting records on general fixed assets and we were unable to satisfy ourselves by means of other audit procedures. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Town of Krotz Springs' general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under Government Auditing Standards which is described below:

1. Inadequate Records For Fixed Assets

Condition

The Town of Krotz Springs, Louisiana did not maintain adequate records for general fixed assets prior to July 1, 1982. Annual physical inventories are not conducted.

Criteria

Adequate records for general fixed assets are essential to prepare reliable financial statements. Annual physical inventories of property are required by LSA-RS 39:24.

Effect

The amounts reported as general fixed assets may not be accurate for financial statement purposes.

The Honorable Gary Soileau, Mayor
and Members of the Board of Aldermen
Page 2

Recommendation

A physical inventory should be taken annually for all movable property owned by the Town. We recommend that the Town place a value on all of the assets inventoried in order to obtain reasonable assurance that the amounts reported as general fixed assets are accurate for financial statement purposes. To further ensure that accurate records are maintained, we also recommend that all of the fixed assets records be reconstructed from July 1, 1982 and all assets prior to this date be given an estimated value.

Management Response

The Town is in the process of completing a list of all assets owned. A physical inventory will be taken as of June 30, 1999.

Internal Control Over Financial Reporting

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

This report is intended for the information of the Town of Krotz Springs, Louisiana, its Board of Aldermen, the appropriate regulatory or Legislative Body, and federal awarding agencies and pass-through entities. However, this report is a matter of public record and its distribution is not limited.

John S. Dowling & Co.

Opelousas, Louisiana
August 24, 1998

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS
FOR THE YEAR ENDED JUNE 30, 1998

SECTION I - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

1997 - 1 Inadequate Records for Fixed Assets

Recommendation

A physical inventory should be taken annually of all movable property owned by the Town. We also recommended that all of the fixed assets records be reconstructed from July 1, 1982 and all assets prior to this date be given an estimated value.

Unresolved - Repeat comment.

SECTION II - INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

No findings.

SECTION III - MANAGEMENT LETTER

No findings.

OTHER SUPPLEMENTARY DATA

TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED SCHEDULE OF BONDS PAYABLE
JUNE 30, 1998

| <u>RATES</u> | <u>INTEREST</u> | | <u>PAYMENT DATE</u> | <u>ISSUE DATE</u> | <u>FINAL MATURITY DATE</u> | <u>ANNUAL SERIAL PAYMENTS</u> | <u>BONDS</u> | | <u>OUTSTANDING</u> |
|--------------|---------------------|-------------|---------------------|-------------------|----------------------------|-------------------------------|-------------------|---------------|--------------------|
| | <u>PAYMENT DATE</u> | <u>DATE</u> | | | | | <u>AUTHORIZED</u> | <u>ISSUED</u> | |
| 8.75% | 5/1 | 5/1/88 | 5/1/88 | 5/1/98 | \$8,991 (1990-1998) | \$89,910 | \$89,910 | \$89,910 | -0- |

GENERAL OBLIGATION BONDS
 Public improvement
 (street paving)

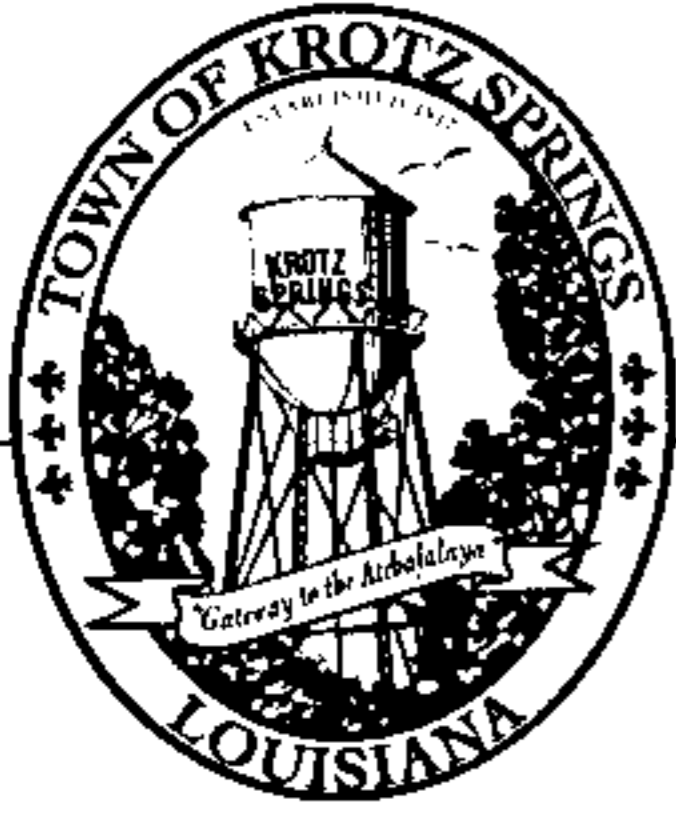
TOWN OF KROTZ SPRINGS, LOUISIANA
COMBINED SCHEDULE OF INVESTMENTS - ALL FUNDS
JUNE 30, 1998

