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**CITY OF PATTERSON, LOUISIANA**

Financial Report

Year Ended June 30, 1998

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

Release Date ~~JAN 27 1998~~

TABLE OF CONTENTS

|   | Page  |
|---|-------|
| Independent Auditor's Report  | 1-2   |
| <b>GENERAL PURPOSE FINANCIAL STATEMENTS</b>   |       |
| <b>(COMBINED STATEMENTS - OVERVIEW)</b>   |       |
| Combined balance sheet - all fund types and account groups  | 4-5   |
| Combined statement of revenues, expenditures, and changes in fund balances - all governmental fund types                                  | 6     |
| Combined statement of revenues, expenditures, and changes in fund balances - budget (GAAP basis) and actual - all governmental fund types | 7-8   |
| Comparative statements of revenues, expenses, and changes in retained earnings - proprietary fund type                                    | 9     |
| Comparative statements of cash flows - proprietary fund type  | 10-11 |
| Notes to financial statements   | 12-30 |
| <b>SUPPLEMENTAL INFORMATION</b>   |       |
| <b>SCHEDULE OF INDIVIDUAL FUNDS AND ACCOUNT GROUPS</b>  |       |
| <b>General Fund:</b>  |       |
| Comparative balance sheet   | 34    |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 35-36 |
| Statement of revenues compared to budget (GAAP basis)   | 37    |
| Statement of expenditures compared to budget (GAAP basis)   | 38-41 |
| Statement of other financing sources (uses) - compared to budget (GAAP basis)   | 42    |
| <b>Special Revenue Funds:</b>   |       |
| Combining balance sheet   | 44    |
| Combining statement of revenues, expenditures, and changes in fund balances   | 45    |
| Sewerage and Solid Waste Sales Tax Fund -   |       |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 46    |
| Ad Valorem Tax Collection Fund -  |       |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 47    |
| Fire Department Equipment Fund -  |       |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 48    |
| Emergency Management Fund -   |       |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 49    |
| Louisiana Community Development Block Grant Fund -  |       |
| Statement of revenues, expenditures, and changes in fund balance - budget (GAAP basis) and actual   | 50    |

|   | Page  |
|---|-------|
| <b>Debt Service Funds:</b>  |       |
| Combining balance sheet   | 52    |
| Combining statement of revenues, expenditures, and changes in fund balances   | 53    |
| <b>Capital Projects Funds:</b>  |       |
| Combining balance sheet   | 55    |
| Combining statement of revenues, expenditures, and changes in fund balances   | 56    |
| <b>Enterprise Fund:</b>   |       |
| Comparative balance sheet   | 58-59 |
| Comparative statement of revenues, expenses, and changes in retained earnings   | 60    |
| Comparative statement of operating expenses by department   | 61-62 |
| Comparative statement of cash flows   | 63-64 |
| Schedule of changes in assets restricted for revenue bond debt service  | 65    |
| <b>Fiduciary Funds:</b>   |       |
| Combining balance sheet   | 67    |
| Combining statement of changes in assets and liabilities  | 68    |
| <b>General Fixed Assets Account Group:</b>  |       |
| Comparative statement of general fixed assets   | 70    |
| Statement of changes in general fixed assets  | 71    |
| <b>General Long-Term Debt Account Group:</b>  |       |
| Statement of general long-term debt   | 73    |
| <b>INTERNAL CONTROL AND COMPLIANCE</b>  |       |
| Independent Auditor's Report on Compliance and on Internal Control over Financial Reporting Based on an Audit of General Purpose Financial Statements Performed in Accordance with <u>Government Auditing Standards</u> | 75-76 |
| <b>OTHER SUPPLEMENTARY INFORMATION</b>  |       |
| Schedule of number of utility customers (unaudited)   | 78    |
| Comparative departmental analysis of revenues and expenses - utility fund   | 79-80 |
| Schedule of insurance in force (unaudited)  | 81    |
| Schedule of interest-bearing deposits - all funds   | 82-83 |
| Summary schedule of prior year findings   | 84    |
| Schedule of findings and questioned costs   | 85    |
| Management's corrective action plan for current year findings   | 86    |



Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA  
Danny P. Frederick, CPA  
Clayton L. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Paula D. Bihm, CPA  
Stephanie M. Higginbotham, CPA

Lloyd L. Doré, Jr., CPA

Kathleen T. Darnall, CPA  
Jennifer S. Ziegler, CPA  
Stephen R. Dischler, MBA, CPA  
Chris A. Miller, CPA  
Alan M. Taylor, CPA  
Christine A. Raspberry, CPA  
John P. Armato, CPA  
Steven G. Moosa, CPA  
Tamara Landry, CPA  
Susan B. Dembowski, CPA

# Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

## INDEPENDENT AUDITOR'S REPORT

Offices:

125 Rue Beattreparad  
Lafayette, LA 70508  
318.232.3312

12311 Laurel Avenue  
Lunice, LA 70535  
318.457.4146

1701 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
504.384.6264

404 Pere Megret  
Abbeville, LA 70510  
318.893.5470

dstepas.com

The Honorable James L. Bernauer, Mayor  
and Members of the City Council  
City of Patterson, Louisiana

We have audited the accompanying general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 1998, as listed in the table of contents. These general purpose financial statements are the responsibility of the City of Patterson, Louisiana's elected officials. 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 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 Patterson, Louisiana, as of June 30, 1998, and the results of its operations and the cash flows of its proprietary fund type 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 September 11, 1998 on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Member of  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

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 for purposes of additional analysis and is not a required part of the general purpose financial statements of the City of Patterson, 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 financial statements taken as a whole.

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

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Morgan City, Louisiana  
September 11, 1998

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

CITY OF PATTERSON, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1998

|  | Governmental Fund Types |                    |                  | Fiduciary Fund Type Agency | Account Groups       |                 | Totals              |                     |
|--|-------------------------|--------------------|------------------|----------------------------|----------------------|-----------------|---------------------|---------------------|
|  | General                 | Debt Service       |                  |                            | General Fixed Assets | Long-Term Debt  | (Memorandum Only)   |                     |
|  |                         | Special Revenue    | Capital Projects |                            |                      |                 | 1998                | 1997                |
| <b>ASSETS AND OTHER DEBITS</b>                                 |                         |                    |                  |                            |                      |                 |                     |                     |
| Cash   | \$ 324,862              | \$ 168,663         | \$ 48,532        | \$ 11,618                  | \$ 136,280           | \$ -            | \$ 739,105          | \$ 763,532          |
| Interest-bearing deposits                                      | 1,117,270               | 455,012            | 672,928          | 250,557                    | 135,118              | -               | 2,630,885           | 2,603,826           |
| Investments  | 399,885                 | 487,682            | -                | -                          | -                    | -               | 887,567             | -                   |
| Receivables:   |                         |                    |                  |                            |                      |                 |                     |                     |
| Taxes  | 108,281                 | 46,840             | -                | -                          | -                    | -               | 155,121             | 129,858             |
| Accounts   | -                       | -                  | -                | -                          | 301,666              | -               | 301,666             | 259,841             |
| Property assessments   | -                       | -                  | 41,140           | -                          | -                    | -               | 41,140              | 52,476              |
| Accrued interest   | 3,374                   | 2,271              | 1,464            | 123                        | 162                  | -               | 7,394               | 5,502               |
| Due from other funds   | 68,000                  | -                  | 82,892           | 22,016                     | 221,792              | -               | 407,124             | 365,890             |
| Due from other governmental units                              | 37,260                  | 12,266             | -                | -                          | -                    | -               | 49,526              | 61,816              |
| Prepaid insurance  | -                       | -                  | -                | -                          | 1,377                | -               | 1,377               | 1,448               |
| Advances to other funds  | -                       | -                  | -                | -                          | 125,000              | -               | 125,000             | 125,000             |
| Restricted assets:   |                         |                    |                  |                            |                      |                 |                     |                     |
| Cash   | -                       | -                  | -                | -                          | 174,116              | -               | 174,116             | 168,353             |
| Interest-bearing deposits                                      | -                       | -                  | -                | -                          | 605,599              | -               | 605,599             | 1,248,813           |
| Accrued interest receivable                                    | -                       | -                  | -                | -                          | 498                  | -               | 498                 | 474                 |
| Investments  | -                       | -                  | -                | -                          | 599,750              | -               | 599,750             | -                   |
| Land   | -                       | -                  | -                | -                          | -                    | -               | 230,244             | 230,244             |
| Buildings  | -                       | -                  | -                | -                          | -                    | -               | 385,720             | 369,807             |
| Equipment  | -                       | -                  | -                | -                          | -                    | -               | 651,354             | 584,699             |
| Utility property, plant and equipment                          | -                       | -                  | -                | -                          | 10,774,691           | -               | 10,774,691          | 10,680,457          |
| Accumulated depreciation                                       | -                       | -                  | -                | -                          | (5,005,864)          | -               | (5,005,864)         | (4,866,113)         |
| Construction in progress                                       | -                       | -                  | -                | -                          | -                    | -               | -                   | 54,815              |
| Amount available in debt service funds                         | -                       | -                  | -                | -                          | -                    | 557,463         | 557,463             | 600,776             |
| Amount to be provided for retirement of general long-term debt | -                       | -                  | -                | -                          | -                    | 1,368,289       | 1,368,289           | 1,403,472           |
| <b>Total assets and other debits</b>                           | <b>\$2,058,932</b>      | <b>\$1,172,734</b> | <b>\$846,956</b> | <b>\$284,314</b>           | <b>\$ 8,070,185</b>  | <b>\$61,574</b> | <b>\$15,687,765</b> | <b>\$14,844,986</b> |
|  |                         |                    |                  |                            |                      |                 |                     |                     |
|  |                         |                    |                  |                            |                      |                 |                     |                     |

(continued)

CITY OF PATTERSON, LOUISIANA

Combined Balance Sheet - All Fund Types and Account Groups  
June 30, 1998

|  | Governmental Fund Types |                    |                  | Proprietary<br>Fund Type<br>Enterprise | Fiduciary<br>Fund Type<br>Agency | Account Groups      |                            | Totals<br>(Memorandum Only) |                     |      |
|--|-------------------------|--------------------|------------------|--|----------------------------------|---------------------|----------------------------|-----------------------------|---------------------|------|
|  | General                 | Special<br>Revenue | Debt<br>Service  |  |                                  | Capital<br>Projects | General<br>Fixed<br>Assets | Long-Term<br>Debt           | 1998                | 1997 |
|  |                         |                    |                  |  |                                  |                     |                            |                             | \$                  | \$   |
| <b>LIABILITIES AND FUND EQUITY</b>                       |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| <b>Liabilities:</b>                                      |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Accounts payable   | \$ 54,300               | \$ 2,863           | \$ -             | \$ 59,784                              | \$ -                             | \$ -                | \$ -                       | \$ 116,947                  | \$ 190,950          |      |
| Accrued liabilities                                      | -                       | -                  | -                | 2,719                                  | -                                | -                   | -                          | 2,719                       | 2,966               |      |
| Due to other funds                                       | 182,575                 | 44,737             | 103,721          | 12,424                                 | 61,574                           | -                   | -                          | 407,124                     | 365,890             |      |
| Payable from restricted assets -                         |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Revenue bonds  | -                       | -                  | -                | 52,272                                 | -                                | -                   | -                          | 52,272                      | 47,272              |      |
| Accrued interest   | -                       | -                  | -                | 11,597                                 | -                                | -                   | -                          | 11,597                      | 12,172              |      |
| Customers' deposits                                      | -                       | -                  | -                | 200,458                                | -                                | -                   | -                          | 200,458                     | 192,160             |      |
| Advances from other funds                                | 125,000                 | -                  | -                | -                                      | -                                | -                   | -                          | 125,000                     | 125,000             |      |
| Deferred revenues  | -                       | -                  | 41,140           | -                                      | -                                | -                   | -                          | 41,140                      | 52,477              |      |
| General obligation bonds payable                         | -                       | -                  | -                | -                                      | -                                | -                   | 1,906,566                  | 1,906,566                   | 1,998,754           |      |
| Revenue bonds payable                                    | -                       | -                  | -                | 899,989                                | -                                | -                   | -                          | 899,989                     | 952,261             |      |
| Lease obligation payable                                 | -                       | -                  | -                | -                                      | -                                | -                   | 19,186                     | 19,186                      | 5,494               |      |
| Total liabilities  | <u>361,875</u>          | <u>47,600</u>      | <u>144,861</u>   | <u>1,239,243</u>                       | <u>61,574</u>                    | <u>-</u>            | <u>1,925,752</u>           | <u>3,782,998</u>            | <u>3,945,396</u>    |      |
| <b>Fund equity:</b>                                      |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Contributed capital (net of<br>accumulated amortization) | -                       | -                  | -                | 6,897,736                              | -                                | -                   | -                          | 6,897,736                   | 6,923,543           |      |
| Investment in general fixed assets                       | -                       | -                  | -                | -                                      | -                                | -                   | 1,267,318                  | 1,267,318                   | 1,184,750           |      |
| Retained earnings (deficit) -                            |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Reserved for revenue bond retirement                     | -                       | -                  | -                | 897,554                                | -                                | -                   | -                          | 897,554                     | 952,390             |      |
| Unreserved   | -                       | -                  | -                | (964,348)                              | -                                | -                   | -                          | (964,348)                   | (1,179,499)         |      |
| Total retained earnings                                  | -                       | -                  | -                | (66,794)                               | -                                | -                   | -                          | (66,794)                    | (227,109)           |      |
| Fund balances -  |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Reserved for debt service                                | -                       | -                  | 557,463          | -                                      | -                                | -                   | -                          | 557,463                     | 600,776             |      |
| Unreserved:  |                         |                    |                  |  |                                  |                     |                            |                             |                     |      |
| Designated for subsequent<br>years' expenditures         | -                       | 45,924             | -                | -                                      | -                                | -                   | -                          | 328,145                     | 319,052             |      |
| Undesignated   | 1,697,057               | 1,079,210          | 144,632          | -                                      | -                                | -                   | -                          | 2,920,899                   | 2,098,578           |      |
| Total fund balances                                      | <u>1,697,057</u>        | <u>1,125,134</u>   | <u>702,095</u>   | <u>282,221</u>                         | <u>-</u>                         | <u>-</u>            | <u>-</u>                   | <u>3,806,507</u>            | <u>3,018,406</u>    |      |
| Total fund equity  | <u>1,697,057</u>        | <u>1,125,134</u>   | <u>702,095</u>   | <u>6,830,942</u>                       | <u>-</u>                         | <u>-</u>            | <u>1,267,318</u>           | <u>11,904,767</u>           | <u>10,899,590</u>   |      |
| Total liabilities and<br>fund equity                     | <u>\$2,058,932</u>      | <u>\$1,172,734</u> | <u>\$846,956</u> | <u>\$8,070,185</u>                     | <u>\$61,574</u>                  | <u>\$1,267,318</u>  | <u>\$1,925,752</u>         | <u>\$15,687,765</u>         | <u>\$14,844,986</u> |      |

The accompanying notes are an integral part of this statement.



CITY OF PATTERSON, LOUISIANA

Combined Statement of Revenues, Expenditures, and Changes in Fund Balances -  
All Governmental Fund Types  
Year Ended June 30, 1998

|  | General            | Special<br>Revenue | Debt<br>Service   | Capital<br>Projects | Totals<br>(Memorandum Only) |                    |
|--|--------------------|--------------------|-------------------|---------------------|-----------------------------|--------------------|
|  |                    |                    |                   |                     | 1998                        | 1997               |
| <b>Revenues:</b>   |                    |                    |                   |                     |                             |                    |
| Taxes  | \$ 949,345         | \$ 764,159         | \$ -              | \$ -                | \$ 1,713,504                | \$1,478,975        |
| Licenses and permits   | 100,234            | -                  | -                 | -                   | 100,234                     | 109,365            |
| Intergovernmental  | 225,193            | 14,534             | -                 | -                   | 239,727                     | 294,756            |
| Charges for services   | 219,973            | -                  | -                 | -                   | 219,973                     | 208,451            |
| Fines and forfeits   | 138,389            | -                  | -                 | -                   | 138,389                     | 111,236            |
| Miscellaneous  | 100,122            | 16,282             | 38,520            | 8,559               | 163,483                     | 114,415            |
| Total revenues   | <u>1,733,256</u>   | <u>794,975</u>     | <u>38,520</u>     | <u>8,559</u>        | <u>2,575,310</u>            | <u>2,317,198</u>   |
| <b>Expenditures:</b>   |                    |                    |                   |                     |                             |                    |
| Current -  |                    |                    |                   |                     |                             |                    |
| General government:  |                    |                    |                   |                     |                             |                    |
| Administrative   | 303,720            | -                  | -                 | -                   | 303,720                     | 327,069            |
| Mechanic shop  | 5,010              | -                  | -                 | -                   | 5,010                       | 1,665              |
| Public safety:   |                    |                    |                   |                     |                             |                    |
| Police   | 562,582            | -                  | -                 | -                   | 562,582                     | 562,479            |
| Fire   | 23,003             | 7,187              | -                 | -                   | 30,190                      | 20,459             |
| Streets and drainage   | 222,559            | -                  | -                 | -                   | 222,559                     | 172,659            |
| Culture and recreation   | 26,647             | -                  | -                 | -                   | 26,647                      | 33,786             |
| Sanitation and sewer   | 199,924            | -                  | -                 | -                   | 199,924                     | 189,756            |
| Debt service -   |                    |                    |                   |                     |                             |                    |
| Principal retirement   | 9,558              | -                  | 187,189           | -                   | 196,747                     | 179,156            |
| Interest and fiscal charges  | 2,693              | -                  | 166,841           | -                   | 169,534                     | 168,799            |
| Advance refunding escrow   | -                  | -                  | 45,413            | -                   | 45,413                      | -                  |
| Capital outlay   | 77,681             | 14,354             | -                 | -                   | 92,035                      | 104,447            |
| Total expenditures   | <u>1,433,377</u>   | <u>21,541</u>      | <u>399,443</u>    | <u>-</u>            | <u>1,854,361</u>            | <u>1,760,275</u>   |
| Excess (deficiency) of revenues over expenditures                                  | <u>299,879</u>     | <u>773,434</u>     | <u>(360,923)</u>  | <u>8,559</u>        | <u>720,949</u>              | <u>556,923</u>     |
| <b>Other financing sources (uses):</b>   |                    |                    |                   |                     |                             |                    |
| Proceeds from capital lease  | 23,250             | -                  | -                 | -                   | 23,250                      | -                  |
| Operating transfers in   | 117,406            | -                  | 280,493           | -                   | 397,899                     | 522,113            |
| Operating transfers out  | -                  | (395,040)          | (2,859)           | -                   | (397,899)                   | (527,298)          |
| Proceeds of refunding bonds  | -                  | -                  | 1,760,000         | -                   | 1,760,000                   | -                  |
| Payment to refunded bond escrow agent  | -                  | -                  | (1,716,098)       | -                   | (1,716,098)                 | -                  |
| Total other financing sources (uses)   | <u>140,656</u>     | <u>(395,040)</u>   | <u>321,536</u>    | <u>-</u>            | <u>67,152</u>               | <u>(5,185)</u>     |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | 440,535            | 378,394            | (39,387)          | 8,559               | 788,101                     | 551,738            |
| Fund balances, beginning   | <u>1,256,522</u>   | <u>746,740</u>     | <u>741,482</u>    | <u>273,662</u>      | <u>3,018,406</u>            | <u>2,466,668</u>   |
| Fund balances, ending  | <u>\$1,697,057</u> | <u>\$1,125,134</u> | <u>\$ 702,095</u> | <u>\$282,221</u>    | <u>\$ 3,806,507</u>         | <u>\$3,018,406</u> |

The accompanying notes are an integral part of this statement.

