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CITY OF MARKSVILLE, LOUISIANA

Financial Report

Year Ended June 30, 1999

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Release Date 2-2-00

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INDEPENDENT AUDITORS' REPORT

The Honorable Mayor Richard R. Michel, M.D. and
The Board of Aldermen
City of Marksville, Louisiana

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

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the City of Marksville, 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.

In accordance with Government Auditing Standards, we have also issued a report dated November 12, 1999 on our consideration of the City of Marksville's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The year 2000 supplementary information on page 41 is required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the City of Marksville is or will become year 2000 compliant, that the City's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the City does business are or will be year 2000 compliant.

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Our audit was conducted for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying financial information listed as "supplemental information" in the table of contents is presented on pages 40-79 for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Marksville, Louisiana. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Marksville, Louisiana
November 12, 1999

**GENERAL PURPOSE FINANCIAL STATEMENTS
(COMBINED STATEMENTS - OVERVIEW)**

CITY OF MARKSVILLE, LOUISIANA

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

	Governmental Fund Types				Proprietary Fund Type		Fiduciary Fund Type		Account Groups			Totals (Memorandum Only) 1999
	General Fund	Special Revenue	Debt Service	Capital Projects	Enterprise	Agency	General Long-Term Debt	General Fixed Assets	General		1998	
									1999	1998		
ASSETS AND OTHER DEBITS												
Cash -	\$ 518,124	\$ 250,414	\$ 351,307	\$ 209,760	\$ 318,669	\$ 30,630	\$ -	\$ -	\$ -	\$ -	\$ 1,678,904	\$ 3,297,440
Demand deposits	-	521,000	436,000	275,000	343,000	-	-	-	-	-	1,575,000	-
Time deposits	-	-	-	-	-	-	-	-	-	-	-	-
Receivables -	-	-	-	-	-	-	-	-	-	-	-	-
Accounts	-	-	-	-	82,682	-	-	-	-	-	82,682	69,980
Unbilled utility receivables	-	-	-	-	43,290	-	-	-	-	-	43,290	50,440
Due from other funds	17,291	34,631	-	40,489	119,583	108,764	-	-	-	-	320,758	138,227
Due from other governmental agencies	95,029	133,176	-	-	-	-	-	-	-	-	228,205	203,383
Other	33,970	-	-	-	-	-	-	-	-	-	33,970	20,312
Restricted assets:	-	-	-	-	-	-	-	-	-	-	-	-
Demand deposits:	-	-	-	-	205,881	-	-	-	-	-	205,881	534,597
Interest bearing deposits:	-	-	-	-	357,000	-	-	-	-	-	357,000	-
Land	-	-	-	-	-	-	-	155,979	-	-	155,979	155,979
Buildings	-	-	-	-	-	-	-	815,312	-	-	815,312	639,980
Improvements other than buildings	-	-	-	-	-	-	-	201,330	-	-	201,330	121,157
Equipment	-	-	-	-	-	-	-	1,299,014	-	-	1,299,014	1,268,724
Utility property, plant and equipment	-	-	-	-	12,854,606	-	-	-	-	-	12,854,606	12,470,193
Accumulated depreciation	-	-	-	-	(3,546,988)	-	-	-	-	-	(3,546,988)	(3,274,313)
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	-
Amount to be provided for retirement of general long-term debt and compensated absences payable	-	-	-	-	-	-	-	-	787,307	-	787,307	760,805
	-	-	-	-	-	-	-	-	2,933,051	-	2,933,051	3,322,132
Total assets and other debits	\$ 664,414	\$ 939,221	\$ 787,307	\$ 525,249	\$ 10,777,723	\$ 139,394	\$ 3,720,358	\$ 2,471,635	\$ -	\$ 20,025,301	\$ 20,025,301	\$ 19,779,036

(continued)

CITY OF MARKSVILLE, LOUISIANA

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

	Governmental Fund Types			Capital Projects	Proprietary Fund Type Enterprise	Fiduciary Fund Type Agency	Account Groups			Totals (Memorandum Only)		
	General Fund	Special Revenue					Debt Service	General Fixed Assets	Long-Term Debt		1999	1998
		\$	\$									
LIABILITIES, EQUITY AND OTHER CREDITS												
Liabilities:												
Accounts, salaries, and other payables	\$ 4,300	\$ 1,715	\$ -	\$ 8,840	\$ 1,071	\$ 107,133	\$ -	\$ -	\$ 123,059	\$ 138,375		
Contracts payable	-	-	-	118,935	-	-	-	-	118,935	45,232		
Retainage payable	-	11,913	-	32,048	-	-	-	-	43,961	91,903		
Accrued expenses	-	-	-	-	-	15,154	-	-	15,154	16,561		
Due to other funds	70,520	17,832	-	100,000	115,299	17,107	-	-	320,758	138,227		
Payable from restricted assets -												
Customers' deposits	-	-	-	-	258,698	-	-	-	258,698	242,491		
Revenue bonds payable	-	-	-	-	43,574	-	-	-	43,574	42,899		
Accrued Interest	-	-	-	-	17,110	-	-	-	17,110	17,237		
General obligation bonds payable	-	-	-	-	-	-	3,663,000	-	3,663,000	4,028,000		
Revenue bonds payable	-	-	-	-	1,788,758	-	-	-	1,788,758	1,831,826		
Compensated absences payable	-	-	-	-	13,809	-	-	57,358	71,167	67,050		
Total liabilities	74,820	31,460	-	259,823	2,238,319	139,394	-	3,720,358	6,464,174	6,659,801		
Equity and other credits:												
Contributed capital (net of accumulated amortization)	-	-	-	-	6,426,887	-	-	-	6,426,887	6,473,360		
Investment in general fixed assets	-	-	-	-	-	-	2,471,635	-	2,471,635	2,185,840		
Retained earnings -												
Reserved for revenue bond retirement	-	-	-	-	222,022	-	-	-	222,022	154,932		
Unreserved	-	-	-	-	1,890,495	-	-	-	1,890,495	1,946,093		
Total retained earnings	-	-	-	-	2,112,517	-	-	-	2,112,517	2,101,025		
Fund balances -												
Reserved for debt service	-	-	787,307	-	-	-	-	-	787,307	760,805		
Designated for capital expenditures	-	-	-	265,426	-	-	-	-	265,426	101,348		
Unreserved-undesignated	589,594	907,761	-	-	-	-	-	-	1,497,355	1,496,857		
Total fund balances	589,594	907,761	787,307	265,426	-	-	-	-	2,550,088	2,359,010		
Total fund equity	589,594	907,761	787,307	265,426	8,539,404	-	2,471,635	-	13,561,127	13,119,235		
Total liabilities, equity and other credits	\$ 664,414	\$ 939,221	\$ 787,307	\$ 525,249	\$ 10,777,723	\$ 139,394	\$ 2,471,635	\$ 3,720,358	\$ 20,025,301	\$ 19,779,036		

The accompanying notes are an integral part of this statement.

CITY OF MARKSVILLE, LOUISIANA
All Governmental Fund Types

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

	General Fund	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Totals (Memorandum Only)	
					1999	1998
Revenues:						
Taxes	\$ 228,481	\$1,728,202	\$ 118,514	\$ -	\$2,075,197	\$2,011,841
Licenses and permits	188,564	-	-	-	188,564	185,177
Intergovernmental	437,691	-	-	-	437,691	443,931
Fines and forfeits	4,781	-	-	152,504	157,285	-
Miscellaneous	47,326	28,734	34,220	221,885	332,165	101,854
Total revenues	<u>906,843</u>	<u>1,756,936</u>	<u>152,734</u>	<u>374,389</u>	<u>3,190,902</u>	<u>2,742,803</u>
Expenditures:						
Current -						
General government	211,332	37,896	720	370	250,318	218,455
Public safety:						
Police	600,184	-	-	-	600,184	531,365
Fire	220,004	967	-	-	220,971	131,030
Streets and drainage	463,025	-	-	6,790	469,815	407,310
Park and canal beautification	8,708	-	-	-	8,708	-
Street beautification	30,309	-	-	-	30,309	-
Airport authority	10,000	-	-	-	10,000	-
Capital outlay	108,506	9,477	-	711,962	829,945	1,722,420
Debt service -						
Principal retirement	-	-	365,000	-	365,000	357,000
Interest and fiscal charges	-	-	236,418	-	236,418	261,544
Other	-	-	3,532	-	3,532	1,144
Total expenditures	<u>1,652,068</u>	<u>48,340</u>	<u>605,670</u>	<u>719,122</u>	<u>3,025,200</u>	<u>3,630,268</u>
Excess (deficiency) of revenues over expenditures	<u>(745,225)</u>	<u>1,708,596</u>	<u>(452,936)</u>	<u>(344,733)</u>	<u>165,702</u>	<u>(887,465)</u>
Other financing sources (uses):						
Operating transfers in	946,500	37,020	513,104	545,831	2,042,455	1,335,271
Operating transfers out	(192,167)	(1,754,226)	(33,666)	(37,020)	(2,017,079)	(1,329,411)
Total other financing sources (uses)	<u>754,333</u>	<u>(1,717,206)</u>	<u>479,438</u>	<u>508,811</u>	<u>25,376</u>	<u>5,860</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	<u>9,108</u>	<u>(8,610)</u>	<u>26,502</u>	<u>164,078</u>	<u>191,078</u>	<u>(881,605)</u>
Fund balances, beginning	<u>580,486</u>	<u>916,371</u>	<u>760,805</u>	<u>101,348</u>	<u>2,359,010</u>	<u>3,240,615</u>
Fund balances, ending	<u>\$ 589,594</u>	<u>\$ 907,761</u>	<u>\$ 787,307</u>	<u>\$ 265,426</u>	<u>\$2,550,088</u>	<u>\$2,359,010</u>

The accompanying notes are an integral part of this statement.

CITY OF MARKSVILLE, LOUISIANA
General, Special Revenue, and Debt Service Funds

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

	General Fund			Special Revenue Funds		
	Budget	Actual	Variance - Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
Revenues:						
Taxes	\$ 215,356	\$ 228,481	\$ 13,125	\$1,766,712	\$1,728,202	\$ (38,510)
Licenses and permits	176,753	188,564	11,811	-	-	-
Intergovernmental	443,772	437,691	(6,081)	-	-	-
Fines and forfeits	4,055	4,781	726	-	-	-
Miscellaneous	21,483	47,326	25,843	27,971	28,734	763
Total revenues	<u>861,419</u>	<u>906,843</u>	<u>45,424</u>	<u>1,794,683</u>	<u>1,756,936</u>	<u>(37,747)</u>
Expenditures:						
Current -						
General government	218,450	211,332	7,118	31,566	37,896	(6,330)
Public safety:						
Police	601,883	600,184	1,699	47,417	-	47,417
Fire	215,652	220,004	(4,352)	-	967	(967)
Streets and drainage	459,722	463,025	(3,303)	-	-	-
Park and canal beautification	1,171	8,708	(7,537)	-	-	-
Street beautification	17,792	30,309	(12,517)	-	-	-
Airport authority	10,000	10,000	-	-	-	-
Capital outlay	87,194	108,506	(21,312)	63,883	9,477	54,406
Debt service -						
Principal retirement	-	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total expenditures	<u>1,611,864</u>	<u>1,652,068</u>	<u>(40,204)</u>	<u>142,866</u>	<u>48,340</u>	<u>94,526</u>
Excess (deficiency) of revenues over expenditures	<u>(750,445)</u>	<u>(745,225)</u>	<u>5,220</u>	<u>1,651,817</u>	<u>1,708,596</u>	<u>56,779</u>
Other financing sources (uses):						
Operating transfers in	1,019,500	946,500	(73,000)	-	37,020	37,020
Operating transfers out	(192,476)	(192,167)	309	(1,797,813)	(1,754,226)	43,587
Total other financing sources (uses)	<u>827,024</u>	<u>754,333</u>	<u>(72,691)</u>	<u>(1,797,813)</u>	<u>(1,717,206)</u>	<u>80,607</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	76,579	9,108	(67,471)	(145,996)	(8,610)	137,386
Fund balances, beginning	<u>580,486</u>	<u>580,486</u>	<u>-</u>	<u>916,371</u>	<u>916,371</u>	<u>-</u>
Fund balances, ending	<u>\$ 657,065</u>	<u>\$ 589,594</u>	<u>\$(67,471)</u>	<u>\$ 770,375</u>	<u>\$ 907,761</u>	<u>\$ 137,386</u>

The accompanying notes are an integral part of this statement.