| <u>GENERAL FUND</u> | <u>INTEREST RATES</u> | <u>MATURITY DATES</u> | <u>TOTAL BOOK VALUE</u> |
|---|---------------------------|---------------------------|-----------------------------|
| Certificate of Deposit American Bank and Trust Co. | 5.40% | 1/3/99 | \$100,000 |
| Certificate of Deposit American Bank and Trust Co. | 5.40% | 1/3/99 | 50,000 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/4/98 | 13,723 |
| Certificate of Deposit American Bank and Trust Co. | 5.65% | 12/8/98 | 75,000 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/4/98 | <u>3,727</u> |
| | | | <u>242,450</u> |
| <u>SALES TAX FUND</u> | | | |
| Certificate of Deposit American Bank and Trust Co. | 5.65% | 12/8/98 | 100,000 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/4/98 | 1,467 |
| Certificate of Deposit American Bank and Trust Co. | 5.65% | 12/8/98 | 150,000 |
| Certificate of Deposit American Bank and Trust Co. | 5.65% | 12/8/98 | <u>150,000</u> |
| | | | <u>401,467</u> |
| <u>ENTERPRISE FUNDS</u> | | | |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 9/30/98 | 59,421 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 9/30/98 | 83,190 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/1/98 | 57,866 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/1/98 | 15,140 |
| Certificate of Deposit American Bank and Trust Co. | 5.65% | 11/28/98 | 96,020 |
| Certificate of Deposit American Bank and Trust Co. | 5.70% | 10/4/98 | 33,721 |
| Investment in Louisiana Asset Management Pool | N/A | N/A | <u>235,873</u> |
| | | | <u>581,231</u> |
| <u>Total</u> | | | <u>1,225,148</u> |

TOWN OF KROTZ SPRINGS, LOUISIANA
SCHEDULE OF INSURANCE IN FORCE

JUNE 30, 1998
(UNAUDITED)

| <u>POLICY NUMBER</u> | <u>INSURER</u> | <u>ASSETS COVERED</u> | <u>TYPE OF COVERAGE</u> | <u>LIMITS OF COVERAGE</u> | <u>FROM</u> | <u>TO</u> | <u>EFFECTIVE DATES</u> |
|----------------------|--|--|---|-----------------------------------|-------------|-----------|------------------------|
| FER496920 | Commercial Union Insurance | Blanket policy on building occupied as police station, jail and city hall and contents, and buildings in parks | Fire, lightning and extended coverage | Various | 3/14/98 | 3/14/99 | 3/14/99 |
| 58447-1 | Louisiana Workers Compensation Corp. | Workmen's compensation | Workmen's compensation | \$500,000 | 3/14/98 | 3/14/99 | 3/14/99 |
| LML-270 | Louisiana Municipal Risk Management Agency and Audubon Insurance Company | 1991 Chevrolet 1993 Ford pickup 1994 Chevrolet 1995 Ford F150 1996 Ford C/V | Bodily injury Uninsured motorists Collision Property coverage Property damage | \$500,000 | 2/14/98 | 2/14/01 | 2/14/01 |
| LEPL 588-90-13 | National Union Fire Insurance Company of Louisiana | Law Enforcement Professional Liability | Bodily injury Property damage Personal injury | \$1,000,000 \$2,500 deductible | 3/14/98 | 3/14/99 | 3/14/99 |
| POL 060282 | Commercial Underwriters Insurance Company | Public Official's Liability Policy | Blanket Bond | \$500,000 \$2,500 deductible | 3/14/98 | 3/14/99 | 3/14/99 |
| MHP0030285 | Audubon Insurance Company | 1981 Wellington mobile home and contents | Property damage | \$11,000 \$250 deductible | 9/2/97 | 9/2/98 | 9/2/98 |
| GL 588-31-80RA | National Union Fire Insurance Company of Louisiana | General Liability | General liability | \$500,000 | 3/14/98 | 3/14/99 | 3/14/99 |



Town of
KROTZ SPRINGS

MANAGEMENT CORRECTIVE ACTION PLAN

MAYOR

Gary Soileau

MAYOR PRO TEM

Tony Collette

ALDERMEN

Keith Ardoin

Bill Bryson

Charles Melancon

Donald Williams

CLERK

Mary Lou Lacassin

CHIEF OF POLICE

Suzie Lacassin

ATTORNEY

Patrick Morrow

Louisiana Legislative Auditor
P. O. Box 94397
Baton Rouge, LA 70804-9397

Dear Sirs:

The Town of Krotz Springs, Louisiana respectfully submits the following Corrective Action Plan for the year ended June 30, 1998.

Name and address of independent public accounting firm:

John S. Dowling & Company
P. O. Box 433
Opelousas, LA 70571-0433

The findings from the Independent Accountant's Audit Report for the year ending, June 30, 1998, is discussed below. The finding is numbered consistently with the number assigned in the report.

1997-1 Inadequate Records for Fixed Assets

The Town is in the process of completing a list of all assets owned. An actual cost or an estimated cost will be placed on all assets owned. This list will be completed as of June 30, 1999. The Town will also adopt a resolution stating that infrastructure will no longer be capitalized. The infrastructure currently recorded in the general fixed assets will be reversed out. In addition, physical inventories will be taken annually beginning with a count as of June 30, 1999.

If you need additional information please contact us.

Sincerely,

Gary Soileau Mayor
Town of Krotz, Louisiana