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| Special Revenue Fund Types |                    |                                    | Debt Service Fund Types |                   |                                    | Capital Projects Fund Types |                  |                                    |
|----------------------------|--------------------|------------------------------------|-------------------------|-------------------|------------------------------------|-----------------------------|------------------|------------------------------------|
| Budget                     | Actual             | Variance - Favorable (Unfavorable) | Budget                  | Actual            | Variance - Favorable (Unfavorable) | Budget                      | Actual           | Variance - Favorable (Unfavorable) |
| \$ 711,551                 | \$ 764,159         | \$ 52,608                          | \$ -                    | \$ -              | \$ -                               | \$ -                        | \$ -             | \$ -                               |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| 14,534                     | 14,534             | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| 13,097                     | 16,282             | 3,185                              | 25,084                  | 38,520            | 13,436                             | 5,585                       | 8,559            | 2,974                              |
| <u>739,182</u>             | <u>794,975</u>     | <u>55,793</u>                      | <u>25,084</u>           | <u>38,520</u>     | <u>13,436</u>                      | <u>5,585</u>                | <u>8,559</u>     | <u>2,974</u>                       |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| 8,726                      | 7,187              | 1,539                              | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | 187,189                 | 187,189           | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | 164,826                 | 166,841           | (2,015)                            | -                           | -                | -                                  |
| -                          | -                  | -                                  | 45,413                  | 45,413            | -                                  | -                           | -                | -                                  |
| 15,300                     | 14,354             | 946                                | -                       | -                 | -                                  | -                           | -                | -                                  |
| <u>24,026</u>              | <u>21,541</u>      | <u>2,485</u>                       | <u>397,428</u>          | <u>399,443</u>    | <u>(2,015)</u>                     | <u>-</u>                    | <u>-</u>         | <u>-</u>                           |
| <u>715,156</u>             | <u>773,434</u>     | <u>58,278</u>                      | <u>(372,344)</u>        | <u>(360,923)</u>  | <u>11,421</u>                      | <u>5,585</u>                | <u>8,559</u>     | <u>2,974</u>                       |
| -                          | -                  | -                                  | -                       | -                 | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | 286,303                 | 280,493           | (5,810)                            | -                           | -                | -                                  |
| (382,623)                  | (395,040)          | (12,417)                           | -                       | (2,859)           | (2,859)                            | -                           | -                | -                                  |
| -                          | -                  | -                                  | 1,760,000               | 1,760,000         | -                                  | -                           | -                | -                                  |
| -                          | -                  | -                                  | (1,716,098)             | (1,716,098)       | -                                  | -                           | -                | -                                  |
| <u>(382,623)</u>           | <u>(395,040)</u>   | <u>(12,417)</u>                    | <u>330,205</u>          | <u>321,536</u>    | <u>(8,669)</u>                     | <u>-</u>                    | <u>-</u>         | <u>-</u>                           |
| 332,533                    | 378,394            | 45,861                             | (42,139)                | (39,387)          | 2,752                              | 5,585                       | 8,559            | 2,974                              |
| <u>746,740</u>             | <u>746,740</u>     | <u>-</u>                           | <u>741,482</u>          | <u>741,482</u>    | <u>-</u>                           | <u>273,662</u>              | <u>273,662</u>   | <u>-</u>                           |
| <u>\$1,079,273</u>         | <u>\$1,125,134</u> | <u>\$ 45,861</u>                   | <u>\$ 699,343</u>       | <u>\$ 702,095</u> | <u>\$ 2,752</u>                    | <u>\$279,247</u>            | <u>\$282,221</u> | <u>\$2,974</u>                     |
| =====                      | =====              | =====                              | =====                   | =====             | =====                              | =====                       | =====            | =====                              |

CITY OF PATTERSON, LOUISIANA

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings -  
 Proprietary Fund Type  
 Years Ended June 30, 1998 and 1997

|   | <u>Enterprise</u>    |                       |
|---|----------------------|-----------------------|
|   | <u>1998</u>          | <u>1997</u>           |
| Operating revenues:   |                      |                       |
| Charges for services -  |                      |                       |
| Gas sales and services  | \$ 954,708           | \$ 871,598            |
| Water sales and services  | 418,405              | 380,411               |
| Sewerage services   | 332,315              | 299,046               |
| Delinquent charges  | 37,269               | 34,531                |
| Commissions, transfers and reconnections  | 9,881                | 9,957                 |
| Miscellaneous   | <u>12,366</u>        | <u>5,690</u>          |
| Total operating revenues  | <u>1,764,944</u>     | <u>1,601,233</u>      |
| Operating expenses:   |                      |                       |
| Administrative  | 228,339              | 230,859               |
| Gas department  | 707,399              | 634,289               |
| Water department  | 234,667              | 235,969               |
| Sewerage department   | 172,069              | 167,154               |
| Depreciation  | <u>297,839</u>       | <u>271,705</u>        |
| Total operating expenses  | <u>1,640,313</u>     | <u>1,539,976</u>      |
| Operating income  | <u>124,631</u>       | <u>61,257</u>         |
| Nonoperating revenues (expenses):   |                      |                       |
| Interest income   | 45,423               | 39,308                |
| Interest and fiscal charges   | <u>(75,546)</u>      | <u>(78,308)</u>       |
| Total nonoperating revenues (expenses)  | <u>(30,123)</u>      | <u>(39,000)</u>       |
| Income before operating transfers   | 94,508               | 22,257                |
| Operating transfers in  | <u>-</u>             | <u>5,185</u>          |
| Net income  | 94,508               | 27,442                |
| Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital | <u>65,807</u>        | <u>49,049</u>         |
| Increase in retained earnings   | 160,315              | 76,491                |
| Retained earnings (deficit), beginning  | <u>(227,109)</u>     | <u>(303,600)</u>      |
| Retained earnings (deficit), ending   | \$ (66,794)<br>===== | \$ (227,109)<br>===== |

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Comparative Statement of Cash Flows  
 Proprietary Fund Type  
 Years Ended June 30, 1998 and 1997

|   | <u>Enterprise</u> |                  |
|---|-------------------|------------------|
|   | <u>1998</u>       | <u>1997</u>      |
| Cash flows from operating activities:   |                   |                  |
| Operating income  | \$ 124,631        | \$ 61,257        |
| Adjustments to reconcile operating income<br>to net cash provided by operating activities - |                   |                  |
| Depreciation  | 297,839           | 271,705          |
| Changes in current assets and liabilities:  |                   |                  |
| Increase in accounts receivable   | (41,867)          | (6,464)          |
| Decrease in prepaid insurance   | 71                | 107              |
| Increase (decrease) in accounts payable   | (59,863)          | 55,062           |
| Decrease in accrued liabilities   | (247)             | (69)             |
| Total adjustments   | <u>195,933</u>    | <u>320,341</u>   |
| Net cash provided by operating activities   | <u>320,564</u>    | <u>381,598</u>   |
| Cash flows from noncapital financing activities:  |                   |                  |
| Operating transfers in from other funds   | -                 | 5,185            |
| Cash paid to other funds  | <u>(5,042)</u>    | <u>(78,832)</u>  |
| Net cash used by noncapital financing activities  | <u>(5,042)</u>    | <u>(73,647)</u>  |
| Cash flows from capital and related financing activities:                                   |                   |                  |
| Acquisition of plant and equipment  | (197,507)         | (190,979)        |
| Principal paid on revenue bond maturities   | (50,000)          | (45,000)         |
| Interest paid on revenue bonds  | (73,393)          | (76,090)         |
| Capital contributed from federal grant  | 40,000            | 83,729           |
| Increase in customers' meter deposits   | <u>8,298</u>      | <u>5,430</u>     |
| Net cash used by capital and related financing activities                                   | <u>(272,602)</u>  | <u>(222,910)</u> |

(continued)

CITY OF PATTERSON, LOUISIANA

Comparative Statement of Cash Flows (Continued)  
 Proprietary Fund Type  
 Years Ended June 30, 1998 and 1997

|  | <u>Enterprise</u>     |                      |
|--|-----------------------|----------------------|
|  | <u>1998</u>           | <u>1997</u>          |
| Cash flows from investing activities:  |                       |                      |
| Purchase of interest-bearing deposits  | \$ (175,623)          | \$ (174,183)         |
| Purchase of investments  | (1,178,381)           | -                    |
| Proceeds from the sale and maturities of<br>interest-bearing deposits                            | 174,183               | 172,801              |
| Proceeds from , maturities of investments  | 578,631               | 405,196              |
| Interest on interest-bearing deposits  | <u>45,383</u>         | <u>39,268</u>        |
| Net cash provided (used) by<br>investing activities  | <u>(555,807)</u>      | <u>443,082</u>       |
| Net increase (decrease) in cash and<br>cash equivalents  | (512,887)             | 528,123              |
| Cash and cash equivalents, beginning of period   | <u>1,388,377</u>      | <u>860,254</u>       |
| Cash and cash equivalents, end of period   | \$ 875,490<br>=====   | \$1,388,377<br>===== |
| Reconciliation of cash and cash equivalents per<br>statement of cash flows to the balance sheet: |                       |                      |
| Cash and cash equivalents, beginning of period -   |                       |                      |
| Cash - unrestricted  | \$ 131,486            | \$ 102,913           |
| Interest-bearing deposits - unrestricted   | 13,908                | 48,635               |
| Cash - restricted  | 168,353               | 281,460              |
| Interest-bearing deposits - restricted   | 1,248,813             | 600,047              |
| Less: Interest-bearing deposits with a<br>maturity over three months                             | <u>(174,183)</u>      | <u>(172,801)</u>     |
| Total cash and cash equivalents  | <u>1,388,377</u>      | <u>860,254</u>       |
| Cash and cash equivalents, end of period -   |                       |                      |
| Cash - unrestricted  | 136,280               | 131,486              |
| Interest-bearing deposits - unrestricted   | 135,118               | 13,908               |
| Cash - restricted  | 174,116               | 168,353              |
| Interest-bearing deposits - restricted   | 605,599               | 1,248,813            |
| Less: Interest-bearing deposits with a<br>maturity over three months                             | <u>(175,623)</u>      | <u>(174,183)</u>     |
| Total cash and cash equivalents  | <u>875,490</u>        | <u>1,388,377</u>     |
| Net increase (decrease)  | \$ (512,887)<br>===== | \$ 528,123<br>=====  |

The accompanying notes are an integral part of this statement.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements

(1) Summary of Significant Accounting Policies

The City of Patterson was incorporated March 11, 1907, under the provisions of the Lawrason Act. The City operated under a Mayor-Board of Aldermen form of government until December 31, 1992 at which time the City adopted a Home Rule Charter and now operates under an elected Mayor-Council, administrative-legislative form of government. The City's operations include police and fire protection, streets and drainage, parks and recreation, residential waste collection services, certain social services and general administration services. The City owns and operates an enterprise fund which provides gas, water, and sewer services.

The accounting and reporting policies of the City of Patterson conform to generally accepted accounting principles as applicable to governments. Such accounting and reporting procedures also conform to the requirements of Louisiana Revised Statutes 24:517, the Louisiana Governmental Audit Guide and to the industry audit guide, Audits of State and Local Governmental Units.

The following is a summary of certain significant accounting policies:

A. Financial Reporting Entity

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

Based on the foregoing criteria, certain governmental organizations are not part of the City and are thus excluded from the accompanying financial statements. These organizations are the volunteer fire department and the public housing authority. Although the City does provide facilities and some of their financing, no control is exercised over their operations.

B. Fund Accounting

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

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

Governmental Funds -

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 expendable trusts or major capital projects) that are legally restricted to expenditures for specific purposes.

Debt service funds

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

Capital projects funds

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

Proprietary Fund -

Enterprise fund

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. The City of Patterson's enterprise fund is the Utility Fund.



CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

Fiduciary Funds -

Agency funds

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations, but are used to account for assets held for other funds.

C. 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 fund type operations 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 and are recorded as expenditures in the governmental fund types when purchased. The City has elected not to capitalize public domain ("infrastructure") fixed assets consisting of certain improvements other than buildings, including roads, bridges, curbs and gutters, streets and sidewalks, drainage systems, and lighting systems. No depreciation has been provided on general fixed assets.

All 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.

Depreciation of all exhaustible fixed assets used by the proprietary fund is charged as an expense against its operations. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|              |               |
|--------------|---------------|
| Buildings    | 20 - 30 years |
| Improvements | 10 - 30 years |
| Equipment    | 4 - 20 years  |

D. 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.

All governmental funds are accounted for using the modified accrual basis of accounting. Their revenues are recognized when they become measurable and available as net current assets. Sales taxes are considered as "measurable" when in the hands of intermediary collecting governments and are recognized as revenue at that time. Ad valorem taxes are recognized as revenue in the year for which budgeted, that is, in the year in which such taxes are billed. Other major revenues that are considered susceptible to accrual include earned grant revenues and other intergovernmental revenues, charges for services and interest on investments. Franchise fees, licenses, permits and fines are recognized when received because they are not objectively measurable.

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 are recognized when due. Purchases of various operating supplies are regarded as expenditures at the time purchased.

The proprietary fund is accounted for using the accrual basis of accounting whereby revenues are recognized when they are earned and expenses are recognized when incurred. Unbilled utility service receivables, resulting from utility services rendered between the date of meter reading and billing and the end of the month, are estimated and recorded at year end.

E. Budgets and Budgetary Accounting

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

1. The City Clerk prepares a proposed budget and submits it to the Mayor and City Council for the fiscal year no later than forty-five days prior to the beginning of each fiscal year.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

2. A summary of the proposed budget is published and the public notified that the proposed budget is available for public inspection. At the same time, a public hearing is called.
3. A public hearing is held on the proposed budget at least ten days after publication of the call for the hearing.
4. After holding of the public hearing and completion of all action necessary to finalize and implement the budget, the budget is adopted through passage of a resolution prior to the commencement of the fiscal year for which the budget is being adopted.
5. Budgetary amendments involving the transfers 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 all funds are adopted on a basis consistent with generally accepted accounting principles (GAAP). Budgeted amounts are as originally adopted or as amended by the City Council. Such amendments were not material in relation to the original appropriations.

F. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditures 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.

G. Interest-Bearing Deposits

Interest-bearing deposits are stated at cost, which approximates market.

H. Statement of Cash Flows

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.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

I. Advances To/From Other Funds

Noncurrent portions of long-term interfund loans receivable and payable are reported as "Advances to other funds" and "Advances from other funds". Advances to other funds in governmental funds are offset equally by a fund balance reserve account which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

J. Bad Debts

Uncollectible amounts due for ad valorem taxes are recognized as bad debts at the time information becomes available which would indicate the uncollectibility of the particular receivable. Although the specific charge-off method is not in conformity with generally accepted accounting principles (GAAP), no allowance for uncollectible taxes receivable was made due to immateriality at June 30, 1998. An allowance for uncollectible utility receivables has been provided at June 30, 1998.

K. Vacation and Sick Leave

Vacation and sick leave are recorded as expenditures of the period in which paid. Sick leave does not accumulate and is not payable at termination of employment. Vacation must be taken in the year accrued and cannot be carried over. Any liability the City might have in this regard at June 30, 1998 is considered immaterial; therefore, no liability has been recorded in the accounts.

L. Capitalization of Interest Expense

It is the policy of the City of Patterson to capitalize material amounts of interest resulting from borrowings in the course of the construction of fixed assets. For the year ended June 30, 1998, no capitalized interest expense was recorded on the books.

M. Capital Lease

A capital lease is generally defined by Statement of Financial Accounting Standards No. 13 "Accounting for Leases" as one which transfers benefits and risks of ownership to the lessee. Leases meeting the criteria of a capital lease as defined are recorded at inception as expenditures and other financial sources in governmental fund types and as assets and liabilities in the General Fixed Assets and General Long-Term Debt account groups, respectively, at the present value of the future minimum lease payments, using the interest rates stated in the leases.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

N. 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.

O. Total Columns on Combined Statements - Overview

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

P. Adoption of GASB Statement 27

During the year ended June 30, 1997, the City of Patterson adopted GASB Statement 27, Accounting for Pensions by State and Local Government Employees. Although this statement is effective for periods beginning after June 15, 1997, the Governmental Accounting Standards Board is encouraging early implementation.

Q. Use of Estimates

The City's management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenditures or expenses, as appropriate.