Debt Service Funds		
Budget	Actual	Variance - Favorable (Unfavorable)
\$ 118,506	\$ 118,514	\$ 8
-	-	-
-	-	-
-	-	-
32,679	34,220	1,541
<u>151,185</u>	<u>152,734</u>	<u>1,549</u>
720	720	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
-	-	-
365,000	365,000	-
236,418	236,418	-
3,532	3,532	-
<u>605,670</u>	<u>605,670</u>	-
<u>(454,485)</u>	<u>(452,936)</u>	<u>1,549</u>
512,604	513,104	500
(33,649)	(33,666)	(17)
<u>478,955</u>	<u>479,438</u>	<u>483</u>
24,470	26,502	2,032
<u>760,805</u>	<u>760,805</u>	-
<u>\$ 785,275</u>	<u>\$ 787,307</u>	<u>\$ 2,032</u>

CITY OF MARKSVILLE, LOUISIANA
Proprietary Fund Type

Combined Statement of Revenues, Expenses, and Changes in Retained Earnings -
Year Ended June 30, 1999
With Comparative Totals for June 30, 1998

	<i>Enterprise</i>	
	1999	1998
Operating revenues:		
Charges for services -		
Water charges	\$ 522,973	\$ 454,590
Sewerage charges	418,457	523,119
Total operating revenues	941,430	977,709
Operating expenses:		
Water system	473,468	434,072
Sewerage system	323,874	280,567
Depreciation	283,357	224,279
Total operating expenses	1,080,699	938,918
Operating income (loss)	(139,269)	38,791
Nonoperating revenues (expenses):		
Sale of fixed assets	2,000	-
Interest income	53,989	39,858
Interest expense	(88,105)	(88,580)
Total nonoperating revenues (expenses)	(32,116)	(48,722)
Loss before operating transfers	(171,385)	(9,931)
Other financing sources (uses):		
Operating transfers in	31,913	-
Operating transfers out	(57,289)	(5,860)
Total other financing sources (uses)	(25,376)	(5,860)
Net loss	(196,761)	(15,791)
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	208,253	132,847
Increase in retained earnings	11,492	117,056
Retained earnings, beginning	2,101,025	1,983,969
Retained earnings, ending	\$2,112,517	\$2,101,025

The accompanying notes are an integral part of this statement

CITY OF MARKSVILLE, LOUISIANA
Proprietary Fund Type

Combined Statement of Cash Flows
Year Ended June 30, 1999
With Comparative Totals For the Year Ended June 30, 1998

	Enterprise	
	1999	1998
Cash flows from operating activities:		
Operating Income (loss)	<u>\$ (139,269)</u>	<u>\$ 38,791</u>
Adjustments to reconcile net operating income to net cash provided by operating activities -		
Depreciation	283,357	224,279
Changes in current assets and liabilities:		
Decrease in accounts receivable	(5,552)	(7,629)
(Decrease) increase in accounts payable	(16,864)	17,936
Increase (decrease) in compensated absences payable	1,696	(6,144)
Total adjustments	<u>262,637</u>	<u>228,442</u>
Net cash provided by operating activities	<u>123,368</u>	<u>267,233</u>
Cash flows from noncapital financing activities:		
Operating transfers in (out)	<u>(105,653)</u>	<u>30,435</u>
Cash flows from capital and related financing activities:		
Proceeds from grants	161,780	1,298,241
Acquisition of property, plant and equipment	(395,095)	(1,340,896)
Principal paid on bonds	(42,393)	(42,409)
Interest paid on bonds	(88,232)	(89,718)
Proceeds from meter deposits, net	16,207	17,961
Net cash used by capital and related financing activities	<u>(347,733)</u>	<u>(156,821)</u>
Cash flows from investing activities:		
Increase in investments	(700,000)	-
Interest collected on interest-bearing deposits	53,989	39,857
Net cash provided (used) by investing activities	<u>(646,011)</u>	<u>39,857</u>
Net increase (decrease) in cash and cash equivalents	(976,029)	180,704
Cash and cash equivalents, beginning	<u>1,498,579</u>	<u>1,317,875</u>
Cash and cash equivalents, ending	<u>\$ 522,550</u>	<u>\$1,498,579</u>

The accompanying notes are an integral part of this statement.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements

Introduction

The City of Marksville was incorporated on June 1, 1937, by special act of the Louisiana Legislature in 1937 (Act 126), and operates under a special charter. The City functions under a Mayor-Council form of government and provides the following services to residents within the city limits: public safety (police and fire), streets, drainage, recreation, public improvements, planning and zoning, water and sewer services, and general administrative services.

(1) Summary of Significant Accounting Policies

The accounting and reporting policies of the City of Marksville conform to generally accepted accounting principles as applicable to governmental units on a consistent basis between periods. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517 and to the industry audit guide, Audits of State and Local Governmental Units.

A. The Reporting Entity

Governmental Accounting Statement 14 established criteria for determining which component units should be considered part of the City of Marksville, Louisiana 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. These criteria include:

1. Appointing a voting majority of an organization's governing body, and:
 - a. the ability of the City to impose its will on that organization and/or
 - b. the potential for the organization to provide specific financial benefits to or impose specific financial burdens on the City.
2. Organizations for which the City does not appoint a voting majority, but are fiscally dependent on the City.
3. Organizations for which the reporting entity financial statements would be misleading if the data of the organization is not included because of the nature of significance of the relationship.

Based upon the application of the above criteria, the following is a brief review of each potential component unit addressed in defining the City's reporting entity.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The following component unit has been presented as a blended component unit:

Marksville Volunteer Fire Department -

The Marksville Volunteer Fire Department is governed by a group of volunteer citizens. The Marksville Volunteer Fire Department is not fiscally dependent on the City of Marksville; however, the City of Marksville includes revenues received and expenditures paid for the Fire Department as part of its general fund. The City of Marksville also provides for the Fire Department facilities and equipment and the Marksville Volunteer Fire Department provides public safety service almost exclusively to benefit the City of Marksville; therefore, these general-purpose financial statements include expenditures incurred directly by the Marksville Volunteer Fire Department from public funds in the General Fund. These general-purpose financial statements include operating expenditures paid with self-generated funds of the Marksville Volunteer Fire Department.

The following organizations are related organizations which have not been included in the reporting entity:

Marksville City Court -

The Marksville City Court is staffed by independently elected officials. Although the city does provide facilities and some of its financing, no control is exercised over its operations.

Marksville Housing Authority -

The Marksville Housing Authority was chartered by the City of Marksville, and its board of directors is appointed by the Mayor. However, the City's oversight responsibilities in the management, operations and financial accountability of the authority are remote.

B. Fund Accounting

The accounts of the City of Marksville 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.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

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 Fund Types –

General Fund

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

Special Revenue Funds

Special revenue funds are used to account for the proceeds of specific revenue sources (other than special assessments 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 Funds

Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major facilities (other than those financed by proprietary fund, special assessment funds, and trust funds).

Proprietary Fund Type -

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

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Fund Type -

Agency Funds

Agency funds are used to account for assets held by the City as an agent for other funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

Fixed Assets and Long-Term Liabilities

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

All governmental funds are accounted for on a spending or "financial flow" measurement focus, and only current assets and current liabilities are generally included on their balance sheets.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. These assets are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, including streets, bridges, sidewalks, and drainage improvements. No depreciation has been provided on general fixed assets.

All purchased fixed assets are stated at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are stated at their estimated fair market value on the date donated. Estimated amounts are immaterial in relation to total fixed assets.

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group.

The proprietary fund is accounted for on a cost of services or "capital maintenance" measurement focus, and all assets and all liabilities (whether current or noncurrent) associated with its activity are included on its balance sheet.

C. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made, regardless of the measurement focus applied.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used by all governmental funds. The governmental funds use the following practices in recording revenues and expenditures:

Revenues are recognized when they become measurable and available as current assets.

Sales taxes are considered as "measurable" when in the hands of the Sales Tax Collector and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year in which such taxes are billed to taxpayers. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services, franchise fees and interest on investments. Licenses and permits are recognized when received because they are not objectively measurable. 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, except that accumulated unpaid vacation and sick pay are not accrued and principal and interest on general long-term debt is recognized as an expenditure when due.

All proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance.

With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. The proprietary funds use the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized at the time liabilities are incurred.

Agency Fund assets and liabilities are accounted for on the modified accrual basis.

D. Unbilled Utility Services

Unbilled water and sewer revenues between the date of the last meter reading billed before the end of June and the reading at or near the end of June billed in July are accrued based on the July billing amounts.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

E. Budget and Budgetary Accounting

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

1. The Mayor, Finance Chairman, and Secretary-Treasurer prepare a proposed budget and submit it to the City Council no later than fifteen days prior to the beginning of each fiscal year.
2. A summary of the proposed budget is published and the public is notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After the holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of an ordinance prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfer of funds from one department, program or function to another or involving increases in expenditures resulting from revenues exceeding amounts estimated require the approval of the City Council.
6. All budgetary appropriations lapse at the end of each fiscal year.
7. Budgets for the General, Special Revenue, and Debt Service Funds 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 City Council. Such amendments were not material in relation to the original appropriations.
8. Budgetary control is exercised at the fund level.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is not employed by the City as an extension of formal budgetary integration in the funds.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

G. Cash and Cash Equivalents

Cash includes amounts in demand deposits, interest bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the City may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

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

For purposes of the statement of cash flows, the Enterprise Fund considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

H. Bad Debts

Uncollectible amounts due for customers' utility receivables are recognized as bad debts when they are no longer deemed collectable at the time information becomes available which would indicate the uncollectibility of the particular receivable. Uncollectible amounts recorded in the year ended June 30, 1999 were \$7,151.

I. Short-Term Interfund Receivables/Payables

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

J. Inventories

Purchases of various operating supplies are regarded as expenditures at the time purchased. Inventories of such supplies (if any) are not recorded as assets at the end of the fiscal year due to immateriality.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

K. Restricted Assets

Certain cash and investment balances in the enterprise funds are restricted because they represent customer meter deposits held on behalf of utility customers.

Also certain resources are set aside for repayment of enterprise fund revenue bonds and are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants.

L. Vacation and Sick Leave

The City of Marksville has the following policy regarding annual leave and sick leave:

After 1 year of full time employment	10 days
After 5 years of full time employment	15 days

An employee can accumulate up to 240 hours of annual leave. It is paid upon termination or retirement.

For the governmental fund types, the City's liability for accumulated unpaid vacation has been recorded in the general long-term debt account group. For the proprietary fund type, the liability has been accrued within that fund. No payment is made for accrued and unused sick leave.

M. Fixed Assets

Depreciation of all exhaustible fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on the proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives of the assets using the straight-line method.

The estimated useful lives are as follow:

	Sewer System	Water System
Water wells	-	50
Water well improvements	-	10
Meters	-	50
Pumps, motors, compressors	5	50
Lines & other system installations	50	10
Vehicles & movable equipment	3-5	3-5
Office furniture & fixtures	10	10

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The City follows the policy of capitalizing interest as a component of the cost of property, plant, and equipment constructed for its own use.

Depreciation expense on fixed assets used by proprietary funds for the fiscal year ended June 30, 1999 was \$283,357. At June 30, 1999 no capitalized interest was recorded in the financial statements.

N. Fund Equity

Contributed capital is recorded in proprietary funds that have received capital grants or contributions from developer's, customers, or other funds. Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

O. Interfund Transactions

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

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

P. Comparative Data

Comparative total data for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the City's financial position and operations. However, comparative (i.e., presentation of prior year totals by fund type) data have not been presented in each of the statements since their inclusion would make the statements unduly complex and difficult to read.

Q. 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.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(2) Cash and Cash Equivalents

At June 30, 1999, the City has cash and cash equivalents (book balances) totaling \$1,884,785, and time deposits totaling \$1,932,000 as follows:

Cash on hand	\$ 205
Demand deposits	1,884,580
Time deposits	<u>1,932,000</u>
Total	<u>\$ 3,816,785</u>

These deposits are state at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties. At June 30, 1999 the City has \$3,860,172 in deposits (bank balances). These deposits are secured from risk by \$600,000 of federal deposit insurance and \$3,131,502 of pledged securities held by the custodial bank in the name of the fiscal agent bank (GASB Category 3). The remainder of the balances, \$128,670 was uninsured and uncollateralized as of June 30, 1999, which is a violation of state law.

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

(3) Receivables

Accounts receivable in the enterprise funds consisted of the following at June 30, 1999:

Accounts -	
Water system fund	\$ 56,524
Sewer fund	<u>26,158</u>
	<u>82,682</u>
Unbilled -	
Water system fund	29,039
Sewer fund	<u>14,251</u>
	<u>43,290</u>
Total	<u>\$ 125,972</u>

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Due from other governmental agencies at June 30, 1999 consisted of:

	<u>General Fund</u>	<u>Special Revenue</u>	<u>Total</u>
Tobacco tax	\$ 7,017	\$ -	\$ 7,017
Beer tax	4,522	-	4,522
Sales tax	-	133,176	133,176
Police fines	800	-	800
Video poker	10,427	-	10,427
Gaming share	38,417	-	38,417
2% Fire insurance	14,829	-	14,829
DOTD	4,052	-	4,052
Rural fire	300	-	300
Housing authority	<u>14,665</u>	<u>-</u>	<u>14,665</u>
 Total	 <u>\$ 95,029</u>	 <u>\$ 133,176</u>	 <u>\$ 228,205</u>

Other receivables in the general fund consisted of the following at June 30, 1999:

Cable franchise fee	\$ 5,058
Electric franchise fee	17,536
Salary reimbursements	1,346
Other reimbursements	1,280
Land escrow	<u>8,750</u>
 Total	 <u>\$ 33,970</u>

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(4) Interfund Receivables, Payables

Interfund receivables and payables at June 30, 1999 consisted of the following:

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 17,291	\$ 70,520
Special revenue funds:		
1% sales tax fund	34,631	6,092
1/2% sales tax fund	-	7,723
1/2% PS sales tax fund	-	4,017
Capital projects funds:		
1992 Sewer project	15,636	-
Capital Outlay	24,853	100,000
Enterprise funds:		
Water system fund	3,303	63,023
Sewer system fund	116,280	52,276
Agency funds:		
Payroll clearing fund	2,093	17,107
Accounts payable clearing fund	106,671	-
Total	<u>\$320,758</u>	<u>\$320,758</u>

(5) Restricted Assets – Proprietary Funds

Restricted assets consisted of the following accounts at June 30, 1999:

Customer meter deposits	\$ 280,175
Bond and interest	123,891
Bond reserve funds	84,508
Depreciation and contingencies funds	73,926
Sewer construction account	381
Total	<u>\$ 562,881</u>

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(6) Changes in Fixed Assets

A summary of change in general fixed assets for the year ended June 30, 1999 is as follows:

	<u>Balance 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land	\$ 155,979	\$ -	\$ -	\$ 155,979
Buildings	639,980	175,332	-	815,312
Improvements other than buildings	121,157	80,173	-	201,330
Equipment	<u>1,268,724</u>	<u>48,406</u>	<u>18,116</u>	<u>1,299,014</u>
Total general fixed assets	<u>\$ 2,185,840</u>	<u>\$ 303,911</u>	<u>\$ 18,116</u>	<u>\$ 2,471,635</u>

Summary of enterprise fund type property, plant and equipment at June 30, 1999 is as follows:

	<u>Balance 6/30/98</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/99</u>
Land	\$ 110,201	\$ 3,931	\$ 400	\$ 113,732
Equipment	136,517	67,275	25,582	178,210
Utility systems	12,002,397	322,210	1,228	12,323,379
Construction in progress	<u>221,078</u>	<u>18,207</u>	<u>-</u>	<u>239,285</u>
	12,470,193	411,623	27,210	12,854,606
Less:				
Accumulated depreciation	<u>(3,274,313)</u>	<u>(283,357)</u>	<u>(10,682)</u>	<u>(3,546,988)</u>
	<u>\$ 9,195,880</u>	<u>\$ 128,266</u>	<u>\$ 16,528</u>	<u>\$ 9,307,618</u>

Construction in progress of \$239,285, included in property, plant, and at June 30, 1999 represents expenditures on sewer system improvements accounted for in the Sewer System Fund, which is being financed by an \$800,000 Farmers Home Administration Grant. The project is expected to be completed during the fiscal year ended June 30, 2000.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(7) Interfund Transfers

Transfers between funds for the year ended June 30, 1999, were:

	<u>Transfers in</u>	<u>Transfers out</u>
General Fund:		
1% Sales Tax Fund	\$ 421,000	\$ -
1/2% Sales Tax Fund	242,500	-
Capital Outlay Fund	-	192,167
1/2% Public Safety Sales Tax Fund	283,000	-
Special Revenue Funds:		
1% Sales Tax Fund -		
General Fund	-	421,000
Capital Outlay Fund	37,020	223,351
Water and Sewer Bond Fund	-	246,804
Other Funds	-	33,494
1/2% Sales Tax Fund -		
General Fund	-	242,500
Capital Outlay Fund	-	7,215
Street Improvement Bond Fund	-	138,500
Other Funds	-	152
1/2% Public Safety Sales Tax Fund -		
Capital Outlay Fund	-	29,998
General Fund	-	283,000
1/2% Public Safety Bonds -		
Other Funds	-	412
Debt Service Funds:		
Water and Sewer System Improvements Bonds -		
1% Sales Tax Fund	246,804	-
Capital Projects Fund	-	17,698
Other Funds	-	692
Street Improvement Bonds -		
1/2% Sales Tax Fund	138,500	-
Capital Outlay Funds	-	6,878
Other Funds	-	535

(continued)

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

	<u>Transfers in</u>	<u>Transfers out</u>
Sewer Improvement Bonds -		
Capital Outlay Fund	\$ -	\$ 454
Public Safety Bonds -		
1/2% Public Safety Sales Tax Fund	127,800	-
Capital Outlay Fund	-	6,882
Other Funds	-	527
Capital Projects Fund:		
Capital Outlay Fund -		
General Fund	192,167	-
1% Sales Tax Fund	223,351	-
1/2% Sales Tax Fund	7,215	-
Sewer Utility Fund	27,422	-
Water Utility Fund	27,575	-
Water and Sewer Bond Fund	17,698	-
Street Improvement Bond Fund	6,878	-
1/2% Public Safety Bond Fund	29,998	-
1.52 Public Safety	6,882	-
Other Funds	6,645	-
1% Sales Tax Fund	-	37,020
Enterprise Funds:		
Sewer Utility Fund -		
Capital Outlay Fund	-	26,968
Other Funds	-	992
Water System Fund -		
1% Sales Tax Fund	31,913	-
Capital Outlay Fund	-	27,575
Other Funds	-	1,754
	<u>\$ 2,074,368</u>	<u>\$ 2,074,368</u>

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(8) Changes in Long-term Debt

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

General Long-Term Debt

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
General obligation bonds	\$ 4,028,000	\$ -	\$ 365,000	\$ 3,663,000
Compensated absences	54,937	2,421	-	57,358
Total general long-term debt	<u>\$ 4,082,937</u>	<u>\$ 2,421</u>	<u>\$ 365,000</u>	<u>\$ 3,720,358</u>

Proprietary Fund Debt

	Balance 6/30/98	Additions	Deletions	Balance 6/30/99
Revenue bonds	\$ 1,874,725	\$ 52,982	\$ 95,375	\$ 1,832,332
Compensated absences	12,113	1,696	-	13,809
Total proprietary fund debt	<u>\$ 1,886,838</u>	<u>\$ 54,678</u>	<u>\$ 95,375</u>	<u>\$ 1,846,141</u>

Long-term debt payable at June 30, 1999 is comprised of the following:

General Obligation Bonds:

\$700,000 Sewer System Improvement Bonds dated December 27, 1982, due in annual installments of \$41,000 to \$58,000 through December 27, 2003; interest 5% per annum. Funded by 1% sales tax revenues \$ 248,000

\$1,968,000 Water System Improvement Bonds dated December 27, 1982, due in annual installments of \$120,000 to \$ 146,000 through December 27, 2003; interest 5% per annum. Funded by 1% sales tax revenues. 665,000

\$1,100,000 Sales Tax Bonds, Series 1986 dated May 1, 1986 due in annual installments of \$120,000 to \$130,000 through May 1, 2001; interest at 7.75% per annum. Funded by 1/2% sales tax revenues. 250,000

(continued)

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

General Obligation Bonds (Continued)

\$329,900 Sewer System Improvement Bonds dated July 17, 1985 due in annual installments of \$22,000 to \$26,000 through July 17, 2003; interest 5% per annum. Funded by 1% sales tax revenues.	120,000
\$1,200,000 Sewer Improvement Bonds of Sewerage District Number One, dated August 1, 1992, due in annual installments of \$5,000 to \$100,000 through March 1, 2017; interest from 5.90% to 6.60% per annum. Funded by ad valorem taxes.	950,000
\$1,520,000 Sales Tax Bonds, Series 1997 dated February 1, 1997 due in annual installments of \$45,000 to \$120,000 through December 1, 2016; interest at 4.9% - 8% per annum. Funded by 1/2% sales tax revenues.	<u>1,430,000</u>
Total General Obligation Indebtedness	<u>\$ 3,663,000</u>

Revenue Bonds:

\$1,100,000 Water Revenue Bonds, dated September 20, 1974 due to the Farmers' Home Administration in annual installments of \$30,000 to \$60,000 through January 1, 2014; interest at 5% annum; secured by and payable from proceeds of the water utility system.	\$ 675,000
\$1,200,000 Sewer Revenue Bonds, dated February 22, 1995 due to Farmers' Home Administration in 468 monthly installments of \$5,448 commencing March 1996 through February 2035; interest at 4 1/2% annum; secured by and payable from the proceeds of the sewer utility system.	<u>1,157,332</u>
Total Revenue Bonds Obligations	<u>\$ 1,832,332</u>

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Compensated Absences

Probability of future payment under the benefit plans cannot be estimated for the basis of determining annual requirements. The amount of accrued compensated absences (long-term portion) is as follows:

Governmental funds	\$ 57,358
Proprietary funds	<u>13,809</u>
Total compensated absences payable	<u>\$ 71,167</u>

The annual requirements to amortize all long-term debt (excluding compensated absences) outstanding at June 30, 1999 including interest payments of \$2,898,970 follows:

<u>Year Ending June 30</u>	<u>General Obligation</u>	<u>Revenue</u>	<u>Total</u>
2000	\$ 606,595	\$ 129,126	\$ 735,721
2001	608,890	132,626	741,516
2002	474,265	130,876	605,141
2003	472,333	129,126	601,459
2004	475,395	132,376	607,771
2005-2009	1,164,745	651,130	1,815,875
2010-2014	964,325	650,130	1,614,455
2015-2019	388,355	326,880	715,235
2020-2024	-	326,880	326,880
2025-2029	-	326,880	326,880
2030-2034	-	302,864	302,864
	<u>\$ 5,154,903</u>	<u>\$ 3,238,894</u>	<u>\$ 8,393,797</u>

(9) 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 June or October and are actually billed to the taxpayers in October. 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 Avoyelles Parish.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

For the year ended June 30, 1999, taxes of 13.00 mills were levied on property with assessed valuations totaling \$16,501,769 and were dedicated as follows:

General corporate purposes	5.83 mills
Debt service	7.17 mills

Total taxes levied were \$214,523. Ad valorem tax receivables at June 30, 1999 were \$0.

(10) Dedication of Sales Tax Revenues and Sinking Fund Requirements

A. 1% Sales and Use Tax

In November 1978, the voters of the City of Marksville approved a one percent sales and use tax for a period of twenty-five years from the date of the first levy, January 1, 1979. Proceeds of the tax, after payment of necessary collection expenses, are dedicated to constructing, acquiring, extending, improving, operating and/or maintaining sewers and sewerage disposal facilities, and streets, or any one or more of said purposes, in that order. Proceeds of the tax may also be used for payment of bonds issued in connection with the construction, acquisition, extension and/or improvement of sewers and sewerage disposal facilities, waterworks facilities, and streets.

Collection of the 1% sales and use tax during the fiscal year ended June 30, 1999 totaled \$864,101.

Resolutions adopted by Mayor and Council on November 19, 1982 authorized the issuance of \$1,968,000 of Public Improvement Bonds; on March 8, 1993 authorizing the issuance of \$700,000 of Public Improvement Bonds; and on May 8, 1984 authorized the issuance of \$329,900 Public Improvement Bonds. These resolutions require that the avails of proceeds of the one percent (1%) sales and use tax shall be deposited with the City's regularly designated fiscal agent bank in a Sales Tax Fund. After payment of all reasonable and necessary costs and expenses of collecting the tax, certain transfers must be made from the Sales Tax Fund to the Sales Tax Bond Sinking Fund and the Sales Tax Bond Reserve Fund on a monthly basis on or before the 20th day of each month.

The transfers into the Sales Tax Bond Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year.

The transfers into the Sales Tax Bond Reserve Fund should be made in an amount equal to five percent (5%) of the amount paid into the Sinking Fund until there is one deposit the sum of \$241,500. For the fiscal year ended June 30, 1999, the City made all required transfers to the above funds.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

½% Sales and Use Tax

On November 4, 1980, voters of the City of Marksville approved the levy and collection of an additional ½% sales and use tax. Proceeds of this tax, after payment of necessary collection expenses, are dedicated to constructing, acquiring, extending, improving, operating and maintaining a sanitary landfill and solid waste disposal system for the City, including the purchase of the necessary equipment.

The tax was levied as of January 1, 1981 and collections during the fiscal year ended June 30, 1999 totaled \$432,050.

On October 19, 1995, the City voted in a special election to approve the rededication of the ½% sales and use tax to be used for the purpose of constructing, acquiring, extending, improving and maintaining streets for the City, including incidental drainage thereto. This rededication came about as a result of a parish wide 1% sales tax to fund a parish wide solid waste disposal system thereby relieving the City of the need to maintain its own system.

The 1986 issue of \$1,100,000 of Sales Tax Bonds requires certain transfers to be made to a Sinking Fund and a Reserve Fund on a monthly basis. The transfers into the Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year. For the fiscal year ended June 30, 1999, the City made all required transfers to this fund.

There must be deposited and retained in the Reserve Fund a sum equal to the highest combined principal and interest requirements for any succeeding fiscal year which amounts to \$140,075. At June 30, 1999 the Reserve Fund balance totaled \$142,898.

½% Sales and Use Tax

On July 20, 1996, voters of the City of Marksville approved the levy and collection of an additional ½% sales and use tax. Proceeds of this tax, after payment of necessary collection expenses, are dedicated to the payment of salaries and other personnel costs related to fire protection and police protection and acquiring, constructing, improving, maintaining, and operating fire protection and police facilities and equipment.

The tax was levied effective October 1, 1996 and collections during the fiscal year ended June 30, 1999 totaled \$432,051.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

Resolutions adopted by the Mayor and Council on October 15, 1996 authorized the issuance of \$1,520,000 of Sales Tax Bonds. The resolution requires that the avails of proceeds of the one-half (1/2) percent sales and use tax dedicated to public safety, shall be deposited with the City's regularly designated fiscal agent bank in a 1996 ½% Sales Tax Fund. After payment of all reasonable and necessary costs and expenses of collecting the tax, certain transfers must be made from the Sales Tax Fund to the 1997 Sales Tax Bond Sinking Fund on a monthly basis.