(2) Cash

A. Under state law, the City may deposit funds within a fiscal agent bank organized under the laws of the State of Louisiana, the laws of any other state in the Union, or the laws of the United States. The City may invest in certificates and time deposits of state banks organized under Louisiana law and national banks having principal offices in Louisiana. At June 30, 1998, the City has cash and interest-bearing deposits (book balances) totaling \$4,149,705, as follows:

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|   |                          |
|---|--------------------------|
| Demand deposits                         | \$ 913,221               |
| Money market accounts and time deposits | <u>3,236,484</u>         |
| <br>Total                               | <br>\$4,149,705<br>===== |

These deposits are stated 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 bank. 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. Deposit balances (bank balances) at June 30, 1998, are secured as follows:

|  |                          |
|--|--------------------------|
| Bank balances                                      | \$4,192,411<br>=====     |
| Federal deposit insurance                          | \$ 400,000               |
| Pledged securities (category 3)                    | <u>7,027,499</u>         |
| <br>Total federal insurance and pledged securities | <br><u>7,427,499</u>     |
| <br>Excess   | <br>\$3,035,088<br>===== |

Pledged securities in Category 3 includes uninsured or unregistered investments for which the securities are held by the broker or dealer, or by its trust department or agent, but not in the City's name. Even though the pledged securities are considered uncollateralized (Category 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) Investments

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

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|                             | <u>Category 1</u>          |                         |
|-----------------------------|----------------------------|-------------------------|
|                             | <u>Carrying<br/>Amount</u> | <u>Market<br/>Value</u> |
| U. S. Government Securities | \$1,487,317                | \$1,493,583             |
|                             | =====                      | =====                   |

(4) Ad Valorem Taxes

Ad valorem taxes attach as an enforceable lien on property as of January 1 of each year. Taxes are levied by the City in September or October and are actually billed to taxpayers in November or December. Billed taxes become delinquent on January 1 of the following year. The City bills and collects its own property taxes using the assessed values determined by the tax assessor of St. Mary Parish. City property tax revenues are budgeted in the year billed.

For the year ended June 30, 1998, taxes of 22.48 mills were levied on property with assessed valuations totaling \$9,961,039 and were dedicated as follows:

|                            |             |
|----------------------------|-------------|
| General corporate purposes | 10.37 mills |
| Debt service               | 12.11 mills |

Total taxes levied were \$223,924. The total amount of taxes receivable at June 30, 1998 was \$6,520.

(5) Interfund Receivables/Payables

|   | <u>Interfund<br/>Receivables</u> | <u>Interfund<br/>Payables</u> |
|---|----------------------------------|-------------------------------|
| Due to/from other funds:                    |                                  |                               |
| General Fund                                | \$ 68,000                        | \$182,575                     |
| Special Revenue Funds -                     |                                  |                               |
| Ad Valorem Tax Collection Fund              | -                                | 20,599                        |
| Sewerage and Solid Waste Sales Tax Fund     | -                                | 24,138                        |
| Debt Service Funds -                        |                                  |                               |
| Public Improvement Bonds Fund               | 81,934                           | 28,458                        |
| 1990 Paving Assessment Fund                 | 392                              | 70,837                        |
| Sales Tax Refunding Bonds, Series 1990 Fund | 566                              | 4,426                         |
| Capital Projects Funds -                    |                                  |                               |
| Drainage and Relocation Fund                | 21,443                           | 1,701                         |
| Regional Sewerage Facility Project Fund     | 573                              | -                             |
| Murphy St. Paving Fund                      | -                                | 392                           |

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|                               |                    |                    |
|-------------------------------|--------------------|--------------------|
| Utility Fund                  | 221,792            | 12,424             |
| Agency Funds -                |                    |                    |
| Disbursement Fund             | 12,424             | 18,759             |
| Payroll Fund                  | <u>          -</u> | <u>42,815</u>      |
| Total due to/from other funds | \$407,124          | \$407,124          |
|                               | =====              | =====              |
| Advances to/from other funds: |                    |                    |
| General Fund                  | \$ -               | \$125,000          |
| Utility Fund                  | <u>125,000</u>     | <u>          -</u> |
|                               | \$125,000          | \$125,000          |
|                               | =====              | =====              |

(6) Due from Other Governmental Units

Amounts due from other governmental units at June 30, 1998 consisted of the following:

|   |               |
|---|---------------|
| Payment in lieu of taxes due from the Patterson Housing Authority | \$ 6,718      |
| Fire insurance rebate due from the St. Mary Parish Council        | 12,266        |
| Beer and tobacco taxes due from the State of Louisiana            | 8,160         |
| Video poker receipts due from the State of Louisiana              | 9,902         |
| Indian Gaming Revenue due from the State of Louisiana             | <u>12,480</u> |
|   | \$49,526      |
|   | =====         |

(7) Restricted Assets - Proprietary Fund Type

Restricted assets consisted of the following at June 30:

|   | <u>1998</u>    | <u>1997</u>    |
|---|----------------|----------------|
| Revenue bond and interest sinking fund                | \$ 98,571      | \$ 65,305      |
| Revenue bond reserve fund                             | 128,388        | 128,388        |
| Revenue bond capital additions and contingencies fund | 734,464        | 818,141        |
| Revenue bond construction fund                        | 218,082        | 213,646        |
| Customers' deposits                                   | <u>200,458</u> | <u>192,160</u> |
|   | \$1,379,963    | \$1,417,640    |
|   | =====          | =====          |



CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(8) Changes in Fixed Assets

|                                   | <u>Balance</u><br><u>July 1, 1997</u> | <u>Additions</u>      | <u>Deletions</u>     | <u>Balance</u><br><u>June 30, 1998</u> |
|-----------------------------------|---------------------------------------|-----------------------|----------------------|--|
| Land                              | \$ 230,244                            | \$ -                  | \$ -                 | \$ 230,244                             |
| Buildings                         | 369,807                               | 15,913                | 9,467                | 385,720                                |
| Equipment                         | <u>584,699</u>                        | <u>76,122</u>         | <u>-</u>             | <u>651,354</u>                         |
| <br>Total general<br>fixed assets | <br>\$1,184,750<br>=====              | <br>\$92,035<br>===== | <br>\$9,467<br>===== | <br>\$1,267,318<br>=====               |

A summary of proprietary fund type property, plant and equipment at June 30, 1998 follows:

|  |                           |
|--|---------------------------|
| Land   | \$ 107,200                |
| Administrative equipment                                       | 126,766                   |
| Gas utility:   |                           |
| System   | 1,651,420                 |
| Equipment  | 260,564                   |
| Water utility:   |                           |
| System   | 2,114,333                 |
| Tank   | 303,842                   |
| Equipment  | 129,546                   |
| Sewerage utility:  |                           |
| System   | 6,014,305                 |
| Equipment  | <u>66,715</u>             |
|  | 10,774,691                |
| Less: Accumulated depreciation                                 | <u>5,005,864</u>          |
| <br>Net proprietary fund type property, plant and<br>equipment | <br>\$ 5,768,827<br>===== |

(9) Capital Lease

In July 1997, the City entered into an agreement for the lease of equipment. The lease is paid in monthly installments, final payment is due in June 2002. The book value of the equipment under capital lease at June 30, 1998 as capitalized in the General Fixed Assets Account Group is \$23,250.

The following is a schedule of future minimum lease payments under the capital lease:

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|   | <u>Equipment</u> |
|---|------------------|
| 1999                                    | \$ 5,464         |
| 2000                                    | 5,464            |
| 2001                                    | 5,464            |
| 2002                                    | <u>5,464</u>     |
|   | 21,856           |
| Less: Amount representing interest      | <u>2,670</u>     |
| Present value of minimum lease payments | \$19,186         |
|   | =====            |

(10) Changes in Long-Term Debt

The following is a summary of bonds and certificates of indebtedness transactions of the City of Patterson for the year ended June 30, 1998:

|  | <u>General<br/>Obligation</u> | <u>Revenue</u>  | <u>Total</u>       |
|--|-------------------------------|-----------------|--------------------|
| Bonds and certificates, payable<br>July 1, 1997  | \$ 1,998,754                  | \$1,035,000     | \$ 3,033,754       |
| Bonds and certificates, issued                   | 1,760,000                     | -               | 1,760,000          |
| Bonds and certificates retired                   | <u>(1,852,188)</u>            | <u>(50,000)</u> | <u>(1,902,188)</u> |
| Bonds and certificates, payable<br>June 30, 1998 | \$ 1,906,566                  | \$ 985,000      | \$ 2,891,566       |
|  | =====                         | =====           | =====              |

Bonds and certificates payable at June 30, 1998 are comprised of the following individual issues:

General obligation bonds and certificates:

\$1,245,000 Public Improvement Sewer Refunding Bonds, Series 1988, due in one installment of \$85,000 on December 1, 1998; interest at 8.00 percent; secured by levy and collection of 3/4 percent sales tax revenues. \$ 85,000

\$221,885 1990 Paving certificates due in annual installments of \$22,189 through December 1, 2000; interest at 7.50 to 7.75 percent; payable from paving assessment revenues. 66,566

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

\$830,000 1997 Public Improvement Sewer Refunding Bonds, due in annual installments of \$15,000 to \$125,000 through December 1, 2005; interest at 5 percent; secured by levy and collection of 3/4 percent sales tax revenue 825,000

\$930,000 1998 General Obligation Refunding Bonds, due in annual installments of \$45,000 to \$100,000 through March 1, 2010, interest at 4.25 to 5.20 percent; secured by levy and collection of ad valorem taxes 930,000

Total general obligation bonds and certificates payable \$1,906,566  
=====

Revenue bonds:

\$1,290,000 Utilities Revenue Bonds, Series 1990, due in annual installments of \$55,000 to \$120,000 through May 1, 2010; interest at 6.50 to 7.25 percent. \$ 985,000

Less: Unamortized bond discount 32,739

Net utility revenue bonds payable \$ 952,261  
=====

The annual requirements to amortize all debt outstanding as of June 30, 1998, including interest payments of \$1,010,105 are as follows:

| <u>Year ending</u><br><u>June 30</u> | <u>General</u><br><u>Obligation</u> | <u>Revenue</u>       | <u>Total</u>         |
|--------------------------------------|-------------------------------------|----------------------|----------------------|
| 1999                                 | \$ 305,042                          | \$ 124,580           | \$ 429,622           |
| 2000                                 | 308,849                             | 120,730              | 429,579              |
| 2001                                 | 242,485                             | 121,880              | 364,365              |
| 2002                                 | 226,210                             | 122,680              | 348,890              |
| 2003                                 | 233,028                             | 123,130              | 356,158              |
| 2004-2008                            | 893,810                             | 631,457              | 1,525,267            |
| 2009-2010                            | <u>194,215</u>                      | <u>253,575</u>       | <u>447,790</u>       |
|                                      | \$2,403,639<br>=====                | \$1,498,032<br>===== | \$3,901,671<br>===== |

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

Covenants/Restrictions:

Property assessment bonds:

The City of Patterson has a contingent liability against its full faith and credit on property assessment certificates recorded in the general long-term debt group. The general credit of the government is obligated only to the extent that liens foreclosed against properties involved in the property assessment program are insufficient to retire outstanding certificates.

Assets remaining in these funds after the retirement of the outstanding obligations may be used only for the repair and maintenance of the streets improved from the proceeds of the original certificate issue.

Utility revenue bonds:

The various bond indentures contain significant limitations and restrictions as to the annual debt service requirements, maintenance of and flow of monies through various restricted accounts, minimum amounts to be maintained in various sinking funds, and minimum revenue bond coverage (see Note 11). The City is in compliance with all such significant limitations and restrictions.

Sales tax sewer public improvement bonds:

The resolution concerning the dedication of the proceeds of the 3/4 of 1% sewerage and solid waste sales tax specifies restrictions as to how the funds must be expended (see Note 12). The City is in compliance with all such significant limitations.

Advance refundings:

The City issued \$830,000 of public improvement sewer refunding bonds to provide resources to purchase U. S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$770,000 of Public Improvement Sewer Refunding Bonds, Series 1988. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next eight (8) years by \$65,264 and resulted in an economic gain of \$51,216.

The City issued \$930,000 of general obligation refunding bonds to provide resources to purchase U. S. Government and State and Local Government Series securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt service payments on \$895,000 of refunded general obligation debt. As a result, the refunded bonds are considered to be defeased and the liability has been removed from the general long-term debt account group. This advance refunding was undertaken to reduce total debt service payments over the next twelve (12) years by \$98,797 and resulted in an economic gain of \$75,219.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(11) Flow of Funds; Restrictions on Use - Utilities Revenues

Under the terms of the bond indenture on outstanding Utilities Revenue Bonds dated May 1, 1990, all income and revenues (hereinafter referred to as revenue) of every nature, earned or derived from operations of the Utilities System are pledged and dedicated to the retirement of said bonds and are to be set aside into the following special funds:

Each month, there will be set aside into a fund called the Revenue Bond Sinking Fund an amount constituting 1/12 of the next maturing installment of principal and 1/6 of the next maturing installment of interest on the outstanding bonds. Such transfers shall be fully sufficient to assure the prompt payment of principal and interest installments as they become due and may be used only for such payments.

There shall also be set aside into a Revenue Bond Reserve Fund an initial deposit of \$129,000, thus accumulating in the reserve account an amount equal to the lesser of the highest combined principal and interest requirements in any succeeding fiscal year or 10 percent of bond proceeds. Such amounts may be used only for the payment of maturing bonds and interest on the aforesaid bonds for which sufficient funds are not on deposit in the Revenue Bond Sinking Fund and as to which there would otherwise be default.

Funds will also be set aside into a Capital Additions and Contingencies Fund monthly in the amount of five percent (5%) of the gross revenues of the System for the preceding month, provided that such sum is available after provision is made for all reasonable expenses of administration, operation and maintenance of the System as well as payments into the above required funds. In addition to caring for extensions, additions, improvements, renewals and replacements necessary to properly operate the System, money in this fund shall also be used to pay the principal of and the interest on these bonds for the payment of which there is not sufficient money in the Revenue Bond Sinking Fund or the Revenue Bond Reserve Fund. This money, however, shall never be used for the making of improvements and extensions to the System or for payment of principal and interest on bonds if such use of said money will leave in the Capital Additions and Contingencies Fund for the making of emergency repairs or replacements less than the sum of \$10,000.

(12) Dedication of Proceeds and Flow of Funds - Sales and Use Taxes

The City of Patterson collects sales taxes under four sales tax levies as follows:

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

- A. Proceeds of a 1% parish wide sales and use tax levied in 1966 (1998 collections \$537,198; 1997 \$515,227). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to each participating municipality on a monthly basis. The City of Patterson's allocation is 4.7818% of the first \$1,500,000 of net taxes collected. 50% of any collection in excess of \$1,500,000 is divided proportionately among the participating municipalities according to their respective populations as reflected by the most recent federal census or most recent special census. Proceeds of this tax shall be used for the following purposes: construction, acquisition, improvement, maintenance and repairs of streets, capital improvements, public works and buildings (including the acquisition of sites and necessary fixtures, equipment, furnishings and appurtenances, and the payment of obligations and refunding obligations which have been or may be issued for the purpose of acquiring and improving public works and buildings); for payment or supplementing salaries of all municipal employees; for the operation of recreational facilities; for the acquisition, maintenance, repairs and payment of operating expenses of equipment, vehicles, and other machinery owned by the municipality; and for any other public purpose authorized by state law.
- B. Proceeds of a 3/4 of 1% sales and use tax levied in 1974 (1998 collections \$527,102; 1997 \$464,927). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are to be used for the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities, sewers and sewerage disposal works, and other facilities for pollution control and abatement; and to pay debt service requirements on bonds issued for any of the above-mentioned purposes. This tax is to be collected until all bonds payable shall have been paid in full in principal and interest or 1/1/99, whichever is later.
- C. Proceeds of a 3/10 of 1% sales and use tax levied in 1982 (1998 collections \$206,098; 1997 \$165,900) Tax is collected by the St. Mary Parish Sales and Use Tax Department and is allocated and distributed monthly as above. Proceeds are dedicated to the following purposes: operating and maintaining the police department, including the acquisition and maintenance of equipment and supplies; paying or supplementing the salaries of municipal employees; and purchasing, constructing, acquiring, extending and/or improving all or any portion of public works or capital improvements, including but not limited to the construction, improvement and maintenance of drainage, water, and flood control extensions and improvements and the acquisition, construction, improvement, maintenance and repair of streets, roads, and bridges.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

- D. Proceeds of a 1/2% parish wide sales and use tax levied in 1998 (1998 collections \$67,249). Tax is collected by the St. Mary Parish Sales and Use Tax Department and is remitted to the St. Mary Parish Sheriff, the Parish of St. Mary and each participating municipality on a monthly basis. Proceeds of this tax may be used by the municipalities for any lawful enforcement purpose.

(13) Pension Plan

Eligible employees of the City participate in one of two multiple-employer public employee retirement systems (PERS), which are controlled and administered by a separate board of trustees. These retirement systems provide retirement, disability and death benefits to plan members and their beneficiaries. Pertinent information relative to each plan follows:

A. Municipal Employees' Retirement System

Plan members are required to contribute 5.0 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 2.75 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1998, 1997 and 1996 were \$12,980, \$13,992 and \$16,859, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Employees' Retirement System, 7937 Office Park Bldg., Baton Rouge, Louisiana 70809.

B. Municipal and State Police Retirement System of Louisiana

Plan members are required to contribute 7.5 percent of their annual covered salary to the system while the City is required to contribute the statutory rate of 9.0 percent of the total annual covered salary. The City's contributions to the system for the years ended June 30, 1998, 1997 and 1996 were \$7,106, \$6,863 and \$6,755, respectively, equal to the required contribution for each year.

A publicly available financial report that includes financial statements and required supplemental financial information may be obtained by writing to the Municipal Police Employees' Retirement System, P. O. Box 94095 - Capital Station, Baton Rouge, Louisiana 70804-9095.

CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

(14) Social Security System

All employees of the City of Patterson participate in the Social Security System. The City and its employees contribute a percentage of each employee's salary to the System (7.65% contributed by the City and 7.65% by the employee). The City's contribution during the year ended June 30, 1998 amounted to \$72,911.

(15) Pending Litigation

The City is not presently involved in any lawsuits which could materially affect the financial condition of the City.

(16) Segment Information for the Enterprise Fund

The City of Patterson maintains one enterprise fund with three departments which provide gas, water and sewerage services. Segment information for the year ended June 30, 1998 was as follows:

|                         | <u>Gas<br/>Department</u> | <u>Water<br/>Department</u> | <u>Sewerage<br/>Department</u> | <u>Total<br/>Enterprise<br/>Fund</u> |
|-------------------------|---------------------------|-----------------------------|--------------------------------|--------------------------------------|
| Operating revenues      | \$983,322                 | \$434,936                   | \$346,686                      | \$1,764,944                          |
| Operating expenses      | <u>854,231</u>            | <u>401,923</u>              | <u>384,159</u>                 | <u>1,640,313</u>                     |
| Operating income (loss) | \$129,091<br>=====        | \$ 33,013<br>=====          | \$(37,473)<br>=====            | \$ 124,631<br>=====                  |

(17) Contributed Capital

Amounts contributed to the enterprise fund for acquisition or construction of fixed assets is recognized as contributed capital. Contributed capital generated through grants externally restricted for capital acquisitions is amortized based on the depreciation recognized on that portion of the assets acquired or constructed from such grants. This depreciation is closed to the appropriate contributed capital account and is reflected as an adjustment to net income on the Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings.

The sources of contributed capital used to acquire and construct facilities of the Enterprise Fund are as follows:



CITY OF PATTERSON, LOUISIANA

Notes to Financial Statements (Continued)

|                                | <u>Municipality</u> | <u>Federal<br/>Grants</u> | <u>State<br/>Grants</u> | <u>Customers</u> | <u>Total</u> |
|--------------------------------|---------------------|---------------------------|-------------------------|------------------|--------------|
| Total contributed capital      | \$5,440,367         | \$880,125                 | \$1,254,320             | \$87,281         | \$7,662,093  |
| Less: Accumulated amortization | -                   | 453,908                   | 310,449                 | -                | 764,357      |
| Net contributed capital        | \$5,440,367         | \$426,217                 | \$ 943,871              | \$87,281         | \$6,897,736  |
|                                | =====               | =====                     | =====                   | =====            | =====        |

(18) Compensation of City Officials

A detail of compensation paid to the Mayor and City Council for the year ended June 30, 1998 follows:

|                     |  |              |
|---------------------|--|--------------|
| Mayor:              |  |              |
| James L. Bernauer   |  | \$20,261     |
| Council:            |  |              |
| Michael Accardo     |  | 3,420        |
| David Bourdier      |  | 3,420        |
| Lazarus Grogan, Jr. |  | 3,420        |
| Leroy Johnson       |  | 3,420        |
| Larry Mendoza       |  | <u>3,420</u> |
|                     |  | \$37,361     |
|                     |  | =====        |

**SUPPLEMENTAL INFORMATION**

**SCHEDULE 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 PATTERSON, LOUISIANA  
General Fund

Comparative Balance Sheet  
June 30, 1998 and 1997

|   | <u>1998</u>              | <u>1997</u>              |
|---|--------------------------|--------------------------|
| <b>ASSETS</b>                               |                          |                          |
| Cash  | \$ 324,862               | \$ 241,534               |
| Interest-bearing deposits                   | 1,117,270                | 1,188,250                |
| Investments                                 | 399,885                  | -                        |
| Receivables:                                |                          |                          |
| Sales tax receivable                        | 75,157                   | 60,264                   |
| Utility franchise taxes receivable          | 33,124                   | 25,499                   |
| Accrued interest receivable                 | 3,374                    | 3,327                    |
| Due from other funds                        | 68,000                   | 59,865                   |
| Due from other governmental units           | <u>37,260</u>            | <u>49,883</u>            |
| <br>Total assets                            | <br>\$2,058,932<br>===== | <br>\$1,628,622<br>===== |
| <b>LIABILITIES AND FUND BALANCE</b>         |                          |                          |
| Liabilities:                                |                          |                          |
| Accounts payable                            | \$ 54,300                | \$ 68,413                |
| Due to other funds                          | 182,575                  | 178,687                  |
| Advances from other funds                   | <u>125,000</u>           | <u>125,000</u>           |
| Total liabilities                           | 361,875                  | 372,100                  |
| <br>Fund balance - unreserved, undesignated | <br><u>1,697,057</u>     | <br><u>1,256,522</u>     |
| <br>Total liabilities and fund balance      | <br>\$2,058,932<br>===== | <br>\$1,628,622<br>===== |

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998             |                  | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual   |
|---|------------------|------------------|--|------------------|
|   | Budget           | Actual           |  |                  |
| <b>Revenues:</b>                        |                  |                  |  |                  |
| Taxes                                   | \$ 832,159       | \$ 949,345       | \$ 117,186                               | \$ 798,210       |
| Licenses and permits                    | 77,000           | 100,234          | 23,234                                   | 109,365          |
| Intergovernmental                       | 193,693          | 225,193          | 31,500                                   | 206,027          |
| Charges for services                    | 220,704          | 219,973          | (731)                                    | 208,451          |
| Fines and forfeits                      | 112,083          | 138,389          | 26,306                                   | 111,236          |
| Miscellaneous                           | 68,940           | 100,122          | 31,182                                   | 53,562           |
| Total revenues                          | <u>1,504,579</u> | <u>1,733,256</u> | <u>228,677</u>                           | <u>1,486,851</u> |
| <b>Expenditures:</b>                    |                  |                  |  |                  |
| Current -                               |                  |                  |  |                  |
| General government:                     |                  |                  |  |                  |
| Administrative                          | 329,061          | 303,720          | 25,341                                   | 324,063          |
| Mechanic shop                           | 3,950            | 5,010            | (1,060)                                  | 1,665            |
| Public safety:                          |                  |                  |  |                  |
| Police                                  | 564,901          | 562,582          | 2,319                                    | 562,479          |
| Fire                                    | 22,308           | 23,003           | (695)                                    | 20,459           |
| Streets and drainage                    | 245,050          | 222,559          | 22,491                                   | 172,659          |
| Culture and recreation                  | 28,953           | 26,647           | 2,306                                    | 33,786           |
| Sanitation                              | 182,211          | 199,924          | (17,713)                                 | 189,756          |
| Capital outlay                          | 55,802           | 77,681           | (21,879)                                 | 17,218           |
| Debt service                            | 5,465            | 12,251           | (6,786)                                  | 7,511            |
| Total expenditures                      | <u>1,437,701</u> | <u>1,433,377</u> | <u>4,324</u>                             | <u>1,329,596</u> |
| Excess of revenues<br>over expenditures | <u>66,878</u>    | <u>299,879</u>   | <u>233,001</u>                           | <u>157,255</u>   |

(continued)

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual (Continued)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998        |             | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual |
|---|-------------|-------------|--|----------------|
|   | Budget      | Actual      |  |                |
| Other financing sources:  |             |             |  |                |
| Proceeds from capital lease   | 23,250      | 23,250      | -  | -              |
| Operating transfers in  | 96,320      | 117,406     | 21,086                                   | 239,062        |
| Operating transfers out   | -           | -           | -  | (14,890)       |
| Total other financing sources   | 119,570     | 140,656     | 21,086                                   | 224,172        |
| Excess of revenues and other sources over expenditures and other uses | 186,448     | 440,535     | 254,087                                  | 381,427        |
| Fund balance, beginning   | 1,256,522   | 1,256,522   | -  | 875,095        |
| Fund balance, ending  | \$1,442,970 | \$1,697,057 | \$254,087                                | \$1,256,522    |

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Revenues Compared to Budget (GAAP Basis)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998               |                    | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual     |
|---|--------------------|--------------------|--|--------------------|
|   | Budget             | Actual             |  |                    |
| <b>Taxes:</b>                                 |                    |                    |  |                    |
| Sales   | \$ 715,259         | \$ 810,545         | \$ 95,286                                | \$ 681,127         |
| Utility franchise                             | 113,000            | 131,394            | 18,394                                   | 113,387            |
| Housing authority payment<br>in lieu of taxes | 3,900              | 7,406              | 3,506                                    | 3,696              |
|   | <u>832,159</u>     | <u>949,345</u>     | <u>117,186</u>                           | <u>798,210</u>     |
| <b>Licenses and permits:</b>                  |                    |                    |  |                    |
| Occupational licenses                         | <u>77,000</u>      | <u>100,234</u>     | <u>23,234</u>                            | <u>109,365</u>     |
| <b>Intergovernmental:</b>                     |                    |                    |  |                    |
| Federal government -                          |                    |                    |  |                    |
| Police grant                                  | 12,600             | 6,309              | (6,291)                                  | 12,559             |
| State of Louisiana -                          |                    |                    |  |                    |
| Beer taxes                                    | 6,000              | 6,518              | 518                                      | 6,370              |
| Tobacco taxes                                 | 27,000             | 26,241             | (759)                                    | 26,241             |
| Video Poker                                   | 38,103             | 42,449             | 4,346                                    | 36,935             |
| Indian gaming revenue                         | 44,000             | 50,963             | 6,963                                    | 60,592             |
| Patterson Housing<br>Authority                | -                  | -                  | -  | 19,702             |
| St. Mary Parish Council                       | <u>65,990</u>      | <u>92,713</u>      | <u>26,723</u>                            | <u>43,628</u>      |
|   | <u>193,693</u>     | <u>225,193</u>     | <u>31,500</u>                            | <u>206,027</u>     |
| <b>Charges for services:</b>                  |                    |                    |  |                    |
| Garbage fees                                  | 216,454            | 214,734            | (1,720)                                  | 206,091            |
| Summer recreation fees                        | 300                | 230                | (70)                                     | 696                |
| Mechanic shop fees                            | <u>3,950</u>       | <u>5,009</u>       | <u>1,059</u>                             | <u>1,664</u>       |
|   | <u>220,704</u>     | <u>219,973</u>     | <u>(731)</u>                             | <u>208,451</u>     |
| <b>Fines and forfeits</b>                     | <u>112,083</u>     | <u>138,389</u>     | <u>26,306</u>                            | <u>111,236</u>     |
| <b>Miscellaneous:</b>                         |                    |                    |  |                    |
| Interest                                      | 46,000             | 42,867             | (3,133)                                  | 37,234             |
| Oil and gas royalties                         | 140                | 141                | 1  | 136                |
| Other sources                                 | <u>22,800</u>      | <u>57,114</u>      | <u>34,314</u>                            | <u>16,192</u>      |
|   | <u>68,940</u>      | <u>100,122</u>     | <u>31,182</u>                            | <u>53,562</u>      |
| <b>Total revenues</b>                         | <u>\$1,504,579</u> | <u>\$1,733,256</u> | <u>\$228,677</u>                         | <u>\$1,486,851</u> |
|   | =====              | =====              | =====                                    | =====              |



CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|                          | 1998           |                | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual |
|--------------------------|----------------|----------------|--|----------------|
|                          | Budget         | Actual         |  |                |
| General government:      |                |                |  |                |
| Administrative -         |                |                |  |                |
| Salaries:                |                |                |  |                |
| Office                   | \$ 74,634      | \$ 74,327      | \$ 307                                   | \$ 72,677      |
| Mayor                    | 20,261         | 20,261         | -  | 20,261         |
| Council                  | 17,100         | 17,100         | -  | 17,100         |
| Payroll taxes            | 8,672          | 8,576          | 96                                       | 8,529          |
| Retirement               |                |                |  |                |
| contributions            | 2,799          | 4,191          | (1,392)                                  | 3,009          |
| Group insurance          | 1,567          | 1,232          | 335                                      | 999            |
| Magistrate fees          | 4,200          | 4,200          | -  | 4,200          |
| Travel and employee      |                |                |  |                |
| expenses                 | 1,800          | 2,035          | (235)                                    | 3,179          |
| Telephone                | 1,867          | 1,846          | 21                                       | 1,449          |
| Utilities                | 250            | 210            | 40                                       | 199            |
| Office supplies          | 5,487          | 4,551          | 936                                      | 5,836          |
| Operating supplies       | 1,000          | 1,199          | (199)                                    | 1,130          |
| Office equipment         |                |                |  |                |
| maintenance              | 1,000          | 3,266          | (2,266)                                  | 2,800          |
| City Hall maintenance    | -              | -              | -  | 2,513          |
| Professional fees        | 15,325         | 15,598         | (273)                                    | 15,323         |
| Research and surveys     | 3,000          | 3,020          | (20)                                     | 306            |
| Employee physicals       | -              | -              | -  | 56             |
| Planning Commission      | 300            | 211            | 89                                       | 255            |
| Small animal control     | 4,900          | 2,756          | 2,144                                    | 4,859          |
| Taxes, permits and       |                |                |  |                |
| licenses                 | -              | -              | -  | 1,000          |
| Dues and subscriptions   | 2,787          | 1,941          | 846                                      | 2,064          |
| Council on Aging grants  | 3,500          | -              | 3,500                                    | 3,500          |
| Indigent Defenders Board | 26,696         | 29,294         | (2,598)                                  | 24,370         |
| Donations and grants     | 100            | -              | 100                                      | 50             |
| Advertising and          |                |                |  |                |
| publishing               | 5,256          | 5,941          | (685)                                    | 4,295          |
| General insurance        | 114,000        | 89,212         | 24,788                                   | 111,016        |
| Public activities and    |                |                |  |                |
| awards                   | 6,975          | 6,525          | 450                                      | 7,057          |
| Miscellaneous            | 5,585          | 6,228          | (643)                                    | 6,031          |
| Total                    |                |                |  |                |
| administrative           | <u>329,061</u> | <u>303,720</u> | <u>25,341</u>                            | <u>324,063</u> |

(continued)

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998               |                    | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual     |
|---|--------------------|--------------------|--|--------------------|
|   | Budget             | Actual             |  |                    |
| Mechanic shop -                                 |                    |                    |  |                    |
| Salaries  | \$ -               | \$ -               | \$ -                                     | \$ 464             |
| Payroll taxes                                   | -                  | -                  | -  | 36                 |
| Casual labor                                    | 171                | 171                | -  | 266                |
| Vehicle oil, gas and<br>parts                   | 2,729              | 3,747              | (1,018)                                  | 769                |
| Vehicle maintenance                             | <u>1,050</u>       | <u>1,092</u>       | <u>(42)</u>                              | <u>130</u>         |
| Total mechanic<br>shop                          | <u>3,950</u>       | <u>5,010</u>       | <u>(1,060)</u>                           | <u>1,665</u>       |
| <br>Total general<br>government                 | <br><u>333,011</u> | <br><u>308,730</u> | <br><u>24,281</u>                        | <br><u>325,728</u> |
| <br>Public safety:                              |                    |                    |  |                    |
| Police -  |                    |                    |  |                    |
| Salaries  | 323,102            | 325,672            | (2,570)                                  | 327,571            |
| Payroll taxes                                   | 30,706             | 30,904             | (198)                                    | 30,245             |
| Retirement<br>contributions                     | 7,106              | 7,106              | -  | 6,905              |
| Group insurance                                 | 56,306             | 50,215             | 6,091                                    | 47,277             |
| Uniform allowances                              | 3,985              | 4,759              | (774)                                    | 5,476              |
| Prisoner expense                                | 1,000              | 2,624              | (1,624)                                  | 786                |
| Telephone                                       | 2,512              | 2,559              | (47)                                     | 2,638              |
| Utilities                                       | 10,886             | 12,583             | (1,697)                                  | 5,757              |
| Office supplies                                 | 7,315              | 8,554              | (1,239)                                  | 6,164              |
| Operating supplies                              | 11,620             | 12,175             | (555)                                    | 11,243             |
| Police station<br>maintenance &<br>improvements | 6,100              | 5,373              | 727                                      | 1,454              |
| Equipment Rentals &<br>Equipment maintenance    | 7,936              | 7,882              | 54                                       | 8,214              |
| Vehicle oil and gas                             | 29,178             | 24,537             | 4,641                                    | 25,834             |
| Vehicle maintenance                             | 28,274             | 30,440             | (2,166)                                  | 29,615             |
| Crime lab                                       | 12,000             | 13,097             | (1,097)                                  | 15,298             |
| Training seminars                               | 3,000              | 2,830              | 170                                      | 1,738              |
| Travel and employee<br>expense                  | 5,400              | 5,970              | (570)                                    | 4,197              |
| Narcotics expenses                              | 8,262              | 8,682              | (420)                                    | 16,858             |
| Claims expense                                  | 7,000              | -                  | 7,000                                    | -                  |
| Miscellaneous                                   | <u>3,213</u>       | <u>6,620</u>       | <u>(3,407)</u>                           | <u>15,209</u>      |
| Total police                                    | <u>564,901</u>     | <u>562,582</u>     | <u>2,319</u>                             | <u>562,479</u>     |

(continued)