The 1997 issue of \$1,520,000 of Sales Tax Bonds requires certain transfers to be made to a Sinking Fund on a monthly basis. The transfers into the Sinking Fund should be made in an amount equal to 1/12 of the total amount of principal and interest falling due in the ensuing year. For the fiscal year ended June 30, 1999, the City made all required transfers to this fund.

There must be deposited and retained in the Reserve Fund a sum equal to the highest combined principal and interest requirements for any succeeding fiscal year which amounts to \$126,180. The Reserve Fund was initially funded with \$127,980 from the bond proceeds. At June 30, 1999 the Reserve Fund balance totaled \$131,021.

(11) Flow of Funds: Restriction on Use – Water System Revenues

Under the terms of the indenture for outstanding Water Revenue Bonds, all income and revenues of the Water System are pledged and dedicated to the retirement of said bonds and are to be deposited in a separate Revenue bond account. The money in this account is to be disbursed as follows:

1. To pay all reasonable and necessary expenses of administering, operating, repairing, and insuring the system.
2. To establish a Waterworks Revenue Bond and Interest Sinking Fund and to transfer thereto, no later than the 20th day of each month, 1/12 of the principal and interest falling due on January 1 of each year. During the fiscal year ended June 30, 1999 the City of Marksville made all required transfer to this fund.
3. To establish a Waterworks Reserve Fund and to transfer thereto, no later than the 20th day of each month, a sum at least equal to 5% of the amount to be paid into the Waterworks Revenue Bond and Interest Sinking Fund each month, until such time as there has been accumulated in the fund a sum of \$67,250. The money in this fund is to be retained solely for the purpose of paying the principal and interest on the Water Revenue bonds which cannot be paid from the sinking fund noted in the preceding paragraph. At June 30, 1999 the Waterworks Reserve Fund balance totaled \$72,320.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

4. To establish a Waterworks Depreciation Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System, and to transfer thereto no later than the 20th day of each month, the sum of \$270. During the fiscal year ended June 30, 1999 the City of Marksville made all required transfers to this fund. At June 30, 1999 the Waterworks Depreciation Fund balance totaled \$60,603.
5. The balance of the excess funds on deposit in the Revenue Fund account, after payment of all items noted above, may used for the purposes of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the City may determine, whether or not such purposes are related to the water system.

All or any part of the monies on reserve in any of the above funds may be invested in direct obligations of the United States of America maturing in five years or less, and all income earned on such investments shall be added to the respective fund from which the investment was made.

(12) Flow of Funds: Restriction on Use – Sewer System Revenues

Under the terms of the indenture for outstanding Sewer Revenue Bonds, all income and revenues of the Sewer System are pledged and dedicated to the retirement of said bonds and are to be deposited in a separate Revenue Fund bank account. The money in this account is to disbursed as follows:

1. To pay all reasonable and necessary expenses of administering, operating, repairing, and insuring the system.
2. To establish a Sewer Revenue Bond and Interest Sinking Fund and to transfer thereto, no later than the 20th day of each month, the principal and interest falling due on the next principal and interest payment date. During the fiscal year ended June 30, 1999 the City of Marksville made all required transfers to this fund.
3. To establish a Sewer Reserve Fund and to transfer thereto, no later than the 20th day of each month, a sum at least equal to 5% of the amount to be paid into the Sewer Revenue Bond and Interest Sinking Fund each month, until such time as there has been accumulated in the fund a sum of \$65,376. The money in this fund is to be retained solely for the purpose of paying the principal and interest on the Sewer Revenue bonds which cannot be paid from the sinking fund noted in the preceding paragraph. The City began funding the Sewer Reserve Fund upon the completion and acceptance of the improvements and extensions financed with the proceeds of the bonds. As of June 30, 1999, the Sewer Revenue Bonds Reserve Fund Balance totaled \$12,188.
4. To establish a Sewer Revenue Bonds Contingency Fund to care for depreciation, extensions, additions, improvements and replacements necessary to properly operate the System, and to transfer thereto, no later than the 20th day of each month, the sum of \$297. The City began funding the Sewer Revenue Bonds Contingency Fund upon the completion and acceptance of the improvements and extensions financed with the proceeds of the bonds. As of June 30, 1999, the Sewer Revenue Bonds Contingency Fund totaled \$13,704.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

The balance of the excess funds on deposit in the Revenue Fund account, after payment of all items noted above, may be used for the purposes of calling and/or paying bonds or for such other lawful corporate purposes as the governing authority of the City may determine, whether or not such purposes are related to the water system.

All or any part of the monies on reserve in any of the above funds may be invested in direct obligations of the United State of America maturing in five years or less, and all income earned on such investments shall be added to the respective fund from which the investment was made.

(13) Retirement Commitments

All employees (excluding elected officials) of the City of Marksville are members of the social security system. The City Judge is a member of the Louisiana State Employees Retirement System and policemen are eligible to participate in the Municipal Police Employees Retirement System of Louisiana. These systems are multiple-employer (cost sharing), public employee retirement systems (PERS), controlled and administered by separate boards of trustees. Pertinent information relative to each plan follows:

A. Louisiana State Employees Retirement System

Plan Description –

The Louisiana State Employees' Retirement System provides retirement benefits as well as disability and survivor benefits. Benefits are established and amended by state statute. Benefits granted by the LASERS are guaranteed by the State of Louisiana under provisions of the Louisiana Constitution of 1974. The LASERS issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Louisiana State Employees' Retirement, Post Office 44213, Baton Rouge, Louisiana 70804-4213, or by calling (504) 922-0600.

Funding Policy –

Plan members of the City of Marksville are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Marksville is required to contribute at an actuarially determined rate. The current employer rate is 13 percent of annual covered payroll. The contribution requirements of plan members and the City of Marksville are established and may be amended by state statute. As provided by state statute, 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 employer contributions to the LASERS for the year ending June 30, 1999, 1998, and 1997, were \$312, \$317, and \$357, respectively, equals to the required contributions for each year.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

B. Municipal Police Employees Retirement System of Louisiana (System)

Plan Description –

All full-time police department employees engaged in law enforcement are required to 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 over the 36 consecutive or Final-average salary in the employee's average salary over 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 Police Employees Retirement System of Louisiana, 8401 United Plaza Boulevard, Baton Rouge, Louisiana 70809-2250, or by calling (504) 929-7411.

Funding Policy –

Plan members are required by state statute to contribute 7.5 percent of their annual covered salary and the City of Marksville is required to contribute at an actuarially determined rate. The current rate is 9.0 percent of annual covered payroll. The contribution requirements of plan members and the City of Marksville 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 Marksville, contributions to the System for the years ending June 30, 1999, 1998, and 1997, were \$8,855, 6,962 and \$4,699, respectively, equal to the required contributions for each year.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(14) Reservation and Designation of Fund Equity

A. Governmental Funds

The unreserved fund balances for governmental funds represent the amount available for the budgeting future operations. Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require that a portion of the fund balance be segregated or (2) to identify the portion of the fund balance that is not appropriable for future expenditures. Designations are established to indicate tentative plans for financial resources utilization in a future period. Specific reservations and designations of the fund balance accounts are summarized below.

Reserved for Debt Service – this reserve is created by the legal restriction of bond agreements requiring the City to segregate a portion of fund balance to service principal and interest payments on general obligation bonds.

Designated for Subsequent Year Expenditures – Fund balance of \$15,136 has been designated for construction expenditures relating to Department of Transportation and Development Grant Project #508-05-55, awarded for the purpose of replacing the sewer line on South Preston Street. This amount represents the excess grant receipts over project expenditures to date. The projects are expected to be resumed in the future. In the event that the funds are needed elsewhere, prior approval must be obtained from the Department of Transportation and Development before expended for another purpose other than as designated.

B. Proprietary Funds

Unreserved retained earnings for proprietary funds represent the net assets available for future operations or distributions.

Reservations of retained earnings of Enterprise Funds are created by increases in assets restricted for a certain use. These increases result from earnings on restricted assets and other interfund transfers to restricted accounts. Earnings on restricted assets are included in net income of the Enterprise Funds. When reserved retained earnings are increased there is an equal reduction to the portion of retained earnings that is unreserved. Designations are established to indicate tentative plans for financial resource utilization in a future period. Specific reservations and designations of retained earnings are described below:

Reserved for Revenue Bond Retirement – This represents amounts required to be held in sinking, reserve, and depreciation and contingency funds in accordance with the revenue bond agreements.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(15) Franchise Agreements

The City entered into franchise agreements with various public utility companies that provide services within the corporate limits of the City. A summary of each such agreements are as follows:

A. Entergy

Effective October 14, 1980 for a period of twenty-five (25) years. Franchise fees based on two percent (2%) of the gross receipts from the sale and delivery of electric energy for residential and commercial purposes billed on commercial and residential rates within the limits of the City of Marksville. Fees are payable quarterly within thirty (30) days of the end of the quarter.

B. American Cable

Effective January 13, 1987 for a period of fifteen (15) years. The franchise fee is based on three percent (3%) of gross subscription receipts, less state sales taxes, federal excise tax and copyright received by the company within the City limits. Fees are payable to the City quarterly, by the 10th of the month following quarter end.

C. Entex, A Division of Arkla, Inc.

Effective October 13, 1992 for a period of twenty-five (25) years. The franchise fee is based on four percent (4%) of the gross receipts from the sale of gas for residential and commercial rates within the limits of the City of Marksville. Fees for the calendar year are payable by the 10th day of each February for the preceding year.

(16) Sewer System Upgrade Order

The City of Marksville was under a court order issued by the Twelfth Judicial District Court for the Parish of Avoyelles, State of Louisiana to upgrade its sewer system. As a result of the upgrades made to the sewer system the court order has been lifted.

During the fiscal year ended June 30, 1999, the City of Marksville completed sewer lift station renovations, sewer line repairs, and other sewer improvements on various phases. The City received \$143,922 of grant funds for the East Side Sewer Project. The City expended \$126,998 of these funds leaving \$16,924 unspent at June 30, 1999.

During the fiscal year ended June 30, 1999 the City received and expended \$8,582 on the Andrus Street Sewer Project. Of the total \$198,864 authorized, the City has \$164,145 unexpended.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(17) Other Agreements

A. Tunica Biloxi Indian Tribe

On March 22, 1996, the City of Marksville entered into an intergovernmental agreement with the Tunica Biloxi Indian Tribe of Louisiana regarding construction of sewerage disposal system. The City will build, construct, and supply facilities capable of accepting 430,000 gallons of sewerage daily from the casino project. The Tribe will pay up to \$900,000 in aggregate to purchase necessary lands and construct facilities as required by the agreement. The Tribe will deposit \$1,000,000 in trust, from which the City will draw funds for the costs of the project.

Upon acceptance of a construction contract, the Tribe will pay the City \$100,000, which is non-refundable. When the sewer system begins accepting 90,000 gallons per day of sewage discharge from the casino project, the Tribe will pay the City \$100,000, which is non-refundable. When a certificate of substantial completion is issued, the Tribe will pay the City: \$100,000; \$12,000 per month for system operations; periodic testing; and future improvements as specified in the agreement.

The City's obligation to accept sewage from the casino project will be for 15 years from the date the City begins accepting sewage under the agreement. An addendum to the agreement specifying commencement and ending dates will be signed within the first 10 days of acceptance by the City.

As of June 30, 1999, and until the sewerage project is complete and the substantial completion certificate signed, the City will continue to accept sewage from the casino project under the provisions of the Thirty Day Sewage Agreement dated July 18, 1994, which provides for the following:

The Tribe will pay a charge of \$14,150 per month for sewer services which provides that the Tribe will pump a maximum of 60,000 gallons per day in the City sewer system. Any amount exceeding 60,000 gallons is pumped into a separate holding facility and independently disposed of by the Tribe. Also, the Tribe will reimburse the City for overtime wages, engineering and legal fees, and certain percentages of repairs and breakdowns relative to accepting sewage discharge from the casino project.

Bids were accepted on January 6, 1998, for the construction of the sewer improvements as required by the agreement. However, as of June 30, 1999 a contract was not executed for the construction project, as the City is still in the process of acquiring the necessary easements for the construction project.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

B. Sales Tax Collection Agreement

On June 15, 1993, the City of Marksville entered into an intergovernmental agreement with the Avoyelles Parish School Board for a one year period commencing on July 1, 1993 whereby the School Board will collect the sales and use taxes, including interest, penalties, fees and cost, levied by the City of Marksville under the City's ordinances for a monthly fee of 1 ½% of the gross tax revenues collected by the School Board. The School Board will remit the sales tax collections to the City of Marksville on a monthly basis no later than the 10th day of each month after reasonable and necessary cost and expenses of collection in administration of the taxes have been deducted, including the collection fee. This agreement is renewed annually on July 1, and has been renewed as of July 1, 1999.