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|                                   | 1998           |                | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual |
|-----------------------------------|----------------|----------------|--|----------------|
|                                   | Budget         | Actual         |  |                |
| <b>Fire -</b>                     |                |                |  |                |
| Salaries                          | \$ 1,575       | \$ 1,260       | \$ 315                                   | \$ -           |
| Payroll taxes                     | 121            | 97             | 24                                       | -              |
| Telephone                         | 1,984          | 1,929          | 55                                       | 2,139          |
| Utilities                         | 2,456          | 2,397          | 59                                       | 2,272          |
| Operating supplies                | 2,152          | 2,415          | (263)                                    | 3,577          |
| Equipment maintenance             | 2,000          | -              | 2,000                                    | 3,271          |
| Fire station maintenance          | 1,100          | 4,791          | (3,691)                                  | 1,400          |
| Fire hydrant rentals              | 6,000          | 6,000          | -  | 6,000          |
| Vehicle oil and gas               | 470            | 443            | 27                                       | 483            |
| Vehicle maintenance               | 950            | 2,260          | (1,310)                                  | 376            |
| Miscellaneous                     | <u>3,500</u>   | <u>1,411</u>   | <u>2,089</u>                             | <u>941</u>     |
| <b>Total fire</b>                 | <u>22,308</u>  | <u>23,003</u>  | <u>(695)</u>                             | <u>20,459</u>  |
| <br>                              |                |                |  |                |
| <b>Total public safety</b>        | <u>587,209</u> | <u>585,585</u> | <u>1,624</u>                             | <u>582,938</u> |
| <br>                              |                |                |  |                |
| <b>Streets and drainage:</b>      |                |                |  |                |
| Salaries                          | 50,439         | 48,559         | 1,880                                    | 33,409         |
| Payroll taxes                     | 3,923          | 3,800          | 123                                      | 2,604          |
| Retirement contributions          | 805            | 863            | (58)                                     | 845            |
| Group insurance                   | 3,908          | 3,412          | 496                                      | 2,977          |
| Casual labor                      | 3,493          | 3,397          | 96                                       | 4,294          |
| Uniform allowance                 | 2,330          | 1,488          | 842                                      | 1,548          |
| Utilities                         | 39,122         | 35,812         | 3,310                                    | 30,776         |
| Operating supplies                | 9,486          | 8,564          | 922                                      | 7,337          |
| Surfacing materials               | 88,825         | 79,396         | 9,429                                    | 58,069         |
| Equipment maintenance             | 27,208         | 17,540         | 9,668                                    | 6,538          |
| Vehicle oil and gas               | 3,972          | 3,950          | 22                                       | 4,852          |
| Vehicle maintenance               | 4,074          | 6,370          | (2,296)                                  | 6,315          |
| Railroad rental/maintenance       | 2,495          | 2,495          | -  | 2,590          |
| Drainage maintenance              | -              | 2,566          | (2,566)                                  | 8,850          |
| Miscellaneous                     | <u>4,970</u>   | <u>4,347</u>   | <u>623</u>                               | <u>1,655</u>   |
| <b>Total streets and drainage</b> | <u>245,050</u> | <u>222,559</u> | <u>22,491</u>                            | <u>172,659</u> |

(continued)

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Expenditures Compared to Budget (GAAP Basis) (Continued)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998               |                    | Variance -<br>Favorable | 1997               |
|---|--------------------|--------------------|-------------------------|--------------------|
|   | Budget             | Actual             | (Unfavorable)           | Actual             |
| <b>Culture and recreation:</b>                |                    |                    |                         |                    |
| Referee and umpire fees                       | \$ 8,060           | \$ 4,575           | \$ 3,485                | \$ 8,060           |
| Insurance                                     | 2,349              | 3,618              | (1,269)                 | 2,901              |
| Utilities                                     | 370                | 260                | 110                     | 346                |
| Activities and awards                         | 500                | 500                | -                       | 500                |
| Operating supplies                            | 232                | 210                | 22                      | 402                |
| Facilities maintenance                        | 1,200              | 1,031              | 169                     | 1,387              |
| Rental fee                                    | 3,342              | 3,092              | 250                     | 3,342              |
| Appropriation to Civic<br>Center              | 12,500             | 12,500             | -                       | 12,500             |
| Appropriation to Recreation<br>District No. 4 | -                  | -                  | -                       | 3,461              |
| Miscellaneous                                 | 400                | 861                | (461)                   | 887                |
| Total culture and<br>recreation               | <u>28,953</u>      | <u>26,647</u>      | <u>2,306</u>            | <u>33,786</u>      |
| <b>Sanitation:</b>                            |                    |                    |                         |                    |
| Salaries                                      | 13,839             | 13,336             | 503                     | 13,072             |
| Payroll taxes                                 | 1,078              | 1,045              | 33                      | 1,019              |
| Retirement contributions                      | 397                | 383                | 14                      | 424                |
| Group insurance                               | 3,511              | 3,140              | 371                     | 2,663              |
| Garbage services<br>rendered                  | 163,136            | 169,082            | (5,946)                 | 162,074            |
| Regional facility fee                         | -                  | 10,489             | (10,489)                | 10,453             |
| Miscellaneous                                 | 250                | 2,449              | (2,199)                 | 51                 |
| Total sanitation                              | <u>182,211</u>     | <u>199,924</u>     | <u>(17,713)</u>         | <u>189,756</u>     |
| <b>Capital outlay:</b>                        |                    |                    |                         |                    |
| Mechanic shop equipment                       | 2,000              | 2,000              | -                       | -                  |
| Police equipment                              | 22,552             | 22,552             | -                       | 11,718             |
| Street equipment                              | 31,250             | 46,717             | (15,467)                | 5,500              |
| Fire department equipment                     | -                  | 6,412              | (6,412)                 | -                  |
| Total capital<br>outlay                       | <u>55,802</u>      | <u>77,681</u>      | <u>(21,879)</u>         | <u>17,218</u>      |
| <b>Debt service:</b>                          |                    |                    |                         |                    |
| Principal paid                                | 5,000              | 9,558              | (4,558)                 | 6,967              |
| Interest and fiscal<br>charges                | 465                | 2,693              | (2,228)                 | 544                |
| Total debt service                            | <u>5,465</u>       | <u>12,251</u>      | <u>(6,786)</u>          | <u>7,511</u>       |
| Total expenditures                            | <u>\$1,437,701</u> | <u>\$1,433,377</u> | <u>\$ 4,324</u>         | <u>\$1,329,596</u> |

CITY OF PATTERSON, LOUISIANA  
General Fund

Statement of Other Financing Sources (Uses) -  
Compared to Budget (GAAP Basis)  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | <u>1998</u>               |                           | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual            |
|---|---------------------------|---------------------------|--|---------------------------|
|   | <u>Budget</u>             | <u>Actual</u>             |  |                           |
| <b>Other financing sources:</b>                     |                           |                           |  |                           |
| Proceeds from capital lease                         | <u>\$ 23,250</u>          | <u>\$ 23,250</u>          | <u>\$ -</u>                              | <u>\$ -</u>               |
| Transfers from other funds -                        |                           |                           |  |                           |
| Ad Valorem Tax Collection Fund                      | 96,320                    | 101,492                   | 5,172                                    | 91,798                    |
| Sewerage and Solid Waste Fund                       | -                         | 13,055                    | 13,055                                   | 144,303                   |
| Public Improvement Fund of 1964                     | <u>-</u>                  | <u>2,859</u>              | <u>2,859</u>                             | <u>2,961</u>              |
| Total transfers from other funds                    | <u>96,320</u>             | <u>117,406</u>            | <u>21,086</u>                            | <u>239,062</u>            |
| Total other sources                                 | <u>119,570</u>            | <u>140,656</u>            | <u>21,086</u>                            | <u>-</u>                  |
| <b>Other uses:</b>                                  |                           |                           |  |                           |
| Transfers to other funds - 1990 Paving Project Fund | <u>-</u>                  | <u>-</u>                  | <u>-</u>                                 | <u>(14,890)</u>           |
| Total other uses                                    | <u>-</u>                  | <u>-</u>                  | <u>-</u>                                 | <u>(14,890)</u>           |
| Total other financing sources                       | <u>\$119,570</u><br>===== | <u>\$140,656</u><br>===== | <u>\$21,086</u><br>=====                 | <u>\$224,172</u><br>===== |

## SPECIAL REVENUE FUNDS

Sewerage and Solid Waste Sales Tax Fund - To account for the receipt and use of proceeds of the City's 3/4% sales and use tax. These taxes are dedicated to the construction, acquisition, extension, improvement, operation and maintenance of solid waste collection and disposal facilities.

Ad Valorem Tax Collection Fund - To account for the collection and distribution of the City's 22.48 mill ad valorem tax. Of the total tax, 10.37 mills is transferred to the General Fund and 12.11 mills is transferred to the Public Improvement Bond Fund.

Fire Department Equipment Fund - To account for the receipt of funds and the acquisition of equipment for the fire department.

Emergency Management Fund - To account for the federal and state monies as well as insurance proceeds received and expended for damages sustained as a result of Hurricane Andrew.

LCDBG Grant Fund - To account for the receipt of federal monies to be expended for sewer system rehabilitation in target areas.

CITY OF PATTERSON, LOUISIANA  
Special Revenue Funds

Combining Balance Sheet  
June 30, 1998

With Comparative Totals for June 30, 1997

|  | Sewerage and<br>Solid Waste<br>Sales Tax | Ad Valorem<br>Tax<br>Collection | Fire<br>Department<br>Equipment | Emergency<br>Management | LCDBG<br>Fund | Totals       |
|--|--|---------------------------------|---------------------------------|-------------------------|---------------|--------------|
|  | 1998                                     | 1998                            | 1998                            | 1998                    | 1998          | 1997         |
| ASSETS                                 |  |                                 |                                 |                         |               |              |
| Cash                                   | \$141,874                                | \$ 2,165                        | \$ -                            | \$24,591                | \$ 33         | \$ 298,307   |
| Interest-bearing deposits              | 329,203                                  | 11,914                          | 92,562                          | 21,333                  | -             | 427,732      |
| Investments                            | 487,682                                  | -                               | -                               | -                       | -             | -            |
| Accrued interest receivable            | 519                                      | -                               | 1,752                           | -                       | -             | 515          |
| Ad valorem taxes receivable            | -  | 6,520                           | -                               | -                       | -             | 3,360        |
| Sales taxes receivable                 | 40,320                                   | -                               | -                               | -                       | -             | 40,735       |
| Due from other governmental units      | -  | -                               | 12,266                          | -                       | -             | 11,933       |
| Total assets                           | \$999,598                                | \$20,599                        | \$106,580                       | \$45,924                | \$ 33         | \$ 1,172,734 |
| LIABILITIES AND FUND BALANCES          |  |                                 |                                 |                         |               |              |
| Liabilities:                           |  |                                 |                                 |                         |               |              |
| Accounts payable                       | \$ 2,830                                 | \$ -                            | \$ -                            | \$ -                    | \$ 33         | \$ 2,890     |
| Due to other funds                     | 24,138                                   | 20,599                          | -                               | -                       | -             | 32,952       |
| Total liabilities                      | 26,968                                   | 20,599                          | -                               | -                       | 33            | 35,842       |
| Fund balances - unreserved:            |  |                                 |                                 |                         |               |              |
| Designated for subsequent years'       |  |                                 |                                 |                         |               |              |
| expenditures                           | -  | -                               | -                               | 45,924                  | -             | 45,390       |
| Undesignated                           | 972,630                                  | -                               | 106,580                         | -                       | -             | 701,350      |
| Total fund balances                    | 972,630                                  | -                               | 106,580                         | 45,924                  | -             | 746,740      |
| Total liabilities and fund<br>balances | \$999,598                                | \$20,599                        | \$106,580                       | \$45,924                | \$ 33         | \$ 1,172,734 |

CITY OF PATTERSON, LOUISIANA  
Special Revenue Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1998  
With Comparative Totals for Year Ended June 30, 1997

|   | Sewerage and<br>Solid Waste<br>Sales Tax | Ad Valorem<br>Tax<br>Collection | Fire<br>Department<br>Equipment | Emergency<br>Management | LCDBG<br>Fund | Totals<br>1998   | Totals<br>1997   |
|---|--|---------------------------------|---------------------------------|-------------------------|---------------|------------------|------------------|
| <b>Revenues:</b>  |  |                                 |                                 |                         |               |                  |                  |
| Taxes   | \$ 527,102                               | \$ 224,791                      | \$ 12,266                       | \$ -                    | \$ -          | \$ 764,159       | \$ 680,765       |
| Intergovernmental   | -  | -                               | 14,534                          | -                       | -             | 14,534           | 88,729           |
| Miscellaneous   | 10,818                                   | 1,421                           | 3,509                           | 534                     | -             | 16,282           | 16,365           |
| Total revenues  | <u>537,920</u>                           | <u>226,212</u>                  | <u>30,309</u>                   | <u>534</u>              | <u>-</u>      | <u>794,975</u>   | <u>785,859</u>   |
| <b>Expenditures:</b>                                      |  |                                 |                                 |                         |               |                  |                  |
| Current -   |  |                                 |                                 |                         |               |                  |                  |
| General government  | -  | -                               | 7,187                           | -                       | -             | 7,187            | 3,006            |
| Capital outlay -  |  |                                 |                                 |                         |               |                  |                  |
| Fire department equipment                                 | -  | -                               | 14,354                          | -                       | -             | 14,354           | 3,500            |
| Sewer rehabilitation                                      | -  | -                               | -                               | -                       | -             | -                | 83,729           |
| Total expenditures  | <u>-</u>                                 | <u>-</u>                        | <u>21,541</u>                   | <u>-</u>                | <u>-</u>      | <u>21,541</u>    | <u>90,235</u>    |
| Excess of revenues<br>over expenditures                   | 537,920                                  | 226,212                         | 8,768                           | 534                     | -             | 773,434          | 695,624          |
| <b>Other uses:</b>  |  |                                 |                                 |                         |               |                  |                  |
| Operating transfers out                                   | <u>(168,828)</u>                         | <u>(226,212)</u>                | <u>-</u>                        | <u>-</u>                | <u>-</u>      | <u>(395,040)</u> | <u>(509,447)</u> |
| Excess of revenues<br>over expenditures<br>and other uses | 369,092                                  | -                               | 8,768                           | 534                     | -             | 378,394          | 186,177          |
| Fund balances, beginning                                  | <u>603,538</u>                           | <u>-</u>                        | <u>97,812</u>                   | <u>45,390</u>           | <u>-</u>      | <u>746,740</u>   | <u>560,563</u>   |
| Fund balances, ending                                     | \$ 972,630                               | \$ -                            | \$106,580                       | \$45,924                | \$ -          | \$1,125,134      | \$ 746,740       |



CITY OF PATTERSON, LOUISIANA  
Special Revenue Fund  
Sewerage and Solid Waste Sales Tax Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998                |                     | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual      |
|---|---------------------|---------------------|--|---------------------|
|   | Budget              | Actual              |  | Actual              |
| <b>Revenues:</b>  |                     |                     |  |                     |
| Taxes - sales taxes                                       | \$ 486,000          | \$ 527,102          | \$ 41,102                                | \$ 464,927          |
| Miscellaneous -   |                     |                     |  |                     |
| Interest on deposits                                      | <u>10,075</u>       | <u>10,818</u>       | <u>743</u>                               | <u>11,778</u>       |
| Total revenues  | 496,075             | 537,920             | 41,845                                   | 476,705             |
| <b>Expenditures</b>                                       | <u>-</u>            | <u>-</u>            | <u>-</u>                                 | <u>-</u>            |
| Excess of revenues<br>over expenditures                   | <u>496,075</u>      | <u>537,920</u>      | <u>41,845</u>                            | <u>476,705</u>      |
| <b>Other financing uses:</b>                              |                     |                     |  |                     |
| Transfers to other funds -                                |                     |                     |  |                     |
| General Fund  | -                   | (13,055)            | (13,055)                                 | (144,303)           |
| 1983 Public Improvement<br>Bonds Fund                     | (167,623)           | (155,773)           | 11,850                                   | (154,540)           |
| Utility Fund  | <u>-</u>            | <u>-</u>            | <u>-</u>                                 | <u>(5,185)</u>      |
| Total other financing<br>uses                             | <u>(167,623)</u>    | <u>(168,828)</u>    | <u>(1,205)</u>                           | <u>(304,028)</u>    |
| Excess of revenues<br>over expenditures<br>and other uses | 328,452             | 369,092             | 40,640                                   | 172,677             |
| Fund balance, beginning                                   | <u>603,538</u>      | <u>603,538</u>      | <u>-</u>                                 | <u>430,861</u>      |
| Fund balance, ending                                      | \$ 931,990<br>===== | \$ 972,630<br>===== | \$ 40,640<br>=====                       | \$ 603,538<br>===== |

CITY OF PATTERSON, LOUISIANA  
Special Revenue Fund  
Ad Valorem Tax Collection Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998             |                  | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual   |
|---|------------------|------------------|--|------------------|
|   | Budget           | Actual           |  |                  |
| <b>Revenues:</b>  |                  |                  |  |                  |
| Taxes - ad valorem  | \$ 213,618       | \$ 224,791       | \$ 11,173                                | \$ 203,905       |
| Miscellaneous   | <u>1,382</u>     | <u>1,421</u>     | <u>39</u>                                | <u>1,514</u>     |
| Total revenues  | 215,000          | 226,212          | 11,212                                   | 205,419          |
| <b>Expenditures</b>                                       | <u>-</u>         | <u>-</u>         | <u>-</u>                                 | <u>-</u>         |
| Excess of revenues<br>over expenditures                   | <u>215,000</u>   | <u>226,212</u>   | <u>11,212</u>                            | <u>205,419</u>   |
| <b>Other uses:</b>  |                  |                  |  |                  |
| Transfer to General Fund                                  | (96,320)         | (101,492)        | (5,172)                                  | (91,798)         |
| Transfer to Public<br>Improvement Bonds Fund              | <u>(118,680)</u> | <u>(124,720)</u> | <u>(6,040)</u>                           | <u>(113,621)</u> |
| Total other uses  | <u>(215,000)</u> | <u>(226,212)</u> | <u>(11,212)</u>                          | <u>(205,419)</u> |
| Excess of revenues<br>over expenditures<br>and other uses | -                | -                | -  | -                |
| Fund balance, beginning                                   | <u>-</u>         | <u>-</u>         | <u>-</u>                                 | <u>-</u>         |
| Fund balance, ending                                      | \$ -<br>=====    | \$ -<br>=====    | \$ -<br>=====                            | \$ -<br>=====    |

CITY OF PATTERSON, LOUISIANA  
Special Revenue Fund  
Fire Department Equipment Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|   | 1998             |                  | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual  |
|---|------------------|------------------|--|-----------------|
|   | Budget           | Actual           |  |                 |
| <b>Revenues:</b>                        |                  |                  |  |                 |
| Taxes                                   | \$ 11,933        | \$ 12,266        | \$ 333                                   | \$11,933        |
| Intergovernmental                       | 14,534           | 14,534           | -  | 5,000           |
| Miscellaneous                           | <u>1,640</u>     | <u>3,509</u>     | <u>1,869</u>                             | <u>2,561</u>    |
| Total revenues                          | <u>28,107</u>    | <u>30,309</u>    | <u>2,202</u>                             | <u>19,494</u>   |
| <b>Expenditures:</b>                    |                  |                  |  |                 |
| General government                      | 8,726            | 7,187            | 1,539                                    | 3,006           |
| Capital outlay - equipment              | <u>15,300</u>    | <u>14,354</u>    | <u>946</u>                               | <u>3,500</u>    |
| Total expenditures                      | <u>24,026</u>    | <u>21,541</u>    | <u>2,485</u>                             | <u>6,506</u>    |
| Excess of revenues<br>over expenditures | 4,081            | 8,768            | 4,687                                    | 12,988          |
| Fund balance, beginning                 | <u>97,812</u>    | <u>97,812</u>    | <u>-</u>                                 | <u>84,824</u>   |
| Fund balance, ending                    | <u>\$101,893</u> | <u>\$106,580</u> | <u>\$4,687</u>                           | <u>\$97,812</u> |
|   | =====            | =====            | =====                                    | =====           |