(18) Compensation of Elected Officials

A detail of compensation paid to elected officials for the year ended June 30, 1999 follows:

	<u>Compensation</u>	<u>Term Expires</u>
Richard R. Michel, Mayor	\$ 4,320	June 30, 2002
Council members:		
Janet D. Gros	3,040	June 30, 2002
Dale J. Bernard	3,040	June 30, 2002
Alfred Channel, III	2,975	June 30, 2002
Joyce L. Prier	3,040	June 30, 2002
Dennis L. Decuir	3,040	June 30, 2002
	<u>\$19,455</u>	

(19) Federal Financial Assistance

During the fiscal year ended June 30, 1999, the City of Marksville completed sewer lift station renovations, sewer line repairs, and other sewer improvements on various phases. The City received \$143,922 of grant funds for the East Side Sewer Project. The City expended \$126,998 of these funds leaving \$16,924 unspent at June 30, 1999.

During the fiscal year ended June 30, 1999 the City received and expended \$8,582 on the Andrus Street Sewer Project. Of the total \$198,864 authorized, the City has \$164,145 unexpended.

CITY OF MARKSVILLE, LOUISIANA

Notes to Financial Statements (Continued)

(20) Contingencies

The City has elected not to carry general liability insurance coverage and is presently carrying only auto liability, property insurance and workmen's compensation insurance. The potential loss to the City of Marksville for any damage awarded under uninsured claims is undeterminable. At June 30, 1999, any pending litigation or unsettled claims against the City of Marksville were immaterial.

(21) Expenditures in Excess of Appropriations

The following individual funds had expenditures in excess of budgeted appropriations:

	<u>Budgeted</u>	<u>Actual</u>	<u>Variance</u>
General Fund	\$ 1,620,864	\$ 1,652,068	\$ (31,204)
Special Revenue Funds -			
1% Sales Tax Fund	19,816	21,710	(1,894)
1/2% Sales Tax Fund	11,750	15,273	(3,523)

(22) Segment Information for the Enterprise Funds

The City maintains two enterprise funds: (1) Sewer Fund and (2) Water Fund. Segment information for the year ended June 30, 1999 was as follows:

	<u>Sewer Fund</u>	<u>Water Fund</u>	<u>Total</u>
Operating Revenues	\$ 418,457	\$ 522,973	\$ 941,430
Depreciation	173,297	110,060	283,357
Operating income (loss)	(78,714)	(60,555)	(139,269)
Operating transfers in (out)	(27,960)	2,585	(25,375)
Net Income (loss)	(131,703)	(65,058)	(196,761)
Current capital contributions	161,780	-	161,780
Plant and equipment additions	225,308	186,315	411,623
Plant and equipment deletions	16,528	10,682	27,210
Net working capital	412,810	526,488	939,298
Total Assets	7,331,398	3,446,325	10,777,723
Long term bonds payable	1,143,758	645,000	1,788,758
Total equity	6,064,634	2,474,770	8,539,404

SUPPLEMENTAL INFORMATION

CITY OF MARKSVILLE, LOUISIANA

Impact of Year 2000 on Computer Programs (Unaudited)

The Year 2000 issue is the result of computer programs being written using two digits rather than four to define the applicable year. Any of the City's computer programs that have time sensitive software may recognize a date using "00" as the year 1900 rather than the year 2000. This could result in a system failure or miscalculations causing disruptions of operations, including, among other things, a temporary inability to process transactions, or engage in similar normal business activities.

The City has completed an inventory of computer systems and other electronic equipment that may be affected by the year 2000 issue and are necessary to conduct City operations and have identified such systems as being financial reporting and utility billings.

Both the financial reporting and utility billing systems have been assessed. The City has converted both systems to year 2000 compliant software applications. Testing and validation should not be necessary, as the software vendors have assured that the applications are year 2000 compatible.

There are no remaining contracted amounts committed to this project as of June 30, 1999.

Because of the unprecedented nature of the Year 2000 issue, its effects and the success of related remediation efforts will not be fully determinable until the year 2000 and thereafter. Management cannot assure that the City is or will be Year 2000 ready, that the City's remediation efforts will be successful in whole or in part, or that the parties with whom the City does business will be Year 2000 ready. The City is utilizing external resources to identify and test the systems for year 2000 compliance.

**SCHEDULES OF INDIVIDUAL FUNDS
AND
ACCOUNT GROUPS**

GENERAL FUND

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

CITY OF MARKSVILLE, LOUISIANA
General Fund

Comparative Balance Sheet
June 30, 1999 and 1998

	1999	1998
ASSETS		
Cash -		
Demand deposits	\$ 518,124	\$ 544,757
Receivables -		
Due from other funds	17,291	5,035
Due from other governmental agencies	95,029	65,371
Other	33,970	20,312
TOTAL ASSETS	\$ 664,414	\$ 635,475
 LIABILITIES AND FUND BALANCE		
Liabilities -		
Accounts payable	\$ 4,300	\$ 15,338
Due to other funds	70,520	39,651
Total liabilities	74,820	54,989
Fund Balance -		
Unreserved - undesignated	589,594	580,486
TOTAL LIABILITIES AND FUND BALANCE	\$ 664,414	\$ 635,475

CITY OF MARKSVILLE, LOUISIANA
General Fund

Comparative Statement of Revenues, Expenditures, and Changes in Fund Balance
Years Ended June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
Revenues:		
Taxes	\$ 228,481	\$ 224,994
Licenses and permits	188,564	185,177
Intergovernmental	437,691	378,436
Fines and forfeits	4,781	-
Miscellaneous	47,326	40,893
Total revenues	<u>906,843</u>	<u>829,500</u>
Expenditures:		
Current -		
General government	211,332	176,269
Public safety:		
Police	600,184	523,305
Fire	220,004	108,954
Streets and drainage	463,025	407,310
Park and canal beautification	8,708	-
Street beautification	30,309	-
Airport Authority	10,000	-
Capital outlay	108,506	65,382
Total expenditures	<u>1,652,068</u>	<u>1,281,220</u>
Deficiency of revenues over expenditures	<u>(745,225)</u>	<u>(451,720)</u>
Other financing sources:		
Operating transfers in	946,500	742,000
Operating transfers out	<u>(192,167)</u>	<u>-</u>
Total other financing sources (uses)	<u>754,333</u>	<u>742,000</u>
Excess of revenues and other sources over expenditures and other uses	9,108	290,280
Fund balance, beginning	<u>580,486</u>	<u>290,206</u>
Fund balance, ending	<u>\$ 589,594</u>	<u>\$ 580,486</u>

CITY OF MARKSVILLE, LOUISIANA
General Fund

Statement of Revenues - Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance - Favorable (Unfavorable)	1998
	Budget	Actual		
Taxes -				
Ad valorem tax	\$ 95,768	\$ 96,562	\$ 794	\$ 94,801
Franchise fees:				
Electric	70,899	72,961	2,062	69,900
Cable TV	18,554	19,555	1,001	18,704
Gas	30,135	30,135	-	33,479
Chain store tax	-	9,268	9,268	8,110
Total taxes	<u>215,356</u>	<u>228,481</u>	<u>13,125</u>	<u>224,994</u>
Licenses and Permits -				
Occupational	172,849	184,911	12,062	181,428
Building permits	3,904	3,653	(251)	3,749
Total licenses and permits	<u>176,753</u>	<u>188,564</u>	<u>11,811</u>	<u>185,177</u>
Intergovernmental -				
Federal grants	-	-	-	17,385
State grants	158,400	147,074	(11,326)	75,000
Tobacco taxes	28,068	28,069	1	28,069
Beer taxes	21,420	20,900	(520)	17,575
DOTD mowing	9,448	8,105	(1,343)	-
2% Fire insurance commission	14,000	14,828	828	27,312
Fire district tax	12,000	13,457	1,457	11,411
Video poker	46,236	45,984	(252)	54,921
Indian gaming taxes	139,000	143,409	4,409	123,943
Housing authority - In lieu of taxes	14,000	14,665	665	21,920
Rural fire	1,200	1,200	-	900
Total intergovernmental	<u>443,772</u>	<u>437,691</u>	<u>(6,081)</u>	<u>378,436</u>
Fines and Forfeitures	<u>4,055</u>	<u>4,781</u>	<u>726</u>	<u>-</u>
Miscellaneous -				
Interest income	8,809	9,380	571	6,256
Sale of equipment	1,119	3,115	1,996	-
Salary reimbursement	5,432	8,045	2,613	-
Grant proceeds	-	6,000	6,000	-
Miscellaneous	6,123	20,786	14,663	34,637
Total miscellaneous	<u>21,483</u>	<u>47,326</u>	<u>25,843</u>	<u>40,893</u>
Total revenues	<u>\$ 861,419</u>	<u>\$ 906,843</u>	<u>\$ 45,424</u>	<u>\$ 829,500</u>

CITY OF MARKSVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
General Government -				
Salaries-administrative	\$ 70,677	\$ 70,840	\$ (163)	\$ 57,528
Salaries-mayor, council, attorney	41,650	42,775	(1,125)	16,145
Payroll taxes & employee benefits	7,024	6,995	29	5,666
Legal & professional	20,874	21,445	(571)	23,836
Insurance	6,066	5,357	709	4,620
Group insurance	-	1,288	(1,288)	2,576
Retirement	-	312	(312)	317
Stationery & printing	9,184	9,106	78	6,574
Dues & subscriptions	3,151	3,473	(322)	1,837
Fireworks & Christmas	4,823	5,533	(710)	10,999
Telephone	4,137	2,789	1,348	4,280
Utilities	6,729	7,162	(433)	4,296
Tax assessor fees	927	927	-	969
Autopsies	1,700	1,700	-	1,400
Office supplies	9,145	9,212	(67)	6,822
City hall expenses	-	-	-	130
City court expenses	8,388	7,986	402	8,196
Convention & travel	1,850	1,850	-	2,774
Recreation & culture	-	7,304	(7,304)	4,867
Parts & repair	8,774	4,043	4,731	2,634
Elections	9,017	163	8,854	8,854
Dog catcher	328	328	-	-
Miscellaneous	4,006	744	3,262	949
Total general government	<u>218,450</u>	<u>211,332</u>	<u>7,118</u>	<u>176,269</u>
Police Protection -				
Salaries	417,525	416,074	1,451	364,805
Payroll taxes & employee benefits	35,826	35,010	816	30,372
Legal & Professional	8,538	8,367	171	2,677
Insurance	31,613	27,374	4,239	19,601
Group insurance	-	4,615	(4,615)	5,152
Retirement	-	8,814	(8,814)	6,962
Dues & subscriptions	2,962	2,725	237	1,856
Fuel	21,793	21,404	389	22,106
Parts & repair	49,092	44,959	4,133	35,577
Stationery & printing	639	639	-	461
Uniforms	6,632	6,562	70	8,350
Prisoner costs	6,391	6,805	(414)	7,228
Office supplies	6,451	7,004	(553)	5,617
Telephone	5,219	1,959	3,260	1,690
Claims & judgements	-	-	-	890
Schooling	6,590	5,514	1,076	9,450
Convention & travel	2,200	1,849	351	974
Miscellaneous	412	510	(98)	(463)
Total police protection	<u>601,883</u>	<u>600,184</u>	<u>1,699</u>	<u>523,305</u>

(continued)

CITY OF MARKSVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Fire Protection -				
Salaries	\$ 130,199	\$ 129,529	\$ 670	\$ 44,203
Payroll taxes & employee benefits	10,656	10,333	323	3,604
Fireworks & Christmas	3,699	390	3,309	3,318
Supplies	286	1,912	(1,626)	-
Legal & Professional	3,494	3,582	(88)	-
Insurance	25,280	23,077	2,203	12,464
Group insurance	-	3,435	(3,435)	1,288
Dues & subscriptions	234	234	-	-
Fuel	2,379	2,205	174	1,456
Parts & repair	19,351	19,633	(282)	23,044
Uniforms	2,529	2,774	(245)	3,732
Office supplies	421	421	-	222
Telephone	1,775	1,775	-	833
Utilities	4,364	4,428	(64)	735
Volunteer fireman supplies	10,161	15,190	(5,029)	12,683
Schooling	620	630	(10)	1,324
Miscellaneous	204	456	(252)	48
Total fire protection	<u>215,652</u>	<u>220,004</u>	<u>(4,352)</u>	<u>108,954</u>
Streets & Drainage -				
Salaries	200,125	201,000	(875)	163,776
Payroll taxes & employee benefits	15,505	15,266	239	12,351
Legal & Professional	4,581	5,993	(1,412)	1,183
Insurance	21,020	18,501	2,519	14,967
Group insurance	-	7,728	(7,728)	7,728
Fireworks & Christmas	2,780	2,780	-	100
Office supplies	20	20	-	-
Convention and travel	50	-	50	-
Claims & judgements	849	849	-	2,500
Lab tests	780	780	-	-
Fuel	9,645	9,877	(232)	11,612
Parts & repair	135,521	132,430	3,091	126,958
Uniforms	2,195	2,195	-	-
Telephone	571	571	-	-
Stationery and printing	759	759	-	-
Street lights	53,661	53,743	(82)	53,055
Materials & supplies	6,719	5,094	1,625	9,652
Dog control & pound	4,840	4,952	(112)	3,276
Miscellaneous	101	487	(386)	152
Total streets and drainage	<u>459,722</u>	<u>463,025</u>	<u>(3,303)</u>	<u>407,310</u>

(continued)

CITY OF MARKSVILLE, LOUISIANA
General Fund

Statement of Expenditures - Budget (GAAP Basis) and Actual (Continued)
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1999		Variance- Favorable (Unfavorable)	1998 Actual
	Budget	Actual		
Park & Canal Beautification -				
Insurance	\$ 508	\$ 508	\$ -	\$ -
Fuel	663	653	10	-
Parts and repairs	-	7,547	(7,547)	-
Total park & canal beautification	<u>1,171</u>	<u>8,708</u>	<u>(7,537)</u>	<u>-</u>
Street Beautification -				
Salary reimbursement	-	10,000	(10,000)	-
Insurance	678	508	170	-
Fuel	1,073	1,090	(17)	-
Parts and repairs	12,041	18,300	(6,259)	-
Miscellaneous	4,000	411	3,589	-
Total street beautification	<u>17,792</u>	<u>30,309</u>	<u>(12,517)</u>	<u>-</u>
Airport Authority	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Capital Outlay -				
General government	10,511	8,255	2,256	5,750
Police	-	5,118	(5,118)	-
Fire	-	8,789	(8,789)	4,488
Streets and drainage	3,700	3,700	-	55,144
Park & canal beautification	72,983	82,644	(9,661)	-
Total capital outlay	<u>87,194</u>	<u>108,506</u>	<u>(21,312)</u>	<u>65,382</u>
Total expenditures	<u>\$1,611,864</u>	<u>\$1,652,068</u>	<u>\$ (40,204)</u>	<u>\$1,281,220</u>

SPECIAL REVENUE FUNDS

1% Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of constructing, acquiring, extending, improving, operating, and/or maintaining sewers and sewerage disposal facilities, and streets, or any one or more of said purposes.

1/2% Public Safety Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1/2% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of constructing, acquiring, extending, improving and maintaining streets for the City, including incidental drainage thereto.

1/2% Sales Tax Fund

To account for the receipt and use of proceeds of the City's 1/2% sales and use tax. These taxes are dedicated to and used for the purpose of paying principal and interest on any bonded debt or funded indebtedness of the City and for purposes of payment of salaries and other personnel costs related to fire protection and police protection and acquiring, constructing, improving, maintaining, and operating fire and police facilities and equipment.

CITY OF MARKSVILLE, LOUISIANA
Special Revenue Funds

Combining Balance Sheet
June 30, 1999

With Comparative Totals as of June 30, 1998

	<u>1% Sales Tax Fund</u>	<u>1/2% Sales Tax Fund</u>	<u>1/2% Public Safety Sales Tax Fund</u>	<u>Totals 1999</u>	<u>1998</u>
ASSETS					
Cash -	\$ 137,049	\$ 45,473	\$ 67,892	\$ 250,414	\$ 917,485
Demand deposits	384,000	37,000	100,000	521,000	-
Time deposits					
Receivables -	34,631	-	-	34,631	1,631
Due from other funds					
Due from other governmental agencies:					
Avoyelles Parish School Board - sales taxes	<u>66,588</u>	<u>33,294</u>	<u>33,294</u>	<u>133,176</u>	<u>138,012</u>
Total assets	<u>\$ 622,268</u>	<u>\$ 115,767</u>	<u>\$ 201,186</u>	<u>\$ 939,221</u>	<u>\$ 1,057,128</u>
LIABILITIES AND FUND BALANCE					
Liabilities:					
Accounts payable	\$ 857	\$ 429	\$ 429	\$ 1,715	\$ 1,991
Contracts payable	-	-	-	-	45,232
Retainage payable	11,913	-	-	11,913	91,903
Due to other funds	<u>6,092</u>	<u>7,723</u>	<u>4,017</u>	<u>17,832</u>	<u>1,631</u>
Total liabilities	<u>18,862</u>	<u>8,152</u>	<u>4,446</u>	<u>31,460</u>	<u>140,757</u>
Fund balances:					
Unreserved, undesignated	<u>603,406</u>	<u>107,615</u>	<u>196,740</u>	<u>907,761</u>	<u>916,371</u>
Total liabilities and fund balances	<u>\$ 622,268</u>	<u>\$ 115,767</u>	<u>\$ 201,186</u>	<u>\$ 939,221</u>	<u>\$ 1,057,128</u>

CITY OF MARKSVILLE, LOUISIANA
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	1% Sales Tax Fund	1/2% Sales Tax Fund	1/2% Public Safety Sales Tax Fund	Totals	
				1999	1998
Revenues:					
Taxes	\$ 864,101	\$ 432,050	\$ 432,051	\$1,728,202	\$1,673,840
Miscellaneous	22,090	2,235	4,409	28,734	37,242
Total revenues	<u>886,191</u>	<u>434,285</u>	<u>436,460</u>	<u>1,756,936</u>	<u>1,711,082</u>
Expenditures:					
Current -					
General government	18,551	12,114	7,231	37,896	42,186
Public Safety -					
Police	-	-	-	-	8,060
Fire	-	-	967	967	22,076
Capital outlay -					
General government	3,159	3,159	3,159	9,477	128,468
Fire	-	-	-	-	646,895
Highways and streets	-	-	-	-	740,867
Total expenditures	<u>21,710</u>	<u>15,273</u>	<u>11,357</u>	<u>48,340</u>	<u>1,588,552</u>
Excess of revenues over expenditures	<u>864,481</u>	<u>419,012</u>	<u>425,103</u>	<u>1,708,596</u>	<u>122,530</u>
Other financing sources (uses):					
Operating transfers in	37,020	-	-	37,020	5,307
Operating transfers out	(924,649)	(388,367)	(441,210)	(1,754,226)	(1,306,484)
Total other financing sources (uses)	<u>(887,629)</u>	<u>(388,367)</u>	<u>(441,210)</u>	<u>(1,717,206)</u>	<u>(1,301,177)</u>
Excess (deficiency) of revenues and other sources over expenditures and other uses	(23,148)	30,645	(16,107)	(8,610)	(1,178,647)
Fund balances, beginning	<u>626,554</u>	<u>76,970</u>	<u>212,847</u>	<u>916,371</u>	<u>2,095,018</u>
Fund balances, ending	<u>\$ 603,406</u>	<u>\$ 107,615</u>	<u>\$ 196,740</u>	<u>\$ 907,761</u>	<u>\$ 916,371</u>

CITY OF MARKSVILLE, LOUISIANA
Special Revenue Funds

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

	1% Sales Tax Fund			1/2% Sales Tax Fund		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Taxes	\$ 883,856	\$ 864,101	\$(19,755)	\$ 441,428	\$ 432,050	\$ (9,378)
Miscellaneous	21,456	22,090	634	2,106	2,235	129
Total revenues	905,312	886,191	(19,121)	443,534	434,285	(9,249)
Expenditures:						
Current -						
General government	19,816	18,551	1,265	11,750	12,114	(364)
Police	-	-	-	-	-	-
Fire	-	-	-	-	-	-
Capital outlay -						
General government	3,000	3,159	(159)	3,000	3,159	(159)
Fire	-	-	-	-	-	-
Total expenditures	22,816	21,710	1,106	14,750	15,273	(523)
Excess of revenues over expenditures	882,496	864,481	(18,015)	428,784	419,012	(9,772)
Other financing sources (uses)						
Operating transfers in	-	37,020	37,020	-	-	-
Operating transfers out	(934,736)	(924,649)	10,087	(412,867)	(388,367)	24,500
Total other financing sources (uses)	(934,736)	(887,629)	47,107	(412,867)	(388,367)	24,500
Excess (deficiency) of revenues and other sources over expenditures and other uses	(52,240)	(23,148)	29,092	15,917	30,645	14,728
Fund balances, beginning	626,554	626,554	-	76,970	76,970	-
Fund balances, ending	\$ 574,314	\$ 603,406	\$ 29,092	\$ 92,887	\$ 107,615	\$ 14,728

1/2% Public Safety Sales Tax Fund			Totals		
Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$ 441,428	\$ 432,051	\$ (9,377)	\$1,766,712	\$1,728,202	\$ (38,510)
4,409	4,409	-	27,971	28,734	763
<u>445,837</u>	<u>436,460</u>	<u>(9,377)</u>	<u>1,794,683</u>	<u>1,756,936</u>	<u>(37,747)</u>
-	7,231	(7,231)	31,566	37,896	(6,330)
47,417	-	47,417	47,417	-	47,417
-	967	(967)	-	967	(967)
3,000	3,159	(159)	9,000	9,477	(477)
54,883	-	54,883	54,883	-	54,883
<u>105,300</u>	<u>11,357</u>	<u>93,943</u>	<u>142,866</u>	<u>48,340</u>	<u>94,526</u>
<u>340,537</u>	<u>425,103</u>	<u>84,566</u>	<u>1,651,817</u>	<u>1,708,596</u>	<u>56,779</u>
-	-	-	-	37,020	37,020
<u>(450,210)</u>	<u>(441,210)</u>	<u>9,000</u>	<u>(1,797,813)</u>	<u>(1,754,226)</u>	<u>43,587</u>
<u>(450,210)</u>	<u>(441,210)</u>	<u>9,000</u>	<u>(1,797,813)</u>	<u>(1,717,206)</u>	<u>80,607</u>
(109,673)	(16,107)	93,566	(145,996)	(8,610)	137,386
<u>212,847</u>	<u>212,847</u>	<u>-</u>	<u>916,371</u>	<u>916,371</u>	<u>-</u>
<u>\$ 103,174</u>	<u>\$ 196,740</u>	<u>\$ 93,566</u>	<u>\$ 770,375</u>	<u>\$ 907,761</u>	<u>\$ 137,386</u>

DEBT SERVICE FUNDS

Water and Sewer System Improvement Bonds

To accumulate monies for repayment of the \$1,968,000 Water System Improvements 1982-B series bonds, \$700,000 Sewer System Improvement 1982-A series bonds and the \$329,000 Sewer System Improvement 1985-A series bonds, which are to be paid from 1% Sales Tax Fund revenues for which proceeds were dedicated to water, sewer or street improvements.

Street Improvement Bonds

To accumulate monies for repayment of the \$1,100,000 Sales Tax Bonds, Series 1986, which are to be paid from the 1/2% Sales Tax Fund revenues for which proceeds were dedicated to street improvements.

Sewer Improvement Bonds

To accumulate monies for repayment of the \$1,200,000 Sewer System Improvements, Series 1992, which are financed by a dedicated property tax levy.

Public Safety Bonds

To accumulate monies for repayment of the \$1,520,000 Sales Tax Bonds, Series 1987, which are to be paid from 1/2% Sales Tax Fund revenues for which proceeds were dedicated to acquiring, constructing, maintenance, and operating of fire and police protection for the City.

CITY OF MARKSVILLE, LOUISIANA
Debt Service Funds

Combining Balance Sheet
June 30, 1999

With Comparative Totals as of June 30, 1998

	Water & Sewer Improvement Bond Fund	Street Improvement Bond Fund	Sewer Improvement Bond Fund	Public Safety Bond Fund	Totals
					1999
					1998
Cash -	\$ 186,287	\$ 40,940	\$ 85,192	\$ 38,888	\$ 351,307
Demand deposits	168,000	140,000	-	128,000	436,000
Time deposits	<u>\$354,287</u>	<u>\$180,940</u>	<u>\$85,192</u>	<u>\$166,888</u>	<u>\$787,307</u>
Total assets					<u>\$760,805</u>

ASSETS

Cash -	\$ 186,287	\$ 40,940	\$ 85,192	\$ 38,888	\$ 351,307
Demand deposits	168,000	140,000	-	128,000	436,000
Time deposits	<u>\$354,287</u>	<u>\$180,940</u>	<u>\$85,192</u>	<u>\$166,888</u>	<u>\$787,307</u>
Total assets					<u>\$760,805</u>

LIABILITIES AND FUND BALANCE

Liabilities:	\$ -	\$ -	\$ -	\$ -	\$ -
Fund balances -					
Reserved for debt service	<u>354,287</u>	<u>180,940</u>	<u>85,192</u>	<u>166,888</u>	<u>787,307</u>
Total liabilities and fund balances	<u>\$354,287</u>	<u>\$180,940</u>	<u>\$85,192</u>	<u>\$166,888</u>	<u>\$787,307</u>
					<u>\$760,805</u>

CITY OF MARKSVILLE, LOUISIANA
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Water & Sewer Improvement Bond Fund	Street Improvement Bond Fund	Sewer Improvement Bond Fund	Public Safety Bond Fund	Totals
	1999	1999	1999	1999	1998
Revenues:					
Ad Valorem Taxes	\$ -	\$ -	\$118,514	\$ -	\$118,514
Miscellaneous -	15,680	7,981	2,313	8,246	26,176
Interest income	<u>15,680</u>	<u>7,981</u>	<u>120,827</u>	<u>8,246</u>	<u>139,183</u>
Total revenues					
Expenditures:					
General government -	5	-	715	-	-
Office expense					
Debt service-					
Principal retirement	175,000	105,000	45,000	40,000	357,000
Interest	60,400	27,460	63,978	84,580	261,544
Other	-	602	1,930	1,000	1,144
Total expenditures	<u>235,405</u>	<u>133,062</u>	<u>111,623</u>	<u>125,580</u>	<u>619,688</u>
Excess(deficiency) of revenues over expenditures	<u>(219,725)</u>	<u>(125,081)</u>	<u>9,204</u>	<u>(117,334)</u>	<u>(480,505)</u>
Other financing sources (uses):					
Operating transfers in	246,804	138,500	-	127,800	529,052
Operating transfers out	<u>(18,390)</u>	<u>(7,413)</u>	<u>(454)</u>	<u>(7,409)</u>	<u>(22,927)</u>
Total other financial sources (uses)	<u>228,414</u>	<u>131,087</u>	<u>(454)</u>	<u>120,391</u>	<u>506,125</u>
Excess of revenues and other sources over expenditures and other uses	8,689	6,006	8,750	3,057	25,620
Fund balances, beginning	<u>345,598</u>	<u>174,934</u>	<u>76,442</u>	<u>163,831</u>	<u>735,185</u>
Fund balances, ending	<u>\$354,287</u>	<u>\$180,940</u>	<u>\$ 85,192</u>	<u>\$166,888</u>	<u>\$787,307</u>