CITY OF PATTERSON, LOUISIANA  
Special Revenue Fund  
Emergency Management Fund

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1998

|   | <u>1998</u>              |                          | Variance -             |                          |
|---|--------------------------|--------------------------|------------------------|--------------------------|
|   | <u>Budget</u>            | <u>Actual</u>            | Favorable              | 1997                     |
|   |                          |                          | (Unfavorable)          | <u>Actual</u>            |
| Revenues:                               |                          |                          |                        |                          |
| Miscellaneous -                         |                          |                          |                        |                          |
| Interest                                | \$ -                     | \$ 534                   | \$ 534                 | \$ 512                   |
| Expenditures                            | <u>-</u>                 | <u>-</u>                 | <u>-</u>               | <u>-</u>                 |
| Excess of revenues<br>over expenditures | -                        | 534                      | 534                    | 512                      |
| Fund balance, beginning                 | <u>45,390</u>            | <u>45,390</u>            | <u>-</u>               | <u>44,878</u>            |
| Fund balance, ending                    | <u>\$45,390</u><br>===== | <u>\$45,924</u><br>===== | <u>\$ 534</u><br>===== | <u>\$45,390</u><br>===== |

CITY OF PATTERSON, LOUISIANA  
Special Revenue Fund  
LCDBG

Statement of Revenues, Expenditures, and Changes in Fund Balance -  
Budget (GAAP Basis) and Actual  
Year Ended June 30, 1998  
With Comparative Actual Amounts for Year Ended June 30, 1997

|  | 1998          |               | Variance -<br>Favorable<br>(Unfavorable) | 1997<br>Actual |
|--|---------------|---------------|--|----------------|
|  | Budget        | Actual        |  |                |
| Revenues:                                |               |               |  |                |
| Intergovernmental                        | \$ -          | \$ -          | \$ -                                     | \$83,729       |
| Expenditures:                            |               |               |  |                |
| Capital outlay - Sewer<br>Rehabilitation | -             | -             | -  | 83,729         |
| Excess of revenues<br>over expenditures  | -             | -             | -  | -              |
| Fund balance, beginning                  | -             | -             | -  | -              |
| Fund balance, ending                     | \$ -<br>===== | \$ -<br>===== | \$ -<br>=====                            | \$ -<br>=====  |

## DEBT SERVICE FUNDS

Public Improvement Bonds - To accumulate monies for payment of the 1998 General Obligation Refunding Bonds. Debt service is financed by the levy of a specific ad valorem tax.

Sales Tax Revenue Refunding Bonds - To accumulate monies for payment of the 1988 Public Improvement Sewer Refunding Bonds and the 1997 Public Improvement Sewer Refunding Bonds. Debt service is financed by the levy of a specific 3/4 percent sewerage and solid waste sales tax.

1973 Paving Assessment Certificates of Indebtedness - To accumulate monies for payment of the 1973 \$46,209 paving assessment certificates of indebtedness.

1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds - To account for excess funds on completed paving assessments.

1990 Paving Assessment Fund - To accumulate monies for payment of the 1990 Paving Certificates. Debt service is financed by payments on the assessments and related interest.

CITY OF PATTERSON, LOUISIANA  
Debt Service Funds

Combining Balance Sheet  
June 30, 1998

With Comparative Totals for June 30, 1997

|                                     | Public<br>Improvement<br>Bonds | Sales Tax<br>Refunding<br>Bonds | 1973<br>Paving<br>Assessments<br>Certificates<br>of<br>Indebtedness | 1966, 1967, 1969,<br>1980 and 1982<br>Paving<br>Assessment Funds | 1990<br>Paving<br>Assessment<br>Fund | Totals                   |
|-------------------------------------|--------------------------------|---------------------------------|---|--|--------------------------------------|--------------------------|
|                                     |                                |                                 |   |  |                                      | 1998      1997           |
| ASSETS                              |                                |                                 |   |  |                                      |                          |
| Cash                                | \$ -                           | \$ -                            | \$4,277   | \$ 19,105  | \$ 25,150                            | \$ 48,532      \$ 33,031 |
| Interest bearing deposits           | 141,726                        | 337,070                         | -   | 120,585  | 73,547                               | 672,928      709,573     |
| Receivables:                        |                                |                                 |   |  |                                      |                          |
| Assessments receivable              | -                              | -                               | 6   | 11,866   | 29,268                               | 41,140      52,016       |
| Accrued interest receivable         | -                              | 799                             | -   | 665  | -                                    | 1,464      1,403         |
| Other receivables                   | -                              | -                               | -   | -  | -                                    | -      42                |
| Due from other funds                | 81,934                         | 566                             | -   | -  | 392                                  | 82,892      76,851       |
| Total assets                        | \$223,660                      | \$338,435                       | \$4,283   | \$152,221  | \$128,357                            | \$846,956      \$872,916 |
| LIABILITIES AND FUND BALANCES       |                                |                                 |   |  |                                      |                          |
| Liabilities:                        |                                |                                 |   |  |                                      |                          |
| Deferred property assessments       | \$ -                           | \$ -                            | \$ 6  | \$ 11,866  | \$ 29,268                            | \$ 41,140      \$ 52,016 |
| Due to other funds                  | 28,458                         | 4,426                           | -   | -  | 70,837                               | 103,721      79,418      |
| Total liabilities                   | 28,458                         | 4,426                           | 6   | 11,866   | 100,105                              | 144,861      131,434     |
| Fund balances:                      |                                |                                 |   |  |                                      |                          |
| Reserved for debt service           | 195,202                        | 334,009                         | -   | -  | 28,252                               | 557,463      600,776     |
| Unreserved, undesignated            | -                              | -                               | 4,277   | 140,355  | -                                    | 144,632      140,706     |
| Total fund balances                 | 195,202                        | 334,009                         | 4,277   | 140,355  | 28,252                               | 702,095      741,482     |
| Total liabilities and fund balances | \$223,660                      | \$338,435                       | \$4,283   | \$152,221  | \$128,357                            | \$846,956      \$872,916 |

CITY OF PATTERSON, LOUISIANA  
Debt Service Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1998  
With Comparative Totals for Year Ended June 30, 1997

|  | Public Improvement Bonds | Sales Tax Refunding Bonds | 1973 Paving Assessments Certificates of Indebtedness | 1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds | 1990 Paving Assessment Fund | Totals            | Totals            |
|--|--------------------------|---------------------------|--|---|-----------------------------|-------------------|-------------------|
|  |                          |                           |  |   |                             | 1998              | 1997              |
| Revenues:  |                          |                           |  |   |                             |                   |                   |
| Miscellaneous -  |                          |                           |  |   |                             |                   |                   |
| Property assessments earned  | \$ -                     | \$ -                      | \$ -   | \$ 494  | \$ 10,378                   | \$ 10,872         | \$ 23,953         |
| Interest on assessments  | -                        | -                         | -  | 692   | 4,091                       | 4,783             | 3,300             |
| Interest on deposits   | 3,354                    | 14,613                    | -  | 2,740   | 2,158                       | 22,865            | 9,934             |
| Penalties on assessments   | -                        | -                         | -  | -   | -                           | -                 | 191               |
| Total revenues   | <u>3,354</u>             | <u>14,613</u>             | <u>-</u>   | <u>3,926</u>  | <u>16,627</u>               | <u>38,520</u>     | <u>37,378</u>     |
| Expenditures:  |                          |                           |  |   |                             |                   |                   |
| Debt service -   |                          |                           |  |   |                             |                   |                   |
| Principal retirement   | 80,000                   | 85,000                    | -  | -   | 22,189                      | 187,189           | 172,189           |
| Interest   | 71,355                   | 41,496                    | -  | -   | 6,823                       | 119,674           | 166,313           |
| Paying agents' fees and fiscal charges   | 23,912                   | 22,034                    | -  | -   | 1,221                       | 47,167            | 1,942             |
| Advance refunding escrow   | 21,443                   | 23,970                    | -  | -   | -                           | 45,413            | -                 |
| Total debt service   | <u>196,710</u>           | <u>172,500</u>            | <u>-</u>   | <u>-</u>  | <u>30,233</u>               | <u>399,443</u>    | <u>340,444</u>    |
| Excess (deficiency) of revenues over expenditures                                  | <u>(193,356)</u>         | <u>(157,887)</u>          | <u>-</u>   | <u>3,926</u>  | <u>(13,606)</u>             | <u>(360,923)</u>  | <u>(303,066)</u>  |
| Other financing sources (uses):  |                          |                           |  |   |                             |                   |                   |
| Operating transfers in   | 124,720                  | 155,773                   | -  | -   | -                           | 280,493           | 283,051           |
| Operating transfers out  | (2,859)                  | -                         | -  | -   | -                           | (2,859)           | (2,961)           |
| Proceeds of refunding bonds  | 830,000                  | 930,000                   | -  | -   | -                           | 1,760,000         | -                 |
| Payment to refund bond escrow agent  | (806,155)                | (909,943)                 | -  | -   | -                           | (1,716,098)       | -                 |
| Total other financing sources (uses)   | <u>145,706</u>           | <u>175,830</u>            | <u>-</u>   | <u>-</u>  | <u>-</u>                    | <u>321,536</u>    | <u>280,090</u>    |
| Excess (deficiency) of revenues and other sources over expenditures and other uses | <u>(47,650)</u>          | <u>17,943</u>             | <u>-</u>   | <u>3,926</u>  | <u>(13,606)</u>             | <u>(39,387)</u>   | <u>(22,976)</u>   |
| Fund balances, beginning   | <u>242,852</u>           | <u>316,066</u>            | <u>4,277</u>   | <u>136,429</u>  | <u>41,858</u>               | <u>741,482</u>    | <u>764,458</u>    |
| Fund balances, ending  | <u>\$ 195,202</u>        | <u>\$ 334,009</u>         | <u>\$ 4,277</u>                                      | <u>\$ 140,355</u>                                       | <u>\$ 28,252</u>            | <u>\$ 702,095</u> | <u>\$ 741,482</u> |



## CAPITAL PROJECTS FUNDS

Drainage and Relocation Project - To account for construction of drainage improvements and utility relocation. \$385,000 of improvements were financed by general obligation bonds and relocation costs were funded by a grant from the State Department of Transportation and Development.

Regional Sewerage Facility Project - To account for the City's portion of the financing and construction of a regional sewerage facility. The facility was jointly built by the City of Patterson, Town of Berwick and Wards Five and Eight of St. Mary Parish. The cost of the project was financed by proceeds from the sale of sewerage sales tax bonds, sewerage and solid waste sales tax funds, and a grant from the state.

Third Street Paving Project - To account for the construction of paving improvements. The cost of the project was financed by property assessments and a grant from the parish.

Murphy Street Paving Project - To account for the construction of paving improvements. The cost of the project was financed by property assessments and a grant from the parish.

CITY OF PATTERSON, LOUISIANA  
Capital Projects Funds

Combining Balance Sheet  
June 30, 1998

With Comparative Totals For June 30, 1997

|                                     | Drainage<br>and<br>Relocation<br>Project | Regional<br>Sewerage<br>Facility<br>Project | Third<br>Street<br>Paving<br>Project | Murphy<br>Street<br>Paving<br>Project | Totals           |
|-------------------------------------|--|---|--------------------------------------|---------------------------------------|------------------|
|                                     | 1998                                     | 1998  | 1998                                 | 1998                                  | 1997             |
| ASSETS                              |  |   |                                      |                                       |                  |
| Cash                                | \$ 1,473                                 | \$ 10,145                                   | \$ -                                 | \$ -                                  | \$ 11,282        |
| Interest-bearing deposits           | 99,231                                   | 100,927                                     | 20,052                               | 30,347                                | 264,363          |
| Receivables:                        |  |   |                                      |                                       |                  |
| Assessments receivable              | -  | -   | -                                    | -                                     | 460              |
| Accrued interest receivable         | -  | 123   | -                                    | -                                     | 111              |
| Due from other funds                | <u>21,443</u>                            | <u>573</u>                                  | -                                    | -                                     | -                |
| Total assets                        | <u>\$122,147</u>                         | <u>\$111,768</u>                            | <u>\$20,052</u>                      | <u>\$30,347</u>                       | <u>\$276,216</u> |
| LIABILITIES AND FUND BALANCES       |  |   |                                      |                                       |                  |
| Liabilities:                        |  |   |                                      |                                       |                  |
| Deferred property assessments       | \$ -                                     | \$ -  | \$ -                                 | \$ -                                  | \$ 461           |
| Due to other funds                  | <u>1,701</u>                             | -   | -                                    | <u>392</u>                            | <u>2,093</u>     |
| Total liabilities                   | <u>1,701</u>                             | -   | -                                    | <u>392</u>                            | <u>2,554</u>     |
| Fund balances - unreserved:         |  |   |                                      |                                       |                  |
| Designated for subsequent years'    |  |   |                                      |                                       |                  |
| expenditures                        | <u>120,446</u>                           | <u>111,768</u>                              | <u>20,052</u>                        | <u>29,955</u>                         | <u>273,662</u>   |
| Total liabilities and fund balances | <u>\$122,147</u>                         | <u>\$111,768</u>                            | <u>\$20,052</u>                      | <u>\$30,347</u>                       | <u>\$276,216</u> |

CITY OF PATTERSON, LOUISIANA  
Capital Projects Funds

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances  
Year Ended June 30, 1998  
With Comparative Totals for Year Ended June 30, 1997

|                                       | Drainage<br>and<br>Relocation<br>Project | Regional<br>Sewerage<br>Facility<br>Project | Third<br>Street<br>Paving<br>Project | Murphy<br>Street<br>Paving<br>Project | Totals         |
|---------------------------------------|--|---|--------------------------------------|---------------------------------------|----------------|
|                                       | 1998                                     | 1998  | 1997                                 | 1997                                  | 1997           |
| Revenues:                             |  |   |                                      |                                       |                |
| Miscellaneous -                       |  |   |                                      |                                       |                |
| Property assessments earned           | \$ -                                     | \$ -  | \$ 105                               | \$ 356                                | \$ 1,222       |
| Interest on assessments               | -  | -   | 16                                   | 47                                    | 1,155          |
| Interest on interest-bearing deposits | <u>5,789</u>                             | <u>990</u>                                  | <u>500</u>                           | <u>756</u>                            | <u>4,733</u>   |
| Total revenues                        | 5,789                                    | 990   | 621                                  | 1,159                                 | 7,110          |
| Expenditures:                         |  |   |                                      |                                       |                |
| Excess of revenues over expenditures  | 5,789                                    | 990   | 621                                  | 1,159                                 | 7,110          |
| Fund balances, beginning              | <u>114,657</u>                           | <u>110,778</u>                              | <u>19,431</u>                        | <u>28,796</u>                         | <u>266,552</u> |
| Fund balances, ending                 | \$120,446                                | \$111,768                                   | \$20,052                             | \$29,955                              | \$273,662      |

## ENTERPRISE FUND

Utility Fund - To account for the provision of gas, water, and sewerage 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 collection.