CITY OF MARKSVILLE, LOUISIANA
Debt Service Funds

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

	Water & Sewer Improvement Bonds			Street Improvement Bonds		
	Budget	Actual	Variance- Favorable (Unfavorable)	Budget	Actual	Variance- Favorable (Unfavorable)
Revenues:						
Ad Valorem Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Miscellaneous -						
Interest income	14,722	15,680	958	7,841	7,981	140
Total revenues	<u>14,722</u>	<u>15,680</u>	<u>958</u>	<u>7,841</u>	<u>7,981</u>	<u>140</u>
Expenditures:						
General government -						
Office expense	5	5	-	-	-	-
Debt service-						
Principal retirement	175,000	175,000	-	105,000	105,000	-
Interest	60,400	60,400	-	27,460	27,460	-
Other	-	-	-	602	602	-
Total expenditures	<u>235,405</u>	<u>235,405</u>	<u>-</u>	<u>133,062</u>	<u>133,062</u>	<u>-</u>
Excess (deficiency) of revenues over expenditures	<u>(220,683)</u>	<u>(219,725)</u>	<u>958</u>	<u>(125,221)</u>	<u>(125,081)</u>	<u>140</u>
Other financing sources (uses):						
Operating transfers in	246,804	246,804	-	138,000	138,500	500
Operating transfers out	(18,390)	(18,390)	-	(7,396)	(7,413)	(17)
Total other financing sources	<u>228,414</u>	<u>228,414</u>	<u>-</u>	<u>130,604</u>	<u>131,087</u>	<u>483</u>
Excess of revenues and other sources over expenditures and other uses	7,731	8,689	958	5,383	6,006	623
Fund balances, beginning	<u>345,598</u>	<u>345,598</u>	<u>-</u>	<u>174,934</u>	<u>174,934</u>	<u>-</u>
Fund balances, ending	<u>\$ 353,329</u>	<u>\$ 354,287</u>	<u>\$ 958</u>	<u>\$ 180,317</u>	<u>\$ 180,940</u>	<u>\$ 623</u>

Sewer Improvement Bonds			Public Safety Bonds			Totals		
Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance-Favorable (Unfavorable)	Budget	Actual	Variance - Favorable (Unfavorable)
\$118,506	\$118,514	\$ 8	\$ -	\$ -	\$ -	\$ 118,506	\$ 118,514	\$ 8
2,134	2,313	179	7,982	8,246	264	32,679	34,220	1,541
<u>120,640</u>	<u>120,827</u>	<u>187</u>	<u>7,982</u>	<u>8,246</u>	<u>264</u>	<u>151,185</u>	<u>152,734</u>	<u>1,549</u>
715	715	-	-	-	-	720	720	-
45,000	45,000	-	40,000	40,000	-	365,000	365,000	-
63,978	63,978	-	84,580	84,580	-	236,418	236,418	-
1,930	1,930	-	1,000	1,000	-	3,532	3,532	-
<u>111,623</u>	<u>111,623</u>	<u>-</u>	<u>125,580</u>	<u>125,580</u>	<u>-</u>	<u>605,670</u>	<u>605,670</u>	<u>-</u>
9,017	9,204	187	(117,598)	(117,334)	264	(454,485)	(452,936)	1,549
-	-	-	127,800	127,800	-	512,604	513,104	500
(454)	(454)	-	(7,409)	(7,409)	-	(33,649)	(33,666)	(17)
<u>(454)</u>	<u>(454)</u>	<u>-</u>	<u>120,391</u>	<u>120,391</u>	<u>-</u>	<u>478,955</u>	<u>479,438</u>	<u>483</u>
8,563	8,750	187	2,793	3,057	264	24,470	26,502	2,032
76,442	76,442	-	163,831	163,831	-	760,805	760,805	-
<u>\$ 85,005</u>	<u>\$ 85,192</u>	<u>\$ 187</u>	<u>\$ 166,624</u>	<u>\$ 166,888</u>	<u>\$ 264</u>	<u>\$ 785,275</u>	<u>\$ 787,307</u>	<u>\$ 2,032</u>

CAPITAL PROJECTS FUNDS

Capital Outlay Fund

To account for monies appropriated from various funds of the City to be used to finance the acquisition of capital assets.

1992 Sewer Project Fund

To account for monies appropriated from various sources to be used to finance the acquisitions and construction of sewer system upgrades and improvements primarily in Sewer District No. 1.

East Side Sewer Capital Project

To accumulate for monies received through a Demonstrated Needs Louisiana Community Development Block Grant for sewer line replacement, repairs, and extensions in the City. As of June 30, 1998, this fund had no assets or liabilities.

CITY OF MARKSVILLE, LOUISIANA
Capital Projects Funds

Combining Balance Sheet
June 30, 1999

With Comparative Totals as of June 30, 1998

	Capital Outlay Fund	1992 Sewer Project Fund	Andrus St Sewer Project Fund	East Side Sewer Capital Project Fund	Totals 1999	1998
ASSETS						
Cash -			\$ -	\$ 16,924	\$ 209,760	\$ 85,712
Demand deposits	\$ 192,836				275,000	-
Time deposits	275,000					
Receivables -						
Due from other funds	24,853	15,636			40,489	15,636
Total assets	492,689	15,636		16,924	525,249	101,348
LIABILITIES AND FUND BALANCES						
Liabilities -						
Accounts payable	8,840				8,840	-
Contracts payable	118,935				118,935	-
Retainage payable	32,048				32,048	-
Due to other funds	100,000				100,000	-
Total Liabilities	259,823				259,823	-
Fund balances:						
Unreserved -						
Designated for capital expenditures	232,866	15,636		16,924	265,426	101,348
Total liabilities and fund balances	\$ 492,689	\$ 15,636	\$ -	\$ 16,924	\$ 525,249	\$ 101,348

CITY OF MARKSVILLE, LOUISIANA
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Year Ended June 30, 1999
With Comparative Totals as of June 30, 1998

	Capital Outlay Fund	1992 Sewer Project Fund	Andrus St Sewer Project Fund	East Side Sewer Capital Project Fund	Totals 1999	1998
Revenues:						
Miscellaneous -						
Interest earned	\$ 21,885	\$ -	\$ -	\$ -	\$ 21,885	\$ 2,319
Grand Casino	200,000	-	-	-	200,000	-
Intergovernmental -						
Federal Grants	<u>-</u>	<u>-</u>	<u>8,582</u>	<u>143,922</u>	<u>152,504</u>	<u>60,719</u>
Total revenues	<u>221,885</u>	<u>-</u>	<u>8,582</u>	<u>143,922</u>	<u>374,389</u>	<u>63,038</u>
Expenditures:						
Current -						
General government	370	-	-	-	370	-
Streets and drainage	6,790	-	-	-	6,790	-
Capital outlay	<u>576,382</u>	<u>-</u>	<u>8,582</u>	<u>126,998</u>	<u>711,962</u>	<u>140,808</u>
Total expenditures	<u>583,542</u>	<u>-</u>	<u>8,582</u>	<u>126,998</u>	<u>719,122</u>	<u>140,808</u>
Excess (deficiency) of revenues over expenditures	<u>(361,657)</u>	<u>-</u>	<u>-</u>	<u>16,924</u>	<u>(344,733)</u>	<u>(77,770)</u>
Other financing sources (uses):						
Operating transfers in	545,831	-	-	-	545,831	58,912
Operating transfers out	<u>(37,020)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(37,020)</u>	<u>-</u>
Total other financing sources (uses)	<u>508,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>508,811</u>	<u>58,912</u>
Excess (deficiency) of revenues and other sources over expenditures	147,154	-	-	16,924	164,078	(18,858)
Fund balances, beginning	<u>85,712</u>	<u>15,636</u>	<u>-</u>	<u>-</u>	<u>101,348</u>	<u>120,206</u>
Fund balances, ending	<u>\$232,866</u>	<u>\$15,636</u>	<u>\$ -</u>	<u>\$ 16,924</u>	<u>\$265,426</u>	<u>\$101,348</u>

ENTERPRISE FUNDS

Sewer System Fund

To account for the provision of sewer and sanitation services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including but not limited to administration, operations, maintenance, financing and related debt service, and billing and collections.

Water System Fund

To account for the provision of water services to residents of the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to administration, operations, maintenance, financing and related debt service, and billing and collections.

CITY OF MARKSVILLE, LOUISIANA
Enterprise Funds

Combining Balance Sheet
June 30, 1999
With Comparative Totals as of June 30, 1998

	<u>Sewer System Fund</u>	<u>Water System Fund</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 275,953	\$ 42,716	\$ 318,669	\$ 963,982
Time deposits	200,000	143,000	343,000	-
Receivables:				
Accounts	26,158	56,524	82,682	69,980
Unbilled utility receivables	14,251	29,039	43,290	50,440
Due from other funds	116,280	3,303	119,583	9,582
Total current assets	<u>632,642</u>	<u>274,582</u>	<u>907,224</u>	<u>1,093,984</u>
Restricted assets:				
Revenue bond sinking fund - cash	67,153	56,738	123,891	124,609
Revenue bond reserve fund:				
Cash	6,188	2,320	8,508	80,891
Interest bearing deposits	6,000	70,000	76,000	-
System replacement and extension fund:				
Cash	6,704	4,603	11,307	68,349
Interest bearing deposits	7,000	56,000	63,000	-
Customers' deposits:				
Cash	22,789	39,386	62,175	260,748
Interest bearing deposits	28,000	190,000	218,000	-
Total restricted assets	<u>143,834</u>	<u>419,047</u>	<u>562,881</u>	<u>534,597</u>
Property, plant and equipment:				
Property, plant and equipment, at cost, net of accumulated depreciation	<u>6,554,922</u>	<u>2,752,696</u>	<u>9,307,618</u>	<u>9,195,880</u>
Total assets	<u>\$7,331,398</u>	<u>\$3,446,325</u>	<u>\$10,777,723</u>	<u>\$10,824,461</u>

(Continued)

CITY OF MARKSVILLE, LOUISIANA
Enterprise Funds

Combining Balance Sheet (Continued)
June 30, 1999
With Comparative Totals as of June 30, 1998

	Sewer System Fund	Water System Fund	Totals	
			1999	1998
LIABILITIES AND FUND EQUITY				
Liabilities:				
Current liabilities (payable from current assets) -				
Accounts payable	\$ -	\$ 1,071	\$ 1,071	\$ 17,935
Due to other funds	<u>52,276</u>	<u>63,023</u>	<u>115,299</u>	<u>85,575</u>
Total current liabilities payable from current assets	<u>52,276</u>	<u>64,094</u>	<u>116,370</u>	<u>103,510</u>
Current liabilities (payable from restricted assets) -				
Customers' deposits	50,755	207,943	258,698	242,491
Revenue bonds payable	13,574	30,000	43,574	42,899
Accrued interest	<u>235</u>	<u>16,875</u>	<u>17,110</u>	<u>17,237</u>
Total current liabilities (payable from restricted assets)	<u>64,564</u>	<u>254,818</u>	<u>319,382</u>	<u>302,627</u>
Long-term liabilities -				
Revenue bonds payable	1,143,758	645,000	1,788,758	1,831,826
Compensated absences payable	<u>6,166</u>	<u>7,643</u>	<u>13,809</u>	<u>12,113</u>
Total long-term liabilities	<u>1,149,924</u>	<u>652,643</u>	<u>1,802,567</u>	<u>1,843,939</u>
Total liabilities	<u>1,266,764</u>	<u>971,555</u>	<u>2,238,319</u>	<u>2,250,077</u>
Fund equity:				
Contributed capital, net	<u>4,830,324</u>	<u>1,596,563</u>	<u>6,426,887</u>	<u>6,473,360</u>
Retained earnings -				
Unreserved:				
Undesignated	1,155,074	735,421	1,890,495	1,946,093
Reserved	<u>79,236</u>	<u>142,786</u>	<u>222,022</u>	<u>154,932</u>
Total retained earnings	<u>1,234,310</u>	<u>878,207</u>	<u>2,112,517</u>	<u>2,101,025</u>
Total fund equity	<u>6,064,634</u>	<u>2,474,770</u>	<u>8,539,404</u>	<u>8,574,385</u>
Total liabilities and fund equity	<u>\$7,331,398</u>	<u>\$3,446,325</u>	<u>\$10,777,723</u>	<u>\$10,824,461</u>