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|  | <u>1998</u>      | <u>1997</u>        |
|--|------------------|--------------------|
| <b>LIABILITIES AND FUND EQUITY</b>   |                  |                    |
| <b>Liabilities:</b>  |                  |                    |
| Current liabilities (payable from current assets) -  |                  |                    |
| Accounts payable   | \$ 59,784        | \$ 119,647         |
| Due to other funds   | 12,424           | 12,424             |
| Accrued liabilities  | <u>2,719</u>     | <u>2,966</u>       |
| Total current liabilities (payable from current assets)  | <u>74,927</u>    | <u>135,037</u>     |
| Current liabilities (payable from restricted assets) -   |                  |                    |
| Revenue bonds payable, net of unamortized bond discount (1998 \$2,728; 1997 \$2,728)                       | 52,272           | 47,272             |
| Accrued interest payable   | 11,597           | 12,172             |
| Customers' deposits  | <u>200,458</u>   | <u>192,160</u>     |
| Total current liabilities (payable from restricted assets)   | <u>264,327</u>   | <u>251,604</u>     |
| Long-term liabilities:   |                  |                    |
| Revenue bonds payable, net of current portion and unamortized bond discount (1998 \$30,011; 1997 \$32,739) | <u>899,989</u>   | <u>952,261</u>     |
| Total liabilities  | <u>1,239,243</u> | <u>1,338,902</u>   |
| Fund equity:   |                  |                    |
| Contributed capital -  |                  |                    |
| Customers  | 87,281           | 87,281             |
| Municipality   | 5,440,367        | 5,440,367          |
| Federal grants (net of accumulated amortization)   | 426,217          | 448,198            |
| State grants (net of accumulated amortization)   | <u>943,871</u>   | <u>947,697</u>     |
| Total contributed capital  | <u>6,897,736</u> | <u>6,923,543</u>   |
| Retained earnings (deficit) -  |                  |                    |
| Reserved for revenue bond retirement   | 897,554          | 952,390            |
| Unreserved   | <u>(964,348)</u> | <u>(1,179,499)</u> |
| Total retained earnings (deficit)  | <u>(66,794)</u>  | <u>(227,109)</u>   |
| Total fund equity  | <u>6,830,942</u> | <u>6,696,434</u>   |
| Total liabilities and fund equity  | \$ 8,070,185     | \$ 8,035,336       |
|  | =====            | =====              |

CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Revenues, Expenses, and Changes in Retained Earnings  
Years Ended June 30, 1998 and 1997

|   | <u>1998</u>          | <u>1997</u>           |
|---|----------------------|-----------------------|
| Operating revenues:   |                      |                       |
| Charges for services -  |                      |                       |
| Gas sales and services  | \$ 954,708           | \$ 871,598            |
| Water sales and services  | 418,405              | 380,411               |
| Sewerage services   | 332,315              | 299,046               |
| Delinquent charges  | 37,269               | 34,531                |
| Commissions, transfers and reconnections  | 9,881                | 9,957                 |
| Miscellaneous   | <u>12,366</u>        | <u>5,690</u>          |
| Total operating revenues  | <u>1,764,944</u>     | <u>1,601,233</u>      |
| Operating expenses:   |                      |                       |
| Administrative  | 239,790              | 242,178               |
| Gas department  | 771,598              | 719,802               |
| Water department  | 317,851              | 284,720               |
| Sewerage department   | <u>311,074</u>       | <u>293,276</u>        |
| Total operating expenses  | <u>1,640,313</u>     | <u>1,539,976</u>      |
| Operating income  | <u>124,631</u>       | <u>61,257</u>         |
| Nonoperating revenues (expenses):   |                      |                       |
| Interest income   | 45,423               | 39,308                |
| Interest and fiscal charges   | <u>(75,546)</u>      | <u>(78,308)</u>       |
| Total nonoperating revenues (expenses)  | <u>(30,123)</u>      | <u>(39,000)</u>       |
| Income before operating transfers   | 94,508               | 22,257                |
| Operating transfers in  | <u>-</u>             | <u>5,185</u>          |
| Net income  | 94,508               | 27,442                |
| Add: Depreciation on fixed assets acquired by federal grant revenues externally restricted for capital acquisitions and construction that reduces contributed capital | <u>65,807</u>        | <u>49,049</u>         |
| Increase in retained earnings   | 160,315              | 76,491                |
| Retained earnings (deficit), beginning  | <u>(227,109)</u>     | <u>(303,600)</u>      |
| Retained earnings (deficit), ending   | \$ (66,794)<br>===== | \$ (227,109)<br>===== |

CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department  
Years Ended June 30, 1998 and 1997

|   | <u>1998</u>    | <u>1997</u>    |
|---|----------------|----------------|
| <b>Administrative:</b>                      |                |                |
| Salaries                                    | \$ 98,728      | \$ 96,528      |
| Payroll taxes                               | 7,691          | 7,578          |
| Retirement contributions                    | 2,277          | 2,726          |
| Group insurance                             | 18,123         | 15,402         |
| Billing and notice processing               | 10,354         | 11,452         |
| Telephone                                   | 1,280          | 1,286          |
| Office supplies                             | 12,499         | 11,698         |
| Office equipment maintenance and rentals    | 11,491         | 8,787          |
| Building repairs and maintenance            | 135            | 184            |
| Vehicle oil and gas                         | 1,141          | 1,220          |
| Vehicle repairs and maintenance             | 1,258          | 459            |
| Depreciation                                | 11,451         | 11,319         |
| Training and seminars                       | 1,362          | 988            |
| Professional fees                           | 17,570         | 21,519         |
| General insurance                           | 34,179         | 40,569         |
| Miscellaneous                               | <u>10,251</u>  | <u>10,463</u>  |
| Total administrative                        | <u>239,790</u> | <u>242,178</u> |
| <b>Gas department:</b>                      |                |                |
| Salaries                                    | 162,465        | 112,257        |
| Payroll taxes                               | 12,655         | 8,901          |
| Retirement contributions                    | 4,329          | 4,579          |
| Group insurance                             | 21,879         | 20,266         |
| Uncollectible billings                      | 404            | -              |
| Casual labor                                | 3,607          | 2,972          |
| Telephone                                   | 1,920          | 2,104          |
| Utilities                                   | 2,336          | 1,992          |
| Gas purchases                               | 443,428        | 427,614        |
| Operating supplies                          | 7,893          | 4,861          |
| Equipment repairs and maintenance           | 982            | 2,255          |
| Distribution system repairs and maintenance | 14,936         | 12,069         |
| Vehicle oil and gas                         | 7,494          | 7,844          |
| Vehicle repairs and maintenance             | 3,878          | 10,717         |
| Meters, hardware and lines                  | 14,029         | 11,493         |
| Depreciation                                | 64,199         | 85,513         |
| Miscellaneous                               | <u>5,164</u>   | <u>4,365</u>   |
| Total gas department                        | <u>771,598</u> | <u>719,802</u> |

(continued)



CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Operating Expenses by Department (Continued)  
Years Ended June 30, 1998 and 1997

|   | <u>1998</u>                 | <u>1997</u>                 |
|---|-----------------------------|-----------------------------|
| <b>Water department:</b>                    |                             |                             |
| Salaries                                    | \$ 122,249                  | \$ 125,674                  |
| Payroll taxes                               | 9,525                       | 9,848                       |
| Retirement contributions                    | 1,399                       | 2,409                       |
| Group insurance                             | 13,777                      | 10,899                      |
| Uncollectible billings                      | 168                         | -                           |
| Telephone                                   | 1,045                       | 1,055                       |
| Depreciation                                | 83,184                      | 48,751                      |
| Utilities                                   | 9,207                       | 15,751                      |
| Chemicals and agents                        | 32,503                      | 23,667                      |
| Operating supplies                          | 4,423                       | 2,188                       |
| Equipment repairs and maintenance           | 206                         | 236                         |
| Building repairs and maintenance            | 6,996                       | 8,456                       |
| Distribution system repairs and maintenance | 8,831                       | 3,941                       |
| Vehicle oil and gas                         | 1,342                       | 1,512                       |
| Vehicle repairs and maintenance             | 460                         | 92                          |
| Meters, hardware and lines                  | 15,821                      | 24,097                      |
| Miscellaneous                               | 6,715                       | 6,144                       |
| <b>Total water department</b>               | <u>317,851</u>              | <u>284,720</u>              |
| <b>Sewerage department:</b>                 |                             |                             |
| Depreciation                                | 139,005                     | 126,122                     |
| Uncollectible billings                      | 141                         | -                           |
| Utilities                                   | 9,944                       | 10,211                      |
| Sewerage treatment                          | 153,288                     | 141,966                     |
| Operating supplies                          | 2,479                       | 1,646                       |
| Equipment repairs, maintenance and rentals  | 375                         | 1,405                       |
| Distribution system repairs and maintenance | 5,645                       | 8,685                       |
| Engineering                                 | -                           | 2,536                       |
| Miscellaneous                               | 197                         | 705                         |
| <b>Total sewerage department</b>            | <u>311,074</u>              | <u>293,276</u>              |
| <br>  |                             |                             |
| <b>Total operating expenses</b>             | <b>\$1,640,313</b><br>===== | <b>\$1,539,976</b><br>===== |

CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows  
Years Ended June 30, 1998 and 1997

|  | <u>1998</u>       | <u>1997</u>      |
|--|-------------------|------------------|
| Cash flows from operating activities:  |                   |                  |
| Operating income   | \$ <u>124,631</u> | \$ <u>61,257</u> |
| Adjustments to reconcile operating income<br>to net cash provided by operating<br>activities - |                   |                  |
| Depreciation   | 297,839           | 271,705          |
| Changes in current assets and liabilities:   |                   |                  |
| Increase in accounts receivable  | (41,867)          | (6,464)          |
| Decrease in prepaid insurance  | 71                | 107              |
| Increase (decrease) in accounts payable  | (59,863)          | 55,062           |
| Decrease in accrued liabilities  | <u>(247)</u>      | <u>(69)</u>      |
| Total adjustments  | <u>195,933</u>    | <u>320,341</u>   |
| Net cash provided by operating<br>activities   | <u>320,564</u>    | <u>381,598</u>   |
| Cash flows from (used by) noncapital financing<br>activities:                                  |                   |                  |
| Operating transfers in from other funds  | -                 | 5,185            |
| Cash paid to other funds   | <u>(5,042)</u>    | <u>(78,832)</u>  |
| Net cash used by noncapital<br>financing activities  | <u>(5,042)</u>    | <u>(73,647)</u>  |
| Cash flows from (used by) capital and related<br>financing activities:                         |                   |                  |
| Acquisition of plant and equipment   | (197,507)         | (190,979)        |
| Principal paid on revenue bond maturities  | (50,000)          | (45,000)         |
| Interest paid on revenue bonds   | (73,393)          | (76,090)         |
| Capital contributed from federal grant   | 40,000            | 83,729           |
| Increase in customers' meter deposits  | <u>8,298</u>      | <u>5,430</u>     |
| Net cash used by capital and<br>related financing activities                                   | <u>(272,602)</u>  | <u>(222,910)</u> |

(continued)

CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Comparative Statement of Cash Flows (Continued)  
Years Ended June 30, 1998 and 1997

|  | <u>1998</u>           | <u>1997</u>          |
|--|-----------------------|----------------------|
| <b>Cash flows from investing activities:</b>   |                       |                      |
| Purchase of interest-bearing deposits  | \$ (175,623)          | \$ (174,183)         |
| Purchase of investments  | (1,178,381)           | -                    |
| Proceeds from the sale and maturities of interest-bearing deposits                                   | 174,183               | 172,801              |
| Proceeds from maturities of investments  | 578,631               | 405,196              |
| Interest on interest-bearing deposits  | <u>45,383</u>         | <u>39,268</u>        |
| Net cash provided (used) by investing activities   | <u>(555,807)</u>      | <u>443,082</u>       |
| Net increase (decrease) in cash and cash equivalents   | (512,887)             | 528,123              |
| Cash and cash equivalents, beginning of period   | <u>1,388,377</u>      | <u>860,254</u>       |
| Cash and cash equivalents, end of period   | \$ 875,490<br>=====   | \$1,388,377<br>===== |
| <b>Reconciliation of cash and cash equivalents per statement of cash flows to the balance sheet:</b> |                       |                      |
| Cash and cash equivalents, beginning of period -   |                       |                      |
| Cash - unrestricted  | \$ 131,486            | \$ 102,913           |
| Interest-bearing deposits - unrestricted   | 13,908                | 48,635               |
| Cash - restricted  | 168,353               | 281,460              |
| Interest-bearing deposits - restricted   | 1,248,813             | 600,047              |
| Less: Interest-bearing deposits with a maturity over three months                                    | <u>(174,183)</u>      | <u>(172,801)</u>     |
| Total cash and cash equivalents  | <u>1,388,377</u>      | <u>860,254</u>       |
| Cash and cash equivalents, end of period -   |                       |                      |
| Cash - unrestricted  | 136,280               | 131,486              |
| Interest-bearing deposits - unrestricted   | 135,118               | 13,908               |
| Cash - restricted  | 174,116               | 168,353              |
| Interest-bearing deposits - restricted   | 605,599               | 1,248,813            |
| Less: Interest-bearing deposits with a maturity over three months                                    | <u>(175,623)</u>      | <u>(174,183)</u>     |
| Total cash and cash equivalents  | <u>875,490</u>        | <u>1,388,377</u>     |
| Net increase (decrease)  | \$ (512,887)<br>===== | \$ 528,123<br>=====  |

CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Changes in Assets Restricted for Revenue Bond Debt Service  
Year Ended June 30, 1998

|  | <u>Bond and<br/>Interest<br/>Sinking</u> | <u>Bond<br/>Reserve</u>   | <u>Capital<br/>Additions and<br/>Contingencies</u> | <u>Total</u>               |
|--|--|---------------------------|--|----------------------------|
| Cash, interest-bearing<br>deposits and investments,<br>July 1, 1997  | <u>\$ 65,305</u>                         | <u>\$128,388</u>          | <u>\$818,141</u>                                   | <u>\$1,011,834</u>         |
| Cash receipts:   |  |                           |  |                            |
| Transfers from operating<br>cash                                     | 153,787                                  | -                         | 90,912   | 244,699                    |
| Contributed capital -<br>state grant                                 | -  | -                         | 40,000   | 40,000                     |
| Interest on deposits   | <u>2,509</u>                             | <u>3,100</u>              | <u>26,355</u>                                      | <u>31,964</u>              |
| Total cash receipts  | <u>156,296</u>                           | <u>3,100</u>              | <u>157,267</u>                                     | <u>316,663</u>             |
| Total cash, interest-<br>bearing deposits and<br>investments         | <u>221,601</u>                           | <u>131,488</u>            | <u>975,408</u>                                     | <u>1,328,497</u>           |
| Cash disbursements:  |  |                           |  |                            |
| Principal payments   | 50,000                                   | -                         | -  | 50,000                     |
| Interest payments  | 73,030                                   | -                         | -  | 73,030                     |
| Water system improvements  | -  | -                         | 240,944  | 240,944                    |
| Transfer to operating  | -  | <u>3,100</u>              | -  | <u>3,100</u>               |
| Total cash disbursements   | <u>123,030</u>                           | <u>3,100</u>              | <u>240,944</u>                                     | <u>367,074</u>             |
| Cash, interest-bearing<br>deposits and investments,<br>June 30, 1998 | <u>\$ 98,571</u><br>=====                | <u>\$128,388</u><br>===== | <u>\$734,464</u><br>=====                          | <u>\$ 961,423</u><br>===== |

FIDUCIARY FUNDS

AGENCY FUNDS

Payroll and Disbursements Funds - To account for the centralization of two clearing accounts which are used for the disbursements (except for transfers between funds) of all City funds, including those for purchases, payroll and payroll-related costs.

CITY OF PATTERSON, LOUISIANA  
Fiduciary Funds

Combining Balance Sheet  
June 30, 1998  
With Comparative Totals for June 30, 1997

|                      | <u>Payroll</u><br><u>Fund</u> | <u>Disbursement</u><br><u>Fund</u> | <u>Totals</u>   |                 |
|----------------------|-------------------------------|------------------------------------|-----------------|-----------------|
|                      |                               |                                    | <u>1998</u>     | <u>1997</u>     |
| <b>ASSETS</b>        |                               |                                    |                 |                 |
| Cash                 | \$42,815                      | \$ 6,335                           | \$49,150        | \$47,892        |
| Due from other funds | <u>-</u>                      | <u>12,424</u>                      | <u>12,424</u>   | <u>12,424</u>   |
| <b>Total assets</b>  | <b>\$42,815</b>               | <b>\$18,759</b>                    | <b>\$61,574</b> | <b>\$60,316</b> |
|                      | =====                         | =====                              | =====           | =====           |
| <b>LIABILITIES</b>   |                               |                                    |                 |                 |
| Due to other funds   | \$42,815                      | \$18,759                           | \$61,574        | \$60,316        |
|                      | =====                         | =====                              | =====           | =====           |

CITY OF PATTERSON, LOUISIANA  
Fiduciary Funds

Combining Statement of Changes in Assets and Liabilities  
Year Ended June 30, 1998

|                                     | <u>Balance</u><br><u>7/01/97</u> | <u>Additions</u> | <u>Deductions</u> | <u>Balance</u><br><u>6/30/98</u> |
|-------------------------------------|----------------------------------|------------------|-------------------|----------------------------------|
| <u>PAYROLL FUND</u>                 |                                  |                  |                   |                                  |
| ASSETS                              |                                  |                  |                   |                                  |
| Cash                                | \$41,557                         | \$1,033,836      | \$1,032,578       | \$42,815                         |
|                                     | =====                            | =====            | =====             | =====                            |
| LIABILITIES                         |                                  |                  |                   |                                  |
| Due to other funds                  | \$41,557                         | \$1,033,836      | \$1,032,578       | \$42,815                         |
|                                     | =====                            | =====            | =====             | =====                            |
| <u>DISBURSEMENT FUND</u>            |                                  |                  |                   |                                  |
| ASSETS                              |                                  |                  |                   |                                  |
| Cash                                | \$ 6,335                         | \$1,113,281      | \$1,113,281       | \$ 6,335                         |
| Due from other funds                | <u>12,424</u>                    | <u>619,091</u>   | <u>619,091</u>    | <u>12,424</u>                    |
| Total assets                        | \$18,759                         | \$1,732,372      | \$1,732,372       | \$18,759                         |
|                                     | =====                            | =====            | =====             | =====                            |
| LIABILITIES                         |                                  |                  |                   |                                  |
| Due to other funds                  | \$18,759                         | \$ 494,190       | \$ 494,190        | \$18,759                         |
|                                     | =====                            | =====            | =====             | =====                            |
| <u>TOTALS - ALL FIDUCIARY FUNDS</u> |                                  |                  |                   |                                  |
| ASSETS                              |                                  |                  |                   |                                  |
| Cash                                | \$47,892                         | \$2,147,117      | \$2,145,859       | \$49,150                         |
| Due from other funds                | <u>12,424</u>                    | <u>619,091</u>   | <u>619,091</u>    | <u>12,424</u>                    |
| Total assets                        | \$60,316                         | \$2,766,208      | \$2,764,950       | \$61,574                         |
|                                     | =====                            | =====            | =====             | =====                            |
| LIABILITIES                         |                                  |                  |                   |                                  |
| Due to other funds                  | \$60,316                         | \$1,528,026      | \$1,526,768       | \$61,574                         |
|                                     | =====                            | =====            | =====             | =====                            |

GENERAL FIXED ASSETS ACCOUNT GROUP

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



CITY OF PATTERSON, LOUISIANA

Comparative Statement of General Fixed Assets  
June 30, 1998 and 1997

|  | <u>1998</u>                 | <u>1997</u>                 |
|--|-----------------------------|-----------------------------|
| General fixed assets, at cost:           |                             |                             |
| Land                                     | \$ 230,244                  | \$ 230,244                  |
| Buildings                                | 385,720                     | 369,807                     |
| Equipment                                | <u>651,354</u>              | <u>584,699</u>              |
| Total general fixed assets               | <u>\$1,267,318</u><br>===== | <u>\$1,184,750</u><br>===== |
| Investment in general fixed assets:      |                             |                             |
| Property acquired from -                 |                             |                             |
| General Fund revenues                    | \$ 637,937                  | \$ 569,723                  |
| Federal revenue sharing funds            | 35,145                      | 35,145                      |
| Federal and local grants                 | 202,934                     | 202,934                     |
| Special revenue fund revenues            | <u>391,302</u>              | <u>376,948</u>              |
| Total investment in general fixed assets | <u>\$1,267,318</u><br>===== | <u>\$1,184,750</u><br>===== |

CITY OF PATTERSON, LOUISIANA

Statement of Changes in General Fixed Assets  
Year Ended June 30, 1998

|                                 | <u>Land</u>        | <u>Buildings</u>   | <u>Equipment</u>   | <u>Total</u>         |
|---------------------------------|--------------------|--------------------|--------------------|----------------------|
| General fixed assets, beginning | \$230,244          | \$369,807          | \$584,699          | \$1,184,750          |
| <b>Additions:</b>               |                    |                    |                    |                      |
| General Fund revenues           | -                  | 6,412              | 71,269             | 77,681               |
| Special Revenue Fund revenues   | -                  | 9,501              | 4,853              | 14,354               |
| <b>Deletions:</b>               |                    |                    |                    |                      |
| General Fund revenues           | <u>-</u>           | <u>-</u>           | <u>(9,467)</u>     | <u>(9,467)</u>       |
| General fixed assets, ending    | \$230,244<br>===== | \$385,720<br>===== | \$651,354<br>===== | \$1,267,318<br>===== |

GENERAL LONG-TERM DEBT ACCOUNT GROUP

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

CITY OF PATTERSON, LOUISIANA

Statement of General Long-Term Debt

June 30, 1998

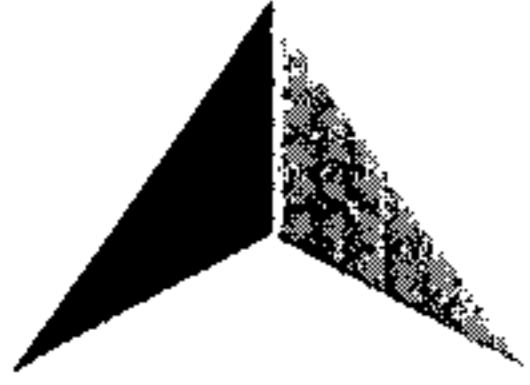
With Comparative Totals for June 30, 1997

|  | Capital Lease | Public Improvement Bonds | Sales Tax Refunding Bonds | 1990                           |             | Totals      |      |
|--|---------------|--------------------------|---------------------------|--------------------------------|-------------|-------------|------|
|  |               |                          |                           | Paving Assessment Certificates |             | 1998        | 1997 |
| AMOUNT AVAILABLE AND TO BE PROVIDED FOR THE RETIREMENT OF GENERAL LONG-TERM DEBT |               |                          |                           |                                |             |             |      |
| Amount available in debt service funds for debt retirement                       | \$ -          | \$195,202                | \$334,009                 | \$28,252                       | \$ 557,463  | \$ 600,776  |      |
| Amount to be provided from:  |               |                          |                           |                                |             |             |      |
| General Fund revenues  | 19,186        | -                        | -                         | -                              | 19,186      | 5,494       |      |
| Ad valorem taxes   | -             | 734,798                  | -                         | -                              | 734,798     | 732,148     |      |
| Sales and use taxes  | -             | -                        | 575,991                   | -                              | 575,991     | 618,934     |      |
| Property assessments   | -             | -                        | -                         | 38,314                         | 38,314      | 46,896      |      |
| Total available and to be provided   | \$19,186      | \$930,000                | \$910,000                 | \$66,566                       | \$1,925,752 | \$2,004,248 |      |
| GENERAL LONG-TERM DEBT PAYABLE   |               |                          |                           |                                |             |             |      |
| Lease obligation payable   | \$19,186      | \$ -                     | \$ -                      | \$ -                           | \$ 19,186   | \$ 5,494    |      |
| Bonds payable  | -             | 930,000                  | 910,000                   | -                              | 1,840,000   | 1,910,000   |      |
| Certificates of indebtedness payable   | -             | -                        | -                         | 66,566                         | 66,566      | 88,754      |      |
| Total general long-term debt   | \$19,186      | \$930,000                | \$910,000                 | \$66,566                       | \$1,925,752 | \$2,004,248 |      |

**INTERNAL CONTROL**

**AND**

**COMPLIANCE**



Eugene H. Darnall, CPA, Retired 1990

E. Larry Sikes, CPA  
Danny P. Frederick, CPA  
Clayton F. Darnall, CPA  
Eugene H. Darnall, III, CPA  
Paula D. Bilim, CPA  
Stephanie M. Higginbotham, CPA

Floyd E. Dore, Jr., CPA

# Darnall, Sikes & Frederick

(A Corporation of Certified Public Accountants)

Kathleen J. Darnall, CPA  
Jennifer S. Ziepler, CPA  
Stephen R. Discher, MBA, CPA  
Chris A. Miller, CPA  
Alan M. Taylor, CPA  
Christine A. Raspberry, CPA  
John P. Armato, CPA  
Steven G. Moosa, CPA  
Lamela Landry, CPA  
Susan B. Dembowski, CPA

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

Offices:

125 Rue Beauregard  
Lafayette, LA 70508  
318.232.3312

12311 Laurel Avenue  
Lunice, LA 70535  
318.457.4146

1201 Brashear Avenue  
Suite 301  
Morgan City, LA 70380  
504.384.6264

404 Pere Mezier  
Abbeville, LA 70510  
318.893.5470

dstcpas.com

The Honorable James L. Bernauer, Mayor  
and Members of the City Council  
City of Patterson, Louisiana

We have audited the general purpose financial statements of the City of Patterson, Louisiana, as of and for the year ended June 30, 1998, and have issued our report thereon dated September 11, 1998. We conducted our audit in accordance with generally accepted auditing standards, and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

### Compliance

As part of obtaining reasonable assurance about whether the City of Patterson, Louisiana's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of general purpose financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Patterson, Louisiana's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. However, we noted one matter involving the internal control over reporting and its operations that we consider to be a reportable condition.

Member of  
American Institute of  
Certified Public Accountants  
Society of Louisiana  
Certified Public Accountants

Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the City of Patterson, Louisiana's ability to record, process, summarize and report financial data consistent with the assertions of management in the general purpose financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as item 98-1.

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 structure over financial reporting would not necessarily disclose all matters in the internal control structure that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe the reportable condition described above is a material weakness.

This report is intended for the information of the Mayor and City Council and management. However, this report is a matter of public record and its distribution is not limited.

*Darnall, Sikes & Frederick*

A Corporation of Certified Public Accountants

Morgan City, Louisiana  
September 11, 1998

**OTHER SUPPLEMENTARY INFORMATION**



CITY OF PATTERSON, LOUISIANA  
Enterprise Fund  
Utility Fund

Schedule of Number of Utility Customers  
(Unaudited)  
June 30, 1998

Records maintained by the City indicated the following number of customers were being served during the months of June, 1998 and 1997:

| <u>Department</u> | <u>1998</u> | <u>1997</u> |
|-------------------|-------------|-------------|
| Gas (metered)     | 2,181       | 2,204       |
| Water (metered)   | 2,219       | 2,129       |
| Sewerage          | 1,929       | 1,857       |
| Sanitation*       | 1,922       | 1,840       |

\*Note: Sanitation services are billed and collected by the City on the regular utility bills sent out. The related incomes, expenses, receivables and payables are recorded in the City's General Fund.

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| Water          |                | Sewerage       |                | Administrative   |                  |
|----------------|----------------|----------------|----------------|------------------|------------------|
| 1998           | 1997           | 1998           | 1997           | 1998             | 1997             |
| \$418,405      | \$380,411      | \$332,315      | \$299,046      | \$ -             | \$ -             |
| 13,067         | 16,967         | 11,359         | -              | -                | -                |
| 3,464          | 5,959          | 3,012          | -              | -                | -                |
| -              | -              | -              | -              | -                | -                |
| <u>434,936</u> | <u>403,337</u> | <u>346,686</u> | <u>299,046</u> | <u>-</u>         | <u>-</u>         |
| 122,249        | 125,674        | -              | -              | 98,728           | 96,528           |
| 9,525          | 9,848          | -              | -              | 7,691            | 7,578            |
| 1,399          | 2,409          | -              | -              | 2,277            | 2,726            |
| 13,777         | 10,899         | -              | -              | 18,123           | 15,402           |
| -              | -              | -              | -              | -                | -                |
| 32,503         | 23,667         | -              | -              | -                | -                |
| 7,202          | 8,692          | 375            | 1,405          | -                | -                |
| 8,831          | 3,941          | 5,645          | 8,685          | -                | -                |
| 1,342          | 1,512          | -              | -              | 1,141            | 1,220            |
| 460            | 92             | -              | -              | 1,258            | 459              |
| 15,821         | 24,097         | -              | -              | -                | -                |
| -              | -              | -              | 2,536          | 17,570           | 21,519           |
| 83,184         | 48,751         | 139,005        | 126,122        | 11,451           | 11,319           |
| -              | -              | -              | -              | 34,179           | 40,569           |
| 4,423          | 2,188          | 2,479          | 1,646          | 34,479           | 32,121           |
| -              | -              | 153,288        | 141,966        | -                | -                |
| 17,135         | 22,950         | 10,282         | 10,916         | 12,893           | 12,737           |
| <u>84,072</u>  | <u>83,295</u>  | <u>73,085</u>  | <u>72,653</u>  | <u>(239,790)</u> | <u>(242,178)</u> |
| <u>401,923</u> | <u>368,015</u> | <u>384,159</u> | <u>365,929</u> | <u>-</u>         | <u>-</u>         |
| \$ 33,013      | \$ 35,322      | \$(37,473)     | \$(66,883)     | \$ -             | \$ -             |
| =====          | =====          | =====          | =====          | =====            | =====            |

CITY OF PATTERSON, LOUISIANA

Schedule of Insurance in Force  
(Unaudited)  
June 30, 1998

| <u>Description of Coverage</u>   | <u>Coverage Amounts</u> |
|--|-------------------------|
| Workmen's Compensation -<br>Employer's liability   | Statutory<br>\$100,000  |
| Surety Bonds -   |                         |
| Mrs. JoAnn Smits   | 25,000                  |
| Mrs. Pam Washington  | 5,000                   |
| Public employees   | 5,000                   |
| Public right-of-way  | 1,528                   |
| Policemen's Professional Liability   | 500,000                 |
| Comprehensive General Liability, Bodily Injury,<br>and Property Damage                                       | 500,000                 |
| Comprehensive Automobile Liability   | 500,000                 |
| Fire, Lightning, and Extended Coverage -<br>Buildings and contents, all risks except flood<br>and earthquake | 1,815,819               |
| Summer Recreation Program -  |                         |
| Death and dismemberment  | 3,000                   |
| Medical expense  | 10,000                  |
| Public officials errors and omissions  | 500,000                 |

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits and Investments - All Funds  
June 30, 1998

|   | <u>Term</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u>    |
|---|-------------|----------------------|----------------------|------------------|
| <b>General Fund:</b>                                      |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | \$ 36,050        |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 58,685           |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 150,577          |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 54,222           |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 274,431          |
| Savings   | N/A         | N/A                  | 2.415%               | 146,827          |
| Savings   | N/A         | N/A                  | 2.415%               | 2,584            |
| Savings   | N/A         | N/A                  | 2.415%               | 2,148            |
| Certificate of deposit                                    | 31 days     | 7/30/98              | 3.015%               | 45,000           |
| Certificate of Deposit - Patterson State Bank             | 91 days     | 8/03/98              | 3.515%               | 50,000           |
| Certificate of Deposit - Patterson State Bank             | 91 days     | 9/16/98              | 3.515%               | 30,000           |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 8/27/98              | 4.215%               | 796              |
| Certificate of Deposit - Patterson State Bank             | 181 days    | 7/15/98              | 4.215%               | 172,483          |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 8/27/98              | 4.215%               | 86,487           |
| Investment - US Treasury Bill                             | 6 months    | 12/03/98             | 4.895%               | 399,885          |
|   |             |                      |                      | <u>1,510,175</u> |
| <b>Special Revenue Funds:</b>                             |             |                      |                      |                  |
| Sewerage and Solid Waste Sales Tax Fund -                 |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 174,203          |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 11/05/98             | 4.215%               | 155,000          |
| Investment - US Treasury Bill                             | 6 months    | 11/05/98             | 4.90%                | 487,682          |
|   |             |                      |                      | <u>816,885</u>   |
| Ad Valorem Tax Collection Fund -                          |             |                      |                      |                  |
| Savings   | N/A         | N/A                  | 2.015%               | <u>11,914</u>    |
| Fire Department Equipment Fund -                          |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 17,562           |
| Certificate of Deposit - Patterson State Bank             | 90 days     | 8/19/98              | 3.515%               | 25,000           |
| Certificate of Deposit - Patterson State Bank             | 1 year      | 09/24/98             | 4.515%               | 50,000           |
|   |             |                      |                      | <u>92,562</u>    |
| Emergency Management Fund -                               |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | <u>21,333</u>    |
| Total special revenue funds                               |             |                      |                      | <u>942,694</u>   |
| <b>Debt Service Funds:</b>                                |             |                      |                      |                  |
| Public Improvement Bonds Fund -                           |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | <u>141,726</u>   |
| Sales Tax Revenue Refunding Bonds Series -                |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | 136,732          |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 11/23/98             | 4.215%               | 200,338          |
|   |             |                      |                      | <u>337,070</u>   |
| 1966, 1967, 1969, 1980 and 1982 Paving Assessment Funds - |             |                      |                      |                  |
| Savings   | N/A         | N/A                  | 2.015%               | 94               |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 8/27/98              | 4.215%               | 54,917           |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 8/24/98              | 4.215%               | 42,974           |
| Certificate of Deposit - Patterson State Bank             | 182 days    | 8/24/98              | 4.215%               | 22,600           |
|   |             |                      |                      | <u>120,585</u>   |
| 1990 Street Paving Project -                              |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | <u>73,547</u>    |
| Total debt service funds                                  |             |                      |                      | <u>672,928</u>   |
| <b>Capital Projects Funds:</b>                            |             |                      |                      |                  |
| 1980 Drainage Project Fund -                              |             |                      |                      |                  |
| Insured Money Market                                      | N/A         | N/A                  | 2.415%               | <u>99,231</u>    |

(continued)

CITY OF PATTERSON, LOUISIANA

Schedule of Interest-Bearing Deposits and Investments - All Funds (Continued)  
June 30, 1998

|   | <u>Term</u> | <u>Maturity Date</u> | <u>Interest Rate</u> | <u>Amount</u>      |
|---|-------------|----------------------|----------------------|--------------------|
| Regional Sewerage Facility Project Fund -     |             |                      |                      |                    |
| Certificate of Deposit - Patterson State Bank | 182 days    | 9/01/98              | 4.215%               | 20,070             |
| Certificate of Deposit - Patterson State Bank | 182 days    | 8/24/98              | 4.215%               | 80,857             |
|   |             |                      |                      | <u>100,927</u>     |
| Third Street Paving Project:                  |             |                      |                      |                    |
| Insured Money Market                          | N/A         | N/A                  | 2.415%               | <u>20,052</u>      |
| Murphy Street Paving Project:                 |             |                      |                      |                    |
| Insured Money Market                          | N/A         | N/A                  | 2.415%               | <u>30,347</u>      |
| Total capital projects funds                  |             |                      |                      | <u>250,557</u>     |
| Utility Funds:                                |             |                      |                      |                    |
| Insured Money Market                          | N/A         | N/A                  | 2.415%               | 263,506            |
| Insured Money Market                          | N/A         | N/A                  | 2.415%               | 29,077             |
| Insured Money Market                          | N/A         | N/A                  | 2.415%               | 177,177            |
| Savings                                       | N/A         | N/A                  | 2.015%               | 32,609             |
| Savings                                       | N/A         | N/A                  | 2.015%               | 62,725             |
| Certificate of Deposit - Patterson State Bank | 182 days    | 11/20/98             | 4.215%               | 140,275            |
| Certificate of Deposit - Patterson State Bank | 182 days    | 8/29/98              | 4.215%               | 35,348             |
| Investment - US Treasury Bill                 | 6 months    | 12/3/98              | 4.905%               | 599,750            |
|   |             |                      |                      | <u>1,340,467</u>   |
| Total - all funds                             |             |                      |                      | <u>\$4,716,821</u> |

CITY OF PATTERSON, LOUISIANA

Summary Schedule of Prior Year Findings  
Year Ended June 30, 1998

97-1 Finding: Timeliness of Deposit of Fines

Status: This finding has been resolved. Fines are being deposited weekly.

CITY OF PATTERSON, LOUISIANA

Schedule of Findings and Questioned Costs  
Year Ended June 30, 1998

Part 1: Summary of Auditor's Results

FINANCIAL STATEMENTS

Auditor's Report - Financial Statements

An unqualified opinion has been issued on the City of Patterson, Louisiana's general purpose financial statements as of and for the year ended June 30, 1998.

Reportable Conditions - Financial Statements

One reportable condition in internal control over financial reporting was disclosed during the audit of the financial statements and is shown as item 98-1 in Part 2 and is considered a material weakness.

Material Noncompliance - Financial Reporting

There were no material instances of noncompliance noted during the audit of the financial statements.

FEDERAL AWARDS

This section is not applicable for the fiscal year ended June 30, 1998.

Part 2: Findings Relating to an Audit in Accordance with Government Auditing Standards

98-1 Lack of Appropriate Documentation for Disbursements in Fire Department Equipment Fund

Finding:

Disbursements were noted during the audit where documentation supporting the disbursement (i.e. invoice) could not be located.

Recommendation:

All disbursements should be supported by a valid invoice or some other documentation that adequately establishes the purpose of the disbursement.

Part 3: Findings and Questioned Costs Relating to Federal Programs

At June 30, 1998, the City of Patterson, Louisiana did not meet the requirements to have a single audit in accordance with OMB Circular A-133, therefore this section is not applicable.



CITY OF PATTERSON, LOUISIANA

Management's Corrective Action Plan For Current Year Findings  
Year Ended June 30, 1998

Response to Finding 98-1:

The City will insure that all disbursements will be supported by adequate documentation and that the documentation will be filed in a manner so that it can be easily located.