CITY OF MARKSVILLE, LOUISIANA
Enterprise Funds

Combining Statement of Revenues, Expenses, and Changes in Retained Earnings
Year Ended June 30, 1999
With Comparative Totals for June 30, 1998

	Sewer Fund	Water Fund	Totals	
			1999	1998
Operating revenues:				
Charges for services	<u>\$ 418,457</u>	<u>\$ 522,973</u>	<u>\$ 941,430</u>	<u>\$ 977,709</u>
Operating expenses:				
Salaries	105,636	191,346	296,982	247,488
Payroll taxes	8,047	14,933	22,980	19,168
Depreciation	173,297	110,060	283,357	224,279
Repairs and supplies	149,831	175,801	325,632	300,250
Insurance	13,341	25,288	38,629	29,596
Office expense	792	5,916	6,708	8,854
Professional fees	9,198	24,267	33,465	31,858
Utilities and Telephone	30,785	34,992	65,777	61,179
Miscellaneous	6,244	925	7,169	16,246
Total operating expenses	<u>497,171</u>	<u>583,528</u>	<u>1,080,699</u>	<u>938,918</u>
Operating income (loss)	<u>(78,714)</u>	<u>(60,555)</u>	<u>(139,269)</u>	<u>38,791</u>
Nonoperating revenues (expenses):				
Sale of fixed assets	-	2,000	2,000	-
Interest income	27,951	26,038	53,989	39,858
Interest expense	(52,980)	(35,125)	(88,105)	(88,580)
Total nonoperating revenues (expenses)	<u>(25,029)</u>	<u>(7,087)</u>	<u>(32,116)</u>	<u>(48,722)</u>
Loss before operating transfers	<u>(103,743)</u>	<u>(67,642)</u>	<u>(171,385)</u>	<u>(9,931)</u>
Other financing sources (uses):				
Operating transfers in	-	31,913	31,913	-
Operating transfers out	(27,960)	(29,329)	(57,289)	(5,860)
Total other financing sources (uses)	<u>(27,960)</u>	<u>2,584</u>	<u>(25,376)</u>	<u>(5,860)</u>
Net loss	<u>(131,703)</u>	<u>(65,058)</u>	<u>(196,761)</u>	<u>(15,791)</u>
Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital	150,713	57,540	208,253	132,847
Retained earnings, beginning	<u>1,215,300</u>	<u>885,725</u>	<u>2,101,025</u>	<u>1,983,969</u>
Retained earnings, ending	<u>\$1,234,310</u>	<u>\$ 878,207</u>	<u>\$2,112,517</u>	<u>\$2,101,025</u>

CITY OF MARKSVILLE, LOUISIANA
Enterprise Funds

Combining Statement of Cash Flows
Year Ended June 30, 1999
With Comparative Totals for the Year Ended June 30, 1998

	Sewer Fund	Water Fund	Totals	
			1999	1998
Cash flows from operating activities:				
Operating Income (loss)	<u>\$ (78,714)</u>	<u>\$ (60,555)</u>	<u>\$(139,269)</u>	<u>\$ 38,791</u>
Adjustments to reconcile net operating income (loss) to net cash provided by operating activities -				
Depreciation	173,297	110,060	283,357	224,279
Changes in current assets and liabilities:				
Increase in accounts receivable	(991)	(4,561)	(5,552)	(7,629)
(Decrease) increase in accounts payable	-	(16,864)	(16,864)	17,936
(Decrease) increase in compensated absences payable	2,329	(633)	1,696	(6,144)
Total adjustments	<u>174,635</u>	<u>88,002</u>	<u>262,637</u>	<u>228,442</u>
Net cash provided by operating activities	<u>95,921</u>	<u>27,447</u>	<u>123,368</u>	<u>267,233</u>
Cash flows from noncapital financing activities:				
Gain from sale of fixed assets	-	2,000	-	-
Operating transfers in (out)	<u>(118,613)</u>	<u>12,960</u>	<u>(105,653)</u>	<u>30,435</u>
Net cash provided (used) by noncapital financing activities	<u>(118,613)</u>	<u>14,960</u>	<u>(105,653)</u>	<u>30,435</u>
Cash flows from capital and related financing activities:				
Proceeds from grants	161,780	-	161,780	1,298,241
Acquisition of property, plant and equipment	(208,781)	(186,314)	(395,095)	(1,340,896)
Payment on bonds	(12,393)	(30,000)	(42,393)	(42,409)
Payment of interest on bonds	(52,982)	(35,250)	(88,232)	(89,718)
Proceeds from meter deposits, net	9,142	7,065	16,207	17,961
Net cash used by capital and related financing activities	<u>(103,234)</u>	<u>(244,499)</u>	<u>(347,733)</u>	<u>(156,821)</u>
Cash flows from investing activities:				
Decrease in investments	(241,000)	(459,000)	(700,000)	-
Interest collected on investments	27,951	26,038	53,989	39,857
Net cash provided (used) by investing activities	<u>(213,049)</u>	<u>(432,962)</u>	<u>(646,011)</u>	<u>39,857</u>
Net increase (decrease) in cash and cash equivalents	<u>(338,975)</u>	<u>(635,054)</u>	<u>(976,029)</u>	<u>180,704</u>
Cash and cash equivalents, beginning of period	<u>717,762</u>	<u>780,817</u>	<u>1,498,579</u>	<u>1,317,875</u>
Cash and cash equivalents, end of period	<u>\$378,787</u>	<u>\$145,763</u>	<u>\$ 522,550</u>	<u>\$ 1,498,579</u>

AGENCY FUND

Accounts Payable and Payroll Clearing Fund

To account for the centralization of the clearing accounts which are used for the disbursements of all City funds, including those for purchases, payroll and payroll-related costs.

CITY OF MARKSVILLE, LOUISIANA
Agency Funds

Combining Balance Sheet
June 30, 1999
With Comparative Totals as of June 30, 1998

	<u>Accounts Payable Clearing</u>	<u>Payroll Clearing</u>	<u>Totals</u>	
			<u>1999</u>	<u>1998</u>
ASSETS				
Cash - demand deposits	\$ 462	\$30,168	\$ 30,630	\$ 24,699
Due from other funds	<u>106,671</u>	<u>2,093</u>	<u>108,764</u>	<u>106,343</u>
Total assets	<u>\$107,133</u>	<u>\$32,261</u>	<u>\$139,394</u>	<u>\$131,042</u>
LIABILITIES				
Accounts Payable	\$107,133	\$ -	\$107,133	\$103,111
Due to other funds	-	17,107	17,107	11,370
Accrued expenses	<u>-</u>	<u>15,154</u>	<u>15,154</u>	<u>16,561</u>
Total liabilities	<u>\$107,133</u>	<u>\$32,261</u>	<u>\$139,394</u>	<u>\$131,042</u>

CITY OF MARKSVILLE, LOUISIANA
Agency Funds

Combining Statement of Changes in Assets and Liabilities - All Agency Funds
Year Ended June 30, 1999

	Balances July 1, 1998	Additions	Deductions	Balances June 30, 1999
PAYROLL FUND				
ASSETS				
Cash - demand deposits	\$ 24,530	\$1,308,596	\$1,302,958	\$ 30,168
Due from other funds	3,401	1,073,993	1,075,301	2,093
Total assets	\$ 27,931	\$2,382,589	\$2,378,259	\$ 32,261
LIABILITIES				
Due to other funds	\$ 11,370	\$ 10,830	\$ 5,093	\$ 17,107
Payroll liabilities	16,561	391,292	392,699	15,154
Total liabilities	\$ 27,931	\$ 402,122	\$ 397,792	\$ 32,261
ACCOUNTS PAYABLE CLEARING				
ASSETS				
Cash - demand deposits	\$ 169	\$1,149,560	\$1,149,267	\$ 462
Due from other funds	102,942	1,148,407	1,144,678	106,671
Total assets	\$ 103,111	\$2,297,967	\$2,293,945	\$ 107,133
LIABILITIES				
Accounts Payable	\$ 103,111	\$2,297,967	\$2,293,945	107,133
Total liabilities	\$ 103,111	\$2,297,967	\$2,293,945	\$ 107,133
TOTALS - ALL AGENCY FUNDS				
ASSETS				
Cash - demand deposits	\$ 24,699	\$2,458,156	\$2,452,225	\$ 30,630
Due from other funds	106,343	2,222,400	2,219,979	108,764
Total assets	\$ 131,042	\$4,680,556	\$4,672,204	\$ 139,394
LIABILITIES				
Accounts payable	\$ 103,111	\$2,297,967	\$2,293,945	\$ 107,133
Due to other funds	11,370	10,830	5,093	17,107
Payroll liabilities	16,561	391,292	392,699	15,154
Total liabilities	\$ 131,042	\$2,700,089	\$2,691,737	\$ 139,394

GENERAL FIXED ASSETS ACCOUNT GROUP

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

CITY OF MARKSVILLE, LOUISIANA

Comparative Statement of General Fixed Assets
June 30, 1999 and 1998

	<u>1999</u>	<u>1998</u>
General fixed assets, at cost:		
Land	\$ 155,979	\$ 155,979
Buildings	815,312	639,980
Improvements other than buildings	201,330	121,157
Equipment	<u>1,299,014</u>	<u>1,268,724</u>
Total general fixed assets	<u>\$2,471,635</u>	<u>\$2,185,840</u>
 Investment in general fixed assets	 <u>\$2,471,635</u>	 <u>\$2,185,840</u>

CITY OF MARKSVILLE, LOUISIANA

Statement of Changes in General Fixed Assets
Year Ended June 30, 1999

	Land	Buildings	Improvements Other Than Buildings	Equipment	Total
General fixed assets, beginning of year	\$ 155,979	\$ 639,980	\$ 121,157	\$ 1,268,724	\$ 2,185,840
Additions:	-	175,332	80,173	48,406	303,911
Deletions:	-	-	-	(18,116)	(18,116)
General fixed assets, end of year	<u>\$ 155,979</u>	<u>\$ 815,312</u>	<u>\$ 201,330</u>	<u>\$ 1,299,014</u>	<u>\$ 2,471,635</u>

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

CITY OF MARKSVILLE, LOUISIANA

Statement of General Long-Term Debt
 June 30, 1999
 With Comparative Totals as of June 30, 1998

	Water and Sewer Improvement	Street Improvement	Sewer Improvement	Public Safety	Compensated Absences	Totals
						1999
						1998
AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT						
Amount available in debt service funds for debt retirement	\$ 354,287	\$ 180,940	\$ 85,192	\$ 166,888	\$ -	\$ 787,307
Amount to be provided for debt retirement	<u>678,713</u>	<u>69,060</u>	<u>864,808</u>	<u>1,263,112</u>	<u>57,358</u>	<u>3,322,132</u>
Total amount available and to be provided	<u>\$1,033,000</u>	<u>\$ 250,000</u>	<u>\$ 950,000</u>	<u>\$1,430,000</u>	<u>\$ 57,358</u>	<u>\$4,082,937</u>
GENERAL LONG-TERM DEBT PAYABLE						
Bonds and certificates of indebtedness payable	\$1,033,000	\$ 250,000	\$ 950,000	\$1,430,000	\$ -	\$4,028,000
Compensated absences payable	-	-	-	-	57,358	54,937
Total general long-term debt payable	<u>\$1,033,000</u>	<u>\$ 250,000</u>	<u>\$ 950,000</u>	<u>\$1,430,000</u>	<u>\$ 57,358</u>	<u>\$4,082,937</u>

**COMPLIANCE, INTERNAL CONTROL
AND
OTHER INFORMATION**

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. 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 believe item 99-1 of the reportable conditions to be a material weakness.

We also noted another matter involving internal control over financial reporting that we reported to the management of the City of Marksville in a separate letter dated November 8, 1999.

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

Kolder, Champagne, Slaven & Rainey, LLC
Certified Public Accountants

Lafayette, Louisiana
November 12, 1999

CITY OF MARKSVILLE, LOUISIANA

Summary Schedule of Current and Prior Year Audit Findings
and Corrective Action Plan
June 30, 1999

Fiscal Year	Ref. No.	Finding Initially Occurred	Description of Finding	Corrective Action Taken	Corrective Action Planned	Name of Contact Person	Anticipated Completion Date
			CURRENT YEAR (06/30/99) --				

Compliance:

99-3 & 98-3	1998	At June 30, 1999, \$128,670 of deposits were not collateralized which is a violation of state law.	N/A	Deposit collateral should be reviewed on a monthly basis to insure deposits are fully secured.	Richard Michel, M.D., Mayor	N/A
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Internal Control:

99-1 & 98-1	1998	Due to the small number of accounting employees, the City did not have adequate segregation of functions within the accounting system.	N/A	Based upon the size of the accounting operations and the cost-benefit of additional personnel, it may not be feasible to achieve complete segregation of duties.	Richard Michel, M.D., Mayor	N/A
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99-2 & 98-2	1998	Inventory at the water plant is maintained in a closed area, however, perpetual records are not being maintained.	N/A	Inventory should be kept under the control of one person with perpetual records updated monthly. Comparison to actual counts should be done at least quarterly and variances reported to the Council.	Richard Michel, M.D., Mayor	3/1/00
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PRIOR YEAR (06/30/98) --

98-4	1998	There were five funds that had actual total expenditures in excess of 5% over total budgeted expenditures.	Yes	N/A	N/A	N/A